

***FY 2012-13
Annual Report
of
Early Intervention Services***

Submitted to

Joint Budget Committee
and
Senate Health and Human Services Committee
House Public Health Care and Human Services Committee
Senate Education Committee
House Education Committee

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by

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Early Intervention Services FY 2012-13 Annual Report

The Department of Human Services is submitting the following report in accordance with Section 27-10.5-710, C.R.S. (2013):

(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 2012-13, the Early Intervention (EI) Program was administered by the Division of Community and Family Support (DCFS) under the Office of Early Childhood (OEC) of the Colorado Department of Human Services (CDHS). DCFS provides EI Services 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. These services provide eligible infants and toddlers, and their families, with the interventions needed 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.

DCFS contracts with 20 Community Centered Boards (CCBs) to deliver the statewide, community-based services. CCBs are private non-profit organizations that are designated annually by the CDHS 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. (2013). 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 the CDHS as Certified Early Intervention Service Brokers under Section 27-10.5-702, C.R.S. (2013). CCBs deliver services directly and/or contract with qualified individual EI professionals to provide EI Services to eligible infants and toddlers.

FY 2012-13 Utilization Data:

The numbers for eligible children served were submitted by the CCBs to the DCFS through data entered in the DDDWeb, the statewide database.

1) The number of eligible children served

12,032¹ = 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 SFY 2011-12 unduplicated count of 11,762.

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 the level of ongoing demand for EI services. A more discerning measure of the ongoing demand for direct services is a monthly average.

6,500 = The total unduplicated average count of children served each month per DDDWeb. This represents an increase of 2.0% from SFY 2011-12 unduplicated average count of 6,372, and a decrease in the rate of growth compared to the 6.0% growth reported in SFY 2011-12.

2) The various funding sources used

In accordance with Section 27-10.5-706, C.R.S. (2013), 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 arranged in 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 (voluntary, at discretion of parent)
- Private Health Insurance Plan (with written consent of the parent)
- TRICARE, a Military Health System
- 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)

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.

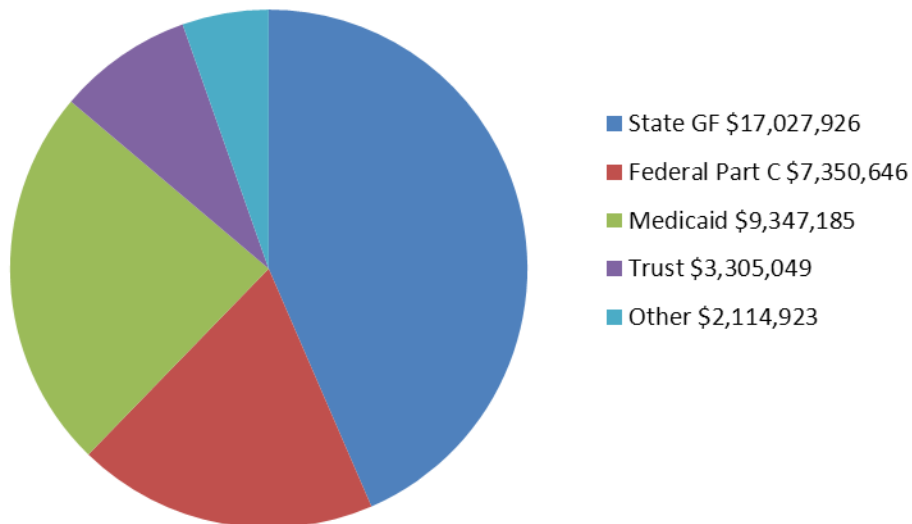
- State General Funds (GF)
- Federal Part C of IDEA Funds

SFY 2012-13 was the sixth 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 chart in Table 1 illustrates the FY 2012-13 total expenditures for each of the funding sources as captured in:

- DDDWeb for State General Fund and Federal Part C Funds;
- Utilization reports that are generated through data matches of the Medicaid Management Information System (MMIS) and DDDWeb 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. (2013) and may include mill levy funds and other funding sources.

Table 1:



3) The average cost of Early Intervention Services

\$6,022 = The average annual cost per child in SFY 2012-13 for all EI Services and service coordination based on the data sources described in section 2). Calculation: The total revenue amount reported in SFY 2012-13 for all funding sources divided by the average number of children served each month ($\$39,145,729/6,500 = \$6,022$). This represents a 6.4% decrease in the average cost as compared to the \$6,437 average cost per child in SFY 2011-12.

The amount includes the total revenues for expenses incurred by CCBs for EI services from all available funding sources noted in Table 2 using the total average number of children served each month. Using the monthly average, 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).

The decrease in the average cost may be attributed to an increase in: a) the use of private insurance billing through subcontractors in which case the CCB may only be paying co-pays rather than the full cost for services; and, b) more CCBs utilizing the transdisciplinary, primary service provider model which uses a coordinated team approach to streamline services through the use of one primary provider and other disciplines added as consultants rather than multiple providers seeing a child every week.

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 779 in SFY 2012-13. For SFY 2012-13 there were paid claims totaling \$3,305,049. 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 private health insurance plans are not impacted primarily because of federal insurance laws or being self-funded Health Savings Accounts 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 EI services. However, the federal Part C grant funds have not kept pace with the rate of growth. The federal funds for the Early Intervention Program has increased only 3% between the SFY 2007-08 and SFY 2012-13 awards while the unduplicated count of children served in Colorado increased 57% in the same time period. Therefore, the additional costs associated with the growth in caseload must shift to other available funding sources in the hierarchy, including the State General Fund. For SFY 2013-14, the federal Part C funding decreased by 5% (\$347,832) due to the effects of sequestration. The effects of sequestration are expected to continue to decrease by 5% each year into 2014 and 2015.

Overall, the EI program continues to successfully meet the needs of infants, toddlers and their families. Ninety-eight percent (98%) of children with significant delays in development who received EI Services in SFY 2012-13 showed improvement in their acquisition and use of knowledge and skills (motor, cognition, speech, language, etc.). Ninety-five percent (95%) of parents participating in EI services reported that the services helped their family to help their children develop and learn. Additionally, per the DDDWeb data, 41.5% of the children who exited EI services in SFY 2012-13 did not go into preschool special education (Part B) services.

The demand for CCBs to conduct initial eligibility evaluations increased from SFY 2011-12 as some school districts were having a harder time meeting the federally required 45-day timeline for completing Child Find evaluations for referred infants and toddlers. In SFY 2007-08, there were 69 children who had to have their evaluation completed by a CCB compared to the 223 evaluations conducted by CCBs in SFY 2012-13 due to local Child Find teams being unable to meet the 45-day timeline. The CDHS will continue to work with the Department of Education to support local school districts in meeting their obligations to provide evaluations for children referred to the EI system.