



Fiscal and Contract Issues

Alliance Summit Meeting
June 20, 2014

Early Intervention Colorado

- Lead agency for the federal IDEA Part C grant since 2006

State Performance Plan Measures	2006-07	2012-13
Indicator 1: 28 days	81.06%	97.49%
Indicator 5: 0-1 child count	0.73%	1.00%
Indicator 6: 0-3 child count	1.92%	3.00%
Indicator 7: 45 days	90%	98.94%
Indicator 8C: transition conference	83.06%	96.67%

Early Intervention Colorado

- Growth rate of children in 2012 13 was 2%, now trending higher statewide for 2013-14
- A few programs are shrinking while others are rapidly growing
- The statewide growth rate is 4.4%

Management of Funds

- Distributed via annual contracts to 20 local programs
- Formula allocation process based on child count data and available funding sources following the funding hierarchy in the coordinated system of payments
- Average cost per child in FY 2012-13 was \$6,022, per the JBC report

Coordinated System of Payments (CSP) Strengths

- A supportive legislature has increased funding for EI every year for the past five years, despite the economic downturn
- The Early Intervention Services Trust Fund minimizes administrative burden and covers the majority of EI services
- Early Intervention is considered an Essential Benefit through the state's healthcare exchange and every plan purchased through the exchange is a qualifying plan under the Trust Fund

CSP Strengths

- Colorado is implementing an EI modifier for children with Medicaid to be able to better track Medicaid billing
- Detailed monthly reports on the utilization of funds and children who are eligible for Medicaid are generated for local programs, allowing for ongoing technical assistance
- EI Colorado and HCPF have designated staff to work collaboratively to address issues

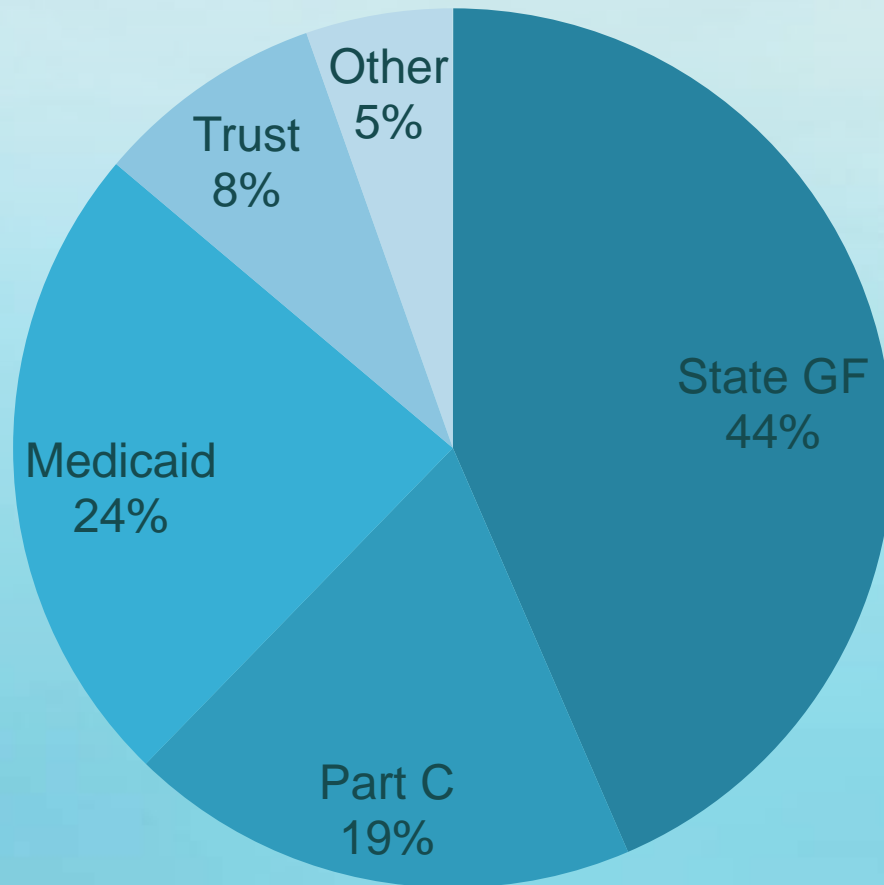
Challenges

- Colorado is implementing a new state accounting system as of July 1, 2014 which changes all funding codes
- The Office of Early Childhood is developing a new data system which will be implemented in 2015 and will require significant staff time and additional training needed for local programs
- Federal funds have not been restored to the level prior to Sequestration

FY 2012-13 Revenue = \$39,145,729

- 44% State General Fund
- 24% Medicaid
- 19% Federal Part C
- 8% Private Insurance (Trust Fund only)
- 5% Other (includes local funds, grants and non-Trust Fund private insurance)

Funding Sources



The percentage of State General Fund and federal Part C funds used for Direct Services has decreased, while private insurance, Medicaid and other sources have increased

System of Payments Issues

Medicaid

- Of the children enrolled in EI services, 47% are enrolled in Medicaid (*April 2014 Utilization Report*)
- From July 1, 2013 through March 31, 2014, \$4,535,810 of the State General Fund were billed for children who were showing up as eligible for Medicaid per MMIS and the DDDWeb billing report

System of Payments Issues

Private Health Insurance

- Approximately 11% of children in EI services are funded through the EI Services Trust (*April 2014 Utilization Report*)
- From July 1, 2013 through March 31, 2014, over \$30,000 of State General Fund were billed for children who had an active Trust program in the DDDWeb and had funds available. Billing correction by the CCBs is underway

System of Payment Issues

- In 2012-13, \$2,114,923 was paid into the EI system from other funding sources (*2012-13 EI Report to JBC*), including private insurance, TRICARE, mill levy funds and other donations
- When the new data system is implemented in 2015, other child specific direct services funding sources will be collected



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Independent Contractors

- Across the state, how services are provided varies in the number of independent contractors that are utilized
- According to the state Provider Database, there are now over 2,000 providers in Colorado. This includes both employed and contracted providers

Independent Contractors

- According to the State Rules, 12 CCR 2509-10, section 7.915, CCBs are required to oversee quality assurance for all providers
- Working with the Department of Labor and Employment to address concerns around the use of independent contractors to provide early intervention services
- The subcontracting requirements of the EI Contract and the assurances to meet federal and state regulations give the CCBs authority to ensure that EI service providers meet state requirements

EI Services Provided by Independent Contractors Meet Requirements

- EI services are in the IFSP and have written consent
- Provided to meet developmental needs of the child and needs of parent or other caregivers identified in IFSP
- Based on peer-reviewed, evidence-based practices
- Related to functional outcomes and practices to support participation in everyday routines, activities and places
- Provided by qualified providers who meet state standards and are registered in the EI Provider Database
- Are culturally relevant
- Provided in natural environments, and if in a community-based setting, the setting must meet all state safety, health and licensing requirements

Discussion



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