

STATE OF COLORADO



Colorado Department of Human Services

people who help people

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Bill Ritter, Jr.
Governor

Karen L. Beye
Executive Director

November 1, 2010

The Honorable Mark Ferrandino
Chair – Joint Budget Committee
Legislative Services Building, 3rd Fl
200 East 14th Ave
Denver, Colorado 80203

Dear Representative Ferrandino:

The Department of Human Services is submitting the FY 2009-10 Annual Report Of Early Intervention Services in accordance with Section 27-10.5-710, C.R.S. (2010). The report provides information on the various funding sources used for early intervention services, the number of eligible children served, the average cost of early intervention services, and other information on the Early Intervention Services program.

If you have questions, or need additional information, please contact Sharon Jacksi, Director of the Division for Developmental Disabilities, at (303) 866-7454 or sharon.jacksi@state.co.us.

Sincerely,



Jenise May
Deputy Executive Director

Enclosure

cc: Senator Maryanne "Moe" Keller, Vice-Chairman, Joint Budget Committee
Representative Cheri Gerou, Member, Joint Budget Committee
Senator Mary Hodge, Member, Joint Budget Committee
Representative Dickey Lee Hullinghorst, Member, Joint Budget Committee
Senator Al White, Member, Joint Budget Committee
Eric Kurtz, Budget Analyst, Joint Budget Committee
Representative Jim Riesberg, Chair, Health and Human Services Committee
Representative Sara Gagliardi, Vice Chair, Health and Human Services Committee
Representative Cindy Acree, Member, Health and Human Services Committee
Representative Dennis Apuan, Member, Health and Human Services Committee

Representative John Kefalas, Member, Health and Human Services Committee
Representative Jim Kerr, Member, Health and Human Services Committee
Representative Dianne Primavera, Member, Health and Human Services Committee
Representative Ellen Roberts, Member, Health and Human Services Committee
Representative Spencer Swalm, Member, Health and Human Services Committee
Representative Max Tyler, Member, Health and Human Services Committee
Senator Betty Boyd, Chair, Health and Human Services Committee
Senator Linda Newell, Vice Chair, Health and Human Services Committee
Senator Morgan Carroll, Member, Health and Human Services Committee
Senator Kevin Lundberg, Member, Health and Human Services Committee
Senator Shawn Mitchell, Member, Health and Human Services Committee
Senator Paula Sandoval, Member, Health and Human Services Committee
Todd Saliman, Director, Office of State Planning and Budget
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Barbara Ramsey, Assistant Deputy Executive Director, Office of Veterans & Disability Services, CDHS
Sharon Jacksi, Director, Division, for Developmental Disabilities, CDHS
Will Kugel, Director, Budget Office, CDHS

***FY 2009-10
Annual Report
Of
Early Intervention Services***

Submitted to

Joint Budget Committee
And
Senate Health and Human Services Committee
House Health and Human Services Committee
Senate Education Committee
House Education Committee

November 1, 2010

by

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Early Intervention Services FY 2009-10 Annual Report

The Department of Human Services (the Department) is submitting the following report in accordance with Section 27-10.5-710, C.R.S. (2010):

(1) By November 1, 2008, and by November 1 each year thereafter, the department shall submit an annual report to the general assembly regarding the various funding sources used for early intervention services, the number of eligible children served, the average cost of early intervention services, and any other information the department deems appropriate. The department shall submit the report to the joint budget committee as part of the department's annual budget request. The department shall also submit the report to the health and human services committees and the education committees of the senate and house of representatives, or any successor committees.

(2) The department shall request, and certified early intervention service brokers and qualified early intervention service providers shall provide, information regarding early intervention services that the department needs to prepare the annual report required by this section or other required federal or state reports.

Background and Program Description:

Early Intervention (EI) services are administered by the Division for Developmental Disabilities (DDD). DDD provides leadership for the direction, funding, and operation of services for adults and children with developmental disabilities within Colorado through both community-based services and state-operated services. DDD services are administered under the Office of Veterans and Disability Services (VDS) of the Colorado Department of Human Services (CDHS).

