



**COLORADO**  
Department of Human Services

***FY 2016-17***  
***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 2016-17 Annual Report***

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

(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 2016-17, 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 (Department). 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, have been diagnosed with a physical or mental condition that has a high probability of resulting in a significant delay in development, or 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 Department as the single entry point into the long-term service and supports system for persons with developmental disabilities under C.R.S. Sections 27-10.5-102 (3) and 105. Each CCB has a non-overlapping geographic service region of one to ten counties. CCBs are responsible for intake, eligibility determination, providing service coordination that includes Targeted Case Management, Individualized Family Service Plan (IFSP) development, arrangement for services, delivery of services, monitoring of services, and many other functions.

CCBs are designated by the Department as Certified Early Intervention Service Brokers under C.R.S. Section 27-10.5-702 (3). CCBs deliver services directly and/or contract

with qualified individual EI professionals to provide EI services to eligible infants and toddlers.

### **FY 2016-17 Utilization Data:**

The numbers for eligible children served were submitted by the CCBs to the DCFS through data entered in the DCFS Early Intervention Statewide Data System. Throughout the report this will be referenced as the EI Data System.

#### 1) The number of eligible children served

**15,003<sup>1</sup>** = The total unduplicated count of infants and toddlers served as reported by CCBs at any point during the fiscal year.

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 churn rate. While the yearly unduplicated count does provide a good representation of the actual number of children and families served during the year, a more discerning measure of the ongoing demand for direct services is a monthly average.

**8,236** = The total unduplicated average count of children served each month. This represents an increase of 8% from FY 2015-16 unduplicated average count of 7,606 and an increase in the rate of growth compared to the 4% reported in FY 2015-16.

#### 2) The average cost of EI services considering all funding sources used

**\$6,834.50** = The average annual cost per child in FY 2016-17 for all EI services and service coordination based on the average amount paid per child with all available funds. The rate is calculated by the total revenue from all sources divided by the average number of children enrolled per month ( $\$45,129,151$  Direct Service  $\div$  8,236 +  $\$1,355$  service coordination per child). The average cost figure includes expenditures reported in the Medicaid interChange payment system. Additionally, this cost reflects EI services provided and paid through private insurance included in the Early Intervention Services Trust (EIST).

Medicaid direct service funds may not reflect all services provided to children in EI. On July 1, 2015 a new modifier to indicate that a service billed was provided to a child in EI was implemented. The Department is working in partnership with Health Care Policy and Financing (HCPF) to provide ongoing technical assistance to providers in order to increase the use of this modifier.

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<sup>1</sup> This count represents all the children who were determined eligible for EI services, had an active IFSP at some point during the year, and who received one or more EI services during the fiscal year.

In accordance with C.R.S. Section 27-10.5-706, 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 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)
- State General Funds (GF)
- Federal Part C of IDEA Funds

FY 2016-17 was the ninth year in which the EI Colorado program tracked the utilization of funding sources. 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. Only funds that can be tracked back to an individual child are reported in this document.

The Department is the lead agency in Colorado for the Part C EI program under the Individuals with Disabilities Education Act (IDEA). In order for Colorado to be eligible for a grant under IDEA Part C for any fiscal year, the state must ensure that “appropriate early intervention services...are available to all infants and toddlers with disabilities in the State and their families including-(i) Indian infants and toddlers with disabilities and their families residing on a reservation geographically located in the State, (ii) infants and toddlers with disabilities who are homeless children and their families, (iii) and infants and toddlers with disabilities who are wards of the State. IDEA section 634 in 20 U.S.C. 1434 and 34 C.F.R. 303.101(a)(1).”

The Department overspent its FY 2016-17 budget due to an unexpected surge of caseload, a 150 percent increase in EI Evaluations<sup>2</sup> and underutilization of Medicaid to pay for EI services for Medicaid eligible children.

While CCBs improved their use of Medicaid in FY 2016-17 by ten percent over FY 2015-16, 58 percent of the children covered by Medicaid were served by providers not enrolled in Medicaid, therefore, Medicaid could not be billed for these services.

The Department has amended contracts with CCBs to require that they contract only with providers who are enrolled with Medicaid in order to increase compliance with the requirement to follow the funding hierarchy. The Department is working collaboratively with HCPF to support providers during the enrollment process and, through the Office of Early Childhood/Alliance Task Force, to bring EI and Medicaid requirements more in alignment to allow even more EI services to be reimbursable by Medicaid.

### **Additional Information:**

Overall, the EI program continues to successfully meet the needs of infants, toddlers and their families. Ninety-nine percent (99%) of children with significant delays in development who received EI services in FY 2016-17 showed improvement in their acquisition and use of knowledge and skills (motor, cognition, speech, language, etc.). Ninety-six percent (96%) of parents participating in EI services reported that the services helped their family to help their children develop and learn. Additionally, per the EI Data Systems 45% of the children who exited EI services in FY 2016-17 did not go into preschool special education (Part B) services. This supports the tenets of EI to intervene early and improve the developmental outcomes for young children with developmental delays.

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<sup>2</sup> The Department, as lead agency in Colorado for the Part C EI program under IDEA, is required to provide a single line of responsibility to ensure all activities are carried out according to the requirements of Part C of IDEA (34 C.F.R 303-120). However, the Colorado Department of Education (CDE) is given responsibility via state statute (22-20-102, C.R.S. (2007)) for evaluating children birth through two years of age for Part C services as part of Colorado Child Find activities, and CDE then delegates evaluation activities to independently managed Administrative Units (AU) in local school districts. When AUs cannot meet the federal requirement to conduct an EI evaluation and convene an initial Individualized Family Service Plan (IFSP) meeting within 45 days, the Department, through its contract with the CCBs, must take over the evaluation responsibility to ensure it is completed. Because funding for these evaluations lies with CDE, there has previously been minimal EI funding available to cover the cost of evaluations conducted by CCBs in order to fill the gap and maintain compliance with the federal timeline.