

FY 2011-12
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 2011-12 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:

In FY 2011-12, Early Intervention (EI) Services were 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 and self-help skills.

DDD contracts with 20 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 supports 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 10 counties. CCBs are responsible for intake, eligibility determination, providing service coordination that includes Targeted Case Management, service plan development, arrangement for services, delivery of services, monitoring of services and many other functions.

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

FY 2011-12 Utilization Data:

The numbers for eligible children served were submitted by the CCBs to DDD through data entered in the DDD Community Contract and Management System Web-based database (CCMSWeb).

1) The number of eligible children served

11,762¹ = The total unduplicated count of infants and toddlers served as reported by CCBs at any point during the fiscal year. This represents a 7.0% increase from last year's unduplicated count of 10,990.

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.

6,372 = The total unduplicated average count of children served each month per CCMSWeb. This represents a monthly increase of 6.0% from last year's unduplicated average count of 6,013 and remains consistent with the 6.1% increase in growth reported in FY 2010-11.

2) The various funding sources used

In accordance with Section 27-10.5-706, C.R.S. (2011), the Department must use a coordinated system of payment for EI Services. The Department 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 until an appropriate funding source is located. The funding hierarchy is as follows:

- Use of Private Pay (at discretion of parent)
- Private Health Insurance Plan (with written consent of the parent)
- TRICARE, a Military Health System

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

- Medicaid (Title XIX), Home and Community Based Services (HCBS) Medicaid Waivers and Child Health Plan Plus (CHP+)
- Child Welfare and Temporary Assistance to Needy Families (TANF)
- Other local, state or federal funds, including Mill Levy Funds (as may be made available)
- State General Funds (GF)
- Federal Part C of IDEA Funds

FY 2011-12 was the fifth year in which the EI program utilized the funding hierarchy and 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 provided through CCMSWeb for State GF and Federal Part C funds; utilization reports that are generated through data matches of the Medicaid Management Information System (MMIS) and CCMSWeb for services funded under Medicaid; a year-end CCB payment report provided by CDHS South Accounting for the Early Intervention Services Trust; and a year-end Revenue and Expenditure Report completed by CCBs to report direct service expenditures billed by the CCB that are covered by private insurance plans not included under Section 10-15-104 (1.3), C.R.S. (2011), Mill Levy funds and other funding sources.

These data represent the total number of children served by each of the various funding sources. This is not an unduplicated number, meaning that the same child may have been reported in more than one funding source. For example, a child may receive physical therapy covered under Medicaid and developmental intervention services paid for by State GF.

The following data compares FY 2010-11 and FY 2011-12 actual billings and the number of funding sources accessed and reported in the data sources described above.

11,768 = State GF
(57.3% increase from last year’s number of 7,479)

In previous years only eleven out of the fourteen available early intervention services were funded under State GF and were allowable only under Federal Part C Grant funds. In FY 2011-12 this was changed so that all fourteen available services were allowed to be paid by both State GF and Federal Part C funds. Additionally in FY 2010-11, 2,960 children had services covered under the American Recovery and Reinvestment Act (ARRA) funds that were temporary and fully expended by December 31, 2011. There were no ARRA funds used for direct services in FY 2011-12.

0 = ARRA

ARRA funds were temporary beginning in April 2009 and were fully expended by December 31, 2011. There were no ARRA funds used for direct services in FY 2011-12.

3,008 = Federal Part C Funds
(37.6% decrease from last year's number of 4,824)

The decrease can be attributed to the change made to allow all of the 14 available services to be paid for by State GF as well as Federal Part C funds. Federal Part C funds are always used as payor of last resort. The decrease may also be attributed to an increased use of Medicaid to pay for early intervention services.

3,262 = Medicaid
(23.0% increase from last year's number of 2,652)

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 EI providers who accept Medicaid.

1,416 = Early Intervention Services Trust (EIST)
(0.8% increase from last year's number of 1,405)

FY 2011-12 is the fourth 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 EIST mandatory. Qualifying insurance plans are experienced with the requirements for authorizations and payments, thus streamlining the process. 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 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) (non-qualifying) can still have their EI services covered by insurance, however, the insurance plans do not use the EIST and the child's services must be a covered benefit under the insurance carrier and are provided in accordance with the individual child's plan.

The funds paid into the EIST are not growing in proportion to the growth in caseload. The number of children enrolled in qualifying health plans has remained relatively flat over the last few fiscal years. CCBs anecdotally report that this may be attributed to: 1) fewer families are able to afford health insurance; 2) many companies are moving in the direction to become self-funded, therefore, coverage is no longer under a qualified plan; and 3) more qualified plans are providing Health Savings Accounts or high deductible plans in lieu of previously provided medical plans.

172 = Other Private Health Insurance, Mill Levy funds and other funding sources
(58% increase from last year's number of 109)

This is the number of children for whom a CCB has provided services and accessed private health insurance under non-qualifying plans, Mill Levy funds or other funding sources to pay for the services denoted on the child's IFSP.

The increase can be attributed to two factors noted in the CCB year-end revenue and expense reports: a) the success of several CCBs in accessing funding to pay for EI services through non-qualifying insurance plans, specifically TRICARE, which is the military health care system; and b) more consistent reporting of local funds used for EI services.

3) The average cost of early intervention services

\$6,437 = The average annual cost per child in FY 2011-12 for all EI services and service coordination based on the data sources described in section 2). Calculation: The total revenue amount reported in FY 2011-12 for all funding sources divided by the average number of children served each month ($\$41,019,615/6,372 = \$6,437$).

This amount includes the total revenues for expenses incurred by CCBs for EI services from all available funding sources in which the CCB either directly provided and/or contracted for EI services.

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 yielded gains in alternate funding sources and resulted in the number of children utilizing this funding source increasing from 442 children in FY 2007-08 to 1,416 in FY 2011-12. For FY 2011-12 there were paid claims totaling \$3,454,453. It is estimated that less than 30% of the private health insurance plans in Colorado are impacted by the statutory requirement to cover EI services. The remaining 70% of private health insurance plans are not impacted primarily because of federal insurance laws or being self-funded, Health Savings Account or high deductible 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 from 7,659 in FY 2007-08 to 11,762 in FY 2011-12. This represents a 53.6% increase in the total number of children served, however, during the same time period the Federal Part C funding has remained relatively flat and has not increased proportionately to the annual EI caseload increase and EI funding from ARRA is no longer available. Additionally, as mentioned previously, the EIST has not grown as anticipated. Therefore, the additional costs associated with the growth in caseload must shift to other available funding sources in the hierarchy, including the State GF.

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 received early intervention services in FY 2011-12 showed improvement in their acquisition and use of knowledge and skills (motor, cognition, speech, language, etc.). Ninety-four percent (94%) of parents participating in early intervention services reported that early intervention services helped their family to help their children develop and learn. Additionally, per the CCMSWeb data, 44.8% of the children who exited EI services in FY 2011-12 did not go into preschool special education (Part B) services.

The demand for CCBs to conduct initial eligibility evaluations decreased from 2010-2011 as some school districts, which were having a harder time meeting the federally required 45-day timeline for completing Child Find evaluations for infants and toddlers who are referred, worked with their CCBs over the past year 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 45-day timeline compared to 175 in FY 2008-09; 339 in FY 2009-10; 175 in FY 2010-11; and 146 in FY 2011-12. The Department will continue to work with the Department of Education to ensure the required Child Find evaluations are completed within the federally required 45-day timeline.