EI services are provided to infants and toddlers, birth through two years of age, who have been determined to have a developmental delay or disability, who have been diagnosed with a physical or mental condition that has a high probability of resulting in a significant delay in development, or who are living with a parent who has a developmental disability. EI services provide eligible infants and toddlers, and their families with services and supports to enhance child development in the areas of cognition, speech, communication, physical development, motor development, vision, hearing, social and emotional development, self-help skills, parent-child interaction, and early identification, screening and assessment services.

DDD contracts with twenty Community Centered Boards (CCBs) to deliver community-based services to persons with developmental disabilities. CCBs are private non-profit organizations that are designated annually by DDD as the single entry point into the long-term service and support system for persons with developmental disabilities under Sections 27-10.5-102 (3) and 105, C.R.S. (2010). Each CCB has a non-overlapping geographic service region of one to ten counties. CCBs are responsible for intake, eligibility determination, service plan development, arrangement for services, delivery of services, monitoring, and many other functions.

CCBs have also been designated by DDD as certified EI service brokers under Section 27-10.5-702, C.R.S. (2010). CCBs either deliver services directly and/or contract with qualified individual early intervention professionals to provide EI services to eligible infants and toddlers.

FY 2009-10 Utilization Data:

The following information was submitted by the CCBs (i.e., certified EI service brokers) to DDD through survey information or data entered in the DDD Community Contract and Management System (CCMS). Due to the November 1, 2010 reporting requirement to submit this data to the General Assembly, this report contains un-audited financial information from the CCBs.

1) The number of eligible children served

10,739¹ = The total unduplicated count of infants and toddlers served as reported by CCBs at any point during the fiscal year. This represents a 7.2% increase from last year's unduplicated count of 10,016.

The increase in growth that was noted in FY 2008-09 (i.e., 30.9%) slowed in FY 2009-10. The factors for the decrease in the percentage of growth include a more stable rate of referral of infants and toddlers who are eligible for services, no increase in the rate of eligible children referred because they have a substantiated case of abuse or neglect, and the increased reliability of the data that is being maintained for all eligible infants and toddlers receiving early intervention services regardless of funding source.

Due to the narrow window of eligibility for EI services, birth through two years of age, and the variety of characteristics of developmental needs of the children, the program experiences a high turnover rate. While the yearly unduplicated count does provide a good representation of the demand on the program in relation to the volume of referrals, intake, eligibility determinations and initial Individualized Family Service Plan (IFSP) development, it can appear misleading as to level of ongoing demand for EI services. A more discerning measure of the ongoing demand for direct services is a monthly average.

5,667 = The total unduplicated average count of children served each month per CCMS. This represents a monthly increase of 6.5% from last year's unduplicated average count of 5,322.

2) The various funding sources used

In accordance with Section 27-10.5-706, C.R.S. (2010), DDD must use a coordinated system of payment for EI services. DDD has developed a funding hierarchy that is used by the CCBs during the IFSP development process to identify the possible funding sources that may be available to each child. The funding hierarchy below is the order in which funding sources are accessed for service payment. Beginning from the top of the hierarchy and moving downward, if a funding source is not available then the next source down on the list is considered, and so forth until an appropriate funding source is located. The funding hierarchy is as follows:

- Private pay - at the discretion of the parent(s)
- Private Health Insurance (with written consent of the parent)

¹ This count represents all the children who were determined eligible for EI Services, had an active Individualized Family Service Plan (IFSP) and who received one or more EI Services during the fiscal year.

