

FY 2010-11
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

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by

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Early Intervention Services FY 2010-11 Annual Report

The Department of Human Services 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, 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) under the Office of Long Term Care (OLTC) of the Colorado Department of Human Services (CDHS). DDD provides leadership for the direction, funding and operation of services for adults and children with developmental disabilities within Colorado through community-based services.

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. (2011). 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 Early Intervention Service Brokers under Section 27-10.5-702, C.R.S. (2011). CCBs either deliver services directly and/or contract with qualified individual early intervention professionals to provide EI services to eligible infants and toddlers.

FY 2010-11 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, 2011 reporting requirement to submit this data to the General Assembly, this report contains a mix of audited and un-audited financial information from the CCBs.

1) The number of eligible children served

10,990¹ = The total unduplicated count of infants and toddlers served as reported by CCBs at any point during the fiscal year. This represents a 2.3% increase from last year's unduplicated count of 10,739.

The increase in growth that was noted in FY 2009-10 (7.2%) slowed in FY 2010-11. The factors for the decrease in the percentage of growth continue to 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.

6,013 = The total unduplicated average count of children served each month per CCMSWeb. This represents a monthly increase of 6.1% from last year's unduplicated average count of 5,667.

2) The various funding sources used

In accordance with Section 27-10.5-706, C.R.S. (2011), 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

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.

downward, if a funding source is not available then the next source down on the list is considered 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)
- Medicaid /Title XIX funding and Child Health Plan Plus (CHP+)
- Child Welfare and Temporary Assistance to Needy Families (TANF)
- State General Funded EI services and Other State and Federal Funds
- Other Local Funds, as may be made available
- Federal American Recovery and Reinvestment Act (ARRA) Funds and Part C of IDEA Funds

FY 2010-11 was the fourth 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. 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.

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. (2011), which regulates only insurance plans which are issued in Colorado.

The following data compares FY 2009-10 and FY 2010-11 actual billings, when available, and the number of funding sources accessed and reported in CCMS.

7,479 = State EI Funds
(5.2% increase from last year’s number of 7,109)

The increase can be attributed to a rise 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 amount of General Funds may not have

increased in FY 2009-10, the number of children served with this funding source may have.

2,960 = American Recovery and Reinvestment Act (ARRA)
(18.7% decrease from last year's number of 3,643)

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 beginning in April 2009 and must be fully expended by December 31, 2011. The decrease is attributed to the time limited nature of the funds and that fewer funds were available in FY 2010-11.

4,824 = Federal Part C Funds
(29.8% increase from last year's number of 3,714)

The increase can be attributed to a rise 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 numbers 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.

2,652 = Medicaid
(8.4% increase from last year's number of 2,446)

The increase can be attributed to a rise in the number of Medicaid eligible children, as well as an increase in the CCBs use of the funding hierarchy and efforts to increase the number of qualified early intervention providers who accept Medicaid.

1,405 = Private Health Insurance (EI services Trust Fund only)
(3.3% increase from last year's number of 1,360)

The increase can be attributed to FY 2010-11 being the third 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. Participating insurance plans are also more experienced with the requirements for authorizations and payments, thus streamlining the process even further. Under Section 10-16-104 (1.3), C.R.S. (2011), insurance plans issued in Colorado deposit funds into a Trust Fund that is administered by the Department. These funds are child specific and are used by the CCBs (i.e., EI Service Broker) to cover the cost of EI services. Children who have insurance plans that are not covered under Section 10-16-104 (1.3), C.R.S. (2011) can still have their EI services covered by insurance, however, the insurance plans do not use the Trust Fund and the child's needs must be determined medically necessary by the insurance carrier.

109 = Other Private Health Insurance
(49.8% decrease from last year's number of 217)

This is only 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. Therefore, utilization is likely under-represented.

3) The average cost of early intervention services

\$4,877 = The average annual cost per child in FY 2010-11 for all services based on a mix of audited and un-audited financial statements submitted by the CCBs for this report. (Calculation: The total amount reported by CCBs in FY 2010-11 in audited and un-audited expenses (\$29,325,399) divided by the average number of children served each month (6,013) equals \$4,877).

This amount includes the total revenues for CCBs for EI services from all available funding sources in which the CCB either directly provided or contracted for EI services. It does not include other funding sources that might have been accessed to pay for the cost of EI services where the CCB was not the EI service broker and did not know the amount of expenditures, such as when an in-network provider under private health insurance is used.

In previous reports, the average cost was only reported for direct services. Therefore, a direct comparison between the FY 2009-10 reported average cost of \$3,405 to the FY 2010-11 average cost of \$4,877 cannot be made.

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).

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 and resulted in the number of children utilizing this funding source to be: 442 children in FY 2007-08 to 1,405 in FY 2010-11. As of September 22, 2011, there have been paid claims for FY 2010-11 totaling \$3,519,058, however, it is estimated that 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 (70%) of private health insurance plans are not impacted primarily because of Federal insurance laws or being self-funded plans.

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. However, the growth in demand for early intervention services is currently outpacing the funds available through these multiple sources as noted by the increase in total number of children served: 7,659 in FY 2007-08 to 10,990 in FY 2010-11. This represents a 43.5% increase in the total number of children served, however during the same time period, the increase in General Fund appropriations for EI services increased 14.6% from \$11,171,495 to \$12,798,328.

The distribution of ARRA funds under Part C of IDEA has temporarily helped to stave off the need for additional funding for EI services. Between October 2009 and December 2011, seventy-six percent (\$5,560,482) of the ARRA funds were disbursed 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 Office of Special Education Programs (OSEP). The ARRA funds end December 2011, which means that without new funding sources, some eligible infants and toddlers will be placed on a waiting list and Colorado would be out of compliance with Federal Part C requirements.

Overall, early intervention services continue to successfully meet the needs of infants, toddlers and their families. Ninety-eight percent (98%) of children with significant delays in development who receive early intervention services in FY 2010-11 have shown improvement in their acquisition and use of knowledge and skills (motor, cognition, speech, language, etc.). Ninety-five percent (95%) of parents participating in early intervention services (Part C) report that early intervention services have helped their family to help their children develop and learn. Additionally, per the CCMS data, 40.3% of the children who enroll in EI services do not go into Part B preschool services (i.e., 27.2% exited EI services prior to reaching three years of age because they no longer needed services, and 13.1% were not eligible for Part B preschool services when they exited EI services at three years of age).

The demand for Child Find evaluations decreased from 2009-2010 as some school districts, which were having a harder time meeting the federally required forty-five day time line for completing an evaluation for infants and toddlers who are referred, worked with their CCBs to increase their capacity. In FY 2007-08, there were 69 children who had to have their evaluation completed by a CCB in order to meet the forty-five day time line, compared to: 175 in FY 2008-09; 339 in FY 2009-10; and 175 in FY 2010-11. The Department will continue to work with the Department of Education to ensure the required Child Find evaluations are completed within the federally required forty-five day time line.