



COLORADO
Department of Human Services

November 1, 2018

The Honorable Jim Smallwood, Chair
Senate Health and Human Services Committee
200 E. Colfax Avenue
Denver, CO 80203

Dear Senator Smallwood:

Enclosed please find a legislative report to the Senate Health and Human Services Committee from the Department of Human Services on Early Intervention Services.

C.R.S. Section 27-10.5-710 C.R.S. requires the Department to report annually by November 1 on funding sources, cost, eligible children served, and any other information relevant to the administration of the Early Intervention Colorado Program.

In summary, the program served on average 8,542 infants and toddlers each month in FY 2017-18. These services were provided at an average cost of \$6,145 per child. Funding sources included State General Fund, federal Part C of the Individuals with Disabilities Education Act funds, private health insurance, military health system, public assistance funds (i.e. Medicaid), and local funds.

If you require further information or have additional questions, please contact Christy Scott, Early Intervention Program Director, at christy.scott@state.co.us or 303-866-2664.

Sincerely,

Reggie Bicha
Executive Director
Colorado Department of Human Services



cc Senator Beth Martinez Humenik, Vice Chair
Senator Larry Crowder
Senator Irene Aguilar
Senator John Kefalas
Elizabeth Haskell, Staff Contact
Melissa Bloom, Budget Analyst, Office of State Planning and Budget
Kyle Pierce, Human Services Policy Advisor, Governor's Office
Molly Otto, State Library
Reggie Bicha, CDHS Executive Director
Jerene Petersen, Deputy Executive Director, Community Partnerships
Melissa Wavelet, Director, Office of Performance and Strategic Outcomes
Sarah DeVore, Budget and Policy Director
Phil Robinson, Legislative Liaison
Alicia Caldwell, Communications Director





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FY 2017-18
Annual Report
of
Early Intervention Services

Submitted to

Speaker of the House
Senate President
Senate Health and Human Services Committee
House Public Health Care and Human Services Committee
Senate Education Committee
House Education Committee

November 1, 2018

by

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Early Intervention Services FY 2017-18 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 2017-18, 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.

The Department is the lead agency in Colorado for the Part C EI program under the federal Individuals with Disabilities Education Act (IDEA). In order for Colorado to be eligible for a grant under Part C of IDEA 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).”

DCFS contracts with 20 Community Centered Boards (CCBs) to deliver the statewide, community-based EI services. CCBs are private non-profit organizations and 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 deliver services directly and/or contract with qualified individual EI professionals to provide EI services to eligible infants and toddlers.

FY 2017-18 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

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. The measure of the ongoing demand for direct services is a monthly average.

8,542 = The total unduplicated average count of children served each month. This represents an increase of 3.72% from FY 2016-17 unduplicated average count of 8,236 and an decrease in the rate of growth compared to the 8% reported in FY 2016-17.

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

\$6,145.00 = The average annual cost per child in FY 2017-18 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 ($\$41,082,958$ direct service, operations and indirect $\div 8,542 + \$1,355$ 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 to achieve a more accurate reflection of the use of Medicaid.

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 2017-18 was the tenth 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.

CCBs have long maintained that they have not been adequately reimbursed for the cost of delivering required EI services. During FY 2017-18, several onsite fiscal audits of CCBs were conducted by Office of Early Childhood (OEC) fiscal and contracts staff. These audits revealed that it was very difficult to discern exactly how much it cost to provide EI services due to OEC's historic practice of providing funds for program administration and service coordination using a cost allocation formula driven by available funds and not demonstrated need.

As a result of the previous FY 2016-17 over-expenditure and reports from the CCBs that they were not fully funded to provide EI services, the Department implemented a cost reimbursement methodology to ensure that CCBs are being fully compensated for all EI services being provided to the infants and toddlers they serve and families are receiving the highest quality experience. This is in alignment with all contracts managed within the OEC. For the first time, in FY 2018-19 CCBs were required to submit budgets with line item expenses related to the provision of service coordination and program administration, and the remaining funds were placed in a General Accounting Encumbrance (GAE) to allow for flexibility in the distribution of funds for direct services. Implementing this cost reimbursement methodology will result in more accurate data to manage the EI program and a clearer picture of all costs associated with the provision of EI services to infants and toddlers and their families.

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 2017-18 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 better support their children's development and learning. Additionally, per the EI Data System, 49% of the children who exited EI services in FY 2017-18 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.