- Medicaid /Title XIX funding and Child Health Plan Plus (CHP+)
- Child Welfare and Temporary Assistance to Needy Families (TANF)
- Department of Education Part B of the Individuals with Disabilities Education Act (IDEA) and School for the Deaf and Blind
- State General Funded EI services and Other State and Federal Funds
- Other Local Funds, as may be made available
- Traumatic Brain Injury Trust Fund
- Federal American Recovery and Reinvestment Act (ARRA) Funds and Part C of IDEA Funds

FY 2009-10 was the third year in which the EI program utilized the funding hierarchy and more discriminately captured the use of funding sources other than State or Federal funds. The following data were submitted by CCBs, and represent counts of children served by the various funding sources, meaning that the same child may have been reported in more than one funding source (i.e., it is not an unduplicated total count). For example, a child may receive physical therapy covered under private health insurance and developmental intervention services covered under State EI funding.

Additionally, the counts represent only those funding sources known to the CCBs. This list does not represent the full array of funding sources since a CCB may not always know about other sources used by families or the extent to which a funding source may be used. For example, a CCB may not have knowledge about a family who uses an insurance carrier's in-network provider funded under their private health insurance plan that is not regulated under Section 10-16-104 (1.3), C.R.S. (2010).

The following data compares FY 2008-09 and FY 2009-10 actual billings, when available, and the number of funding sources accessed and reported in CCMS.

7,109 = State EI Funds

(10.5% increase from last year's number of 6,433)

The increase can be primarily attributed to an increase in the number of children who needed early intervention services that may or may not be covered fully by other funding sources. In some cases, State EI funds may have only paid for a portion of the needed services. Therefore, while the overall amount of General Fund did not increase in FY 2009-10, the number of children served with this funding source did.

3,643 = American Recovery and Reinvestment Act (ARRA)

(previously not available)

ARRA funds were used to supplement those services not covered by other sources in the funding hierarchy and were used before the Federal Part C funds. ARRA funds are temporary, and must be fully expended by December 31, 2011.

3,714 = Federal Part C Funds

(52.6% increase from last year's number of 2,434)

The increase can be primarily attributed to the increase in the number of children who needed early intervention services that may or may not be covered fully by other funding sources. Federal Part C funds are always used as payor of last

resort. The increase in the number of children using this funding source is representative of the degree to which multiple funding sources are being used in order to ensure the availability of all needed services for an eligible infant or toddler.

2,446 = Medicaid
(24.6% increase from last year's number of 1,963)

The increase can be primarily attributed to an increase in the number of Medicaid eligible children, in addition to the increase in the CCBs use of the funding hierarchy and in working with qualified Medicaid providers to provide early intervention services.

1,360 = Private Health Insurance (Trust Fund only)
(36.6% increase from last year's number of 995)

The increase can be primarily attributed to FY 2009-10 being the second year of implementation of Senate Bill 07-004, which required coverage of EI services and the changes made in House Bill 09-1237, which made use of the State administered Trust Fund mandatory. The complexity of CCBs having to contact so many different insurance agencies for so many different families has been simplified and streamlined by having all insurance plans deposit funds into the Trust.

217 = Other Private Health Insurance

This is the number of children for whom private health insurance is noted as a funding source on the Individualized Family Service Plan. It may have been accessed by providers outside of the CCB but is not required to be reported in the State database as CCBs may not have access to this information.

3) The average cost of early intervention services

\$3,405 = The average annual cost of direct services per child in FY 2009-10 based on the un-audited financial statements submitted by the CCBs for this report. This amount also does not include other funding sources that might have been accessed to pay for the cost of EI services where the CCB does not know the amount of expenditures, such as when an in-network provider under private health insurance is used.

(Calculation: The total amount reported by CCBs in FY 2009-10 in un-audited direct service expenses (\$19,298,616) divided by the average number of children served each month (5,667) equals \$3,405).

By using the total average number of children served each month, rather than the unduplicated count for the fiscal year, the average cost is comparable to a full fiscal year appropriation (i.e., the cost to serve one child for one year). This amount does not include the service coordination rate (State annual rate = \$914, Targeted Case Management 15 minute billing rate = \$14.93 which is estimated to be approximately \$2,160 annually based on three hours per month) or the 15% management fee that are both paid to CCBs for early intervention service brokerage functions.

