

To: Early Intervention (EI) Coordinators, EI Service Coordinators, EI Direct Service Providers
From: Christy Scott, EI Program Director
Date: June 26, 2020
Subject: Upcoming Changes as a Result of COVID 19 Budget Implications

In an effort to be transparent and proactive we want to share with you the ramifications of the COVID 19 pandemic and how it will impact the Office of Early Childhood (OEC), Early Intervention (EI) program and, therefore, your work. As you know, the COVID pandemic turned the world as we knew it upside down. While Colorado is attempting to reopen and recover from this unexpected circumstance, we are realizing the fallout from shutting down our state. The latest budget forecast has estimated a \$3.2 billion impact on the state which must be recouped through budget-balancing strategies. This is affecting every state department, office, division and, therefore, program, in the state. On June 19, 2020 the newest budget forecast was released and while slightly improved since May, the budget outlook continues to remain weak and budget planning includes a 10% reduction. [OSPB June 2020 Forecast Presentation.pdf](#)

The EI program is acting on several cost-savings strategies in order to reduce program expenditures by 10% (\$4.9 million) and we want to explain what these are, report the status of the strategy, and explain what this means to local EI programs.

1. Change Eligibility Criteria from 25% in One or More Areas to 33%:

This will change the definition of Atypical Development and Developmental Delay in the EI state plan and rules.

An emergency rule packet is making its way through clearance and will be voted on by the Policy Advisory Council on June 30 and make its way to the State Board on July 10, with the goal of making the change effective on that date. The rule packet will then make its way through the typical rules process which includes the opportunity for public comment.

This strategy will result in fewer children entering the EI program resulting in significant cost savings. It is essential that we offer support for families who are not eligible for EI services due to the change in definition. We are collaborating with our partners in OEC and other stakeholders to develop resources for these families. The continuum of services will include home visiting and early literacy programs. We also anticipate that changing the criteria to 33% will provide an opportunity to level out caseloads for service coordinators across the state in order to provide high-quality coordination for those children and families most in need.

Anticipated implementation date: July 10, 2020 with data system effective date July 13, 2020

2. Evaluating the Need for Ongoing Services at the Annual Review:

This strategy will require that when a child is determined to be functioning at age-expected levels when compared with chronological age, and the IFSP team determines that continuing services is not needed to continue progress, the child will be exited from services. Redetermining need for ongoing services will ensure that children who are no longer in need of special education services are transitioned to more appropriate supports.

Redetermination at the annual review will not impact children who are eligible due to an established condition.

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3. Continue Work with Health Care Policy and Financing (HCPF) to Better Align EI with Medicaid:

Regular meetings between DCFS and HCPF have been ongoing to have discussions about where HCPF could assist in having additional EI services covered under Medicaid. Developmental Intervention (Special Instruction) has been discussed, however, this is a longer-term project.

HCPF will be issuing clarification regarding EI service delivery expectations and Medicaid expectations, which are in alignment. Stay tuned for a Provider Bulletin and updated Medicaid billing manual.

This strategy will result in the EI program no longer funding one unit of family education for children enrolled in Medicaid.

Anticipated Implementation Date: July 1, 2020 Medicaid Provider Bulletin Publication

4. Discontinuing the Telehealth Incentive Fee:

Previously, we were able to offer a \$10 per visit incentive fee for any service provided through Telehealth. This was intended to offset the cost of time to complete the Telehealth Training as well as any associated costs for obtaining a HIPAA compliant platform. After switching to Telehealth for 100% of services, this fee increased costs to the program by 20% per month, which calculates to approximately \$250,000. The program had anticipated that reduction in travel costs, as well as a diminished caseload reported by CCBs and providers, would offset this expense. This was not the case and, anticipating that the many of the services will continue being provided through Telehealth indefinitely, this additional service fee is not sustainable.

Anticipated Implementation Date: July 1, 2020

5. Statewide Rate for Direct Service Providers:

The OEC is exploring the possibility of a statewide rate for direct service providers. Currently it is difficult for the OEC to accurately predict and plan for future expenditures. The ability to calculate IFSP units by a consistent rate is imperative to support cost projections.

This would include the option for direct service providers to contract directly with the state which would minimize the number of contracts needed by individual providers with multiple CCBs. This is currently under discussion and the OEC will be piloting a process by directly contracting with a select number of provider agencies.

This strategy will assist in providing more accurate cost projections as well as provide equity in provider rates across the state.

Anticipated Implementation Date: To Be Determined (TBD)

6. Capping Administrative Costs in OEC Contracts:

Contracts will be negotiated to take into account expected reductions. We are working closely with the OEC Fiscal Unit and will be contacting each CCB and contractor individually.

Anticipated Implementation Date: As soon as possible

7. Putting Contracts out for Competitive Bid (RFP):

This is not being considered at this time.

Please feel free to contact me with any comments or questions at 720-595-8903 or christy.scott@state.co.us.