Presentation to the House Appropriations Committee: Early Childhood Intervention program

Charles Smith
Executive Commissioner

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March 28, 2018
Overview of the Early Childhood Intervention Program

ECI provides supports and services to families with children, birth to three years old (36 months), with developmental delays or disabilities, regardless of insurance status, under the Individuals with Disabilities Education Act (IDEA) Part C.

- Research has shown that early intervention has a positive impact on children and their families and is often vital for later success in school and the community.
- ECI programs have been found to save taxpayer dollars in public education, criminal justice, health care, and other social services.
ECI Program: Eligibility

To be eligible for services, a child must have:

• A developmental delay of at least 25 percent that affects functioning in one or more areas of development;

• A medically diagnosed condition that has a high probability of resulting in a developmental delay; or

• An auditory or visual impairment as defined by the Texas Education Agency.
ECI Program: Service Delivery

HHSC contracts for services with local agencies and organizations through cost reimbursement contracts.

ECI contractors include:
- community health centers,
- private non-profit agencies,
- independent schools districts, and
- education service centers.

ECI service providers include:
- early intervention specialists,
- physical therapists,
- audiologists,
- dieticians,
- service coordinators, and
- behavior analysts
- occupational therapists
- speech therapists.
ECI Program: IDEA Part C Requirements

The federal agency administering the IDEA Part C funding is the Department of Education Office of Special Education Programs (OSEP).

IDEA Part C regulations require:

- All children determined eligible for the program must be served;
- ECI services must be provided statewide; and
- Families should be served in their natural environments (homes and other community settings).