There are two primary factors that cause the average cost per child to be lower than the appropriated direct service rate of \$4,285 in FY 2009-10. First, under the coordinated system of payment, one of the goals is "... to ensure that available public and private sources of funds to pay for early intervention services for eligible children are accessed and utilized in an efficient manner." Therefore, additional funding sources are accessed to either fully fund a child's EI services through these other funding sources or to supplement the use of State or Federal funds, thus requiring fewer or no State or Federal funds to be used. Second, as lead agency for the Federal Part C grant under IDEA, DDD has provided an assurance to the Federal Office of Special Education Programs (OSEP) that all eligible children will be served. In FY 2009-10, there were State General Funds appropriated to serve 2,176 children. However, the monthly average number of children served was 5,667. This means that the children were served using fewer State funds per child (i.e., the available funds were used to serve more children), additional funding sources were accessed to either supplement the State funds available or to fully fund a child's EI services, or a combination of both was used.

Additional Information:

As noted above in the various funding sources used, implementation of the coordinated system of payment for EI services has altered how State and Federal funds are used to not only support, but facilitate and encourage use of all other available funding sources. Access to qualifying private health insurance plans (i.e., those covered under Section 10-16-104 (1.3), C.R.S.) yielded gains in alternate funding sources increasing the number of children utilizing this funding source from 442 children in FY 2007-08 to 995 children in FY 2008-09 to 1,360 in FY 2009-10. As of September 22, 2010, there have been paid claims for FY 2009-10 totaling \$2,422,957 however, only about thirty percent of the private health insurance plans in Colorado are impacted by the statutory requirement to cover EI services. The remaining seventy percent of private health insurance plans are not impacted primarily because of Federal insurance laws or being self-funded plans.

The 36.6% increase in the use of private health insurance funds for early intervention services, in part, can be attributed to changes made in the 2009 Legislative Session, during which HB09-1237 was enacted. HB09-1237 responded to concerns that were identified during the first year of implementation of the original coordinated system of payment legislation, SB07-004, by making the following changes:

- Clarified that the mandatory coverage for EI services includes contracts for health insurance and renewed plans.
- Provided that, should the General Assembly increase the base rate for state-funded early intervention services by more than the consumer price index, the annual amount of coverage provided by private plans would also increase by an equal amount.
- Clarified that the coverage limit does not apply for rehabilitation or therapeutic services that are necessary after surgery.
- Directed that a child's private plan pay for early intervention services before accessing State or Federal funds.
- Directed that insurers shall not terminate coverage, refuse to deliver services, or fail to renew coverage as a result of a child accessing benefits for EI services.

- Streamlined administration by requiring all private plans to make payment to a state-administered trust fund.
- Set deadlines for a private plan to make payment after notification that an eligible child needs services.
- Extended the time allowed for submission and payment of outstanding bills after a child is no longer eligible for services.

The coordinated system of payment and funding hierarchy continue to achieve the intended outcomes. Multiple funding sources are being effectively accessed to provide early intervention services.

ARRA funds under Part C of IDEA are helping address potential waiting lists for children requiring early intervention services. For the period of October 2009 to December 2011, seventy-six percent (\$5,560,482) of the ARRA funds have been allocated to the CCBs for EI services and service coordination, with the remaining funds going toward early intervention personnel development and long-term infrastructure activities. Without the ARRA funds, these children would have been on a waiting list, which is not allowable under the Part C, grant assurance provided to OSEP.

Overall, early intervention services continue to successfully meet the needs of infants, toddlers and their families. Ninety-six percent (96.49%) of children with significant delays in development who receive early intervention services in FY 2009-10 have shown improvement in their acquisition and use of knowledge and skills (motor, cognition, speech, language, etc.). Over ninety percent (94%) of parents report that early intervention services have improved their ability to help their child develop and learn. Additionally, per the CCMS data, 31% of the children who enroll in EI services do not go into Part B preschool services (i.e., 12.2% exited EI services prior to reaching three years of age because they no longer needed services, and 18.9% were not eligible for Part B preschool services when they exited EI services at three years of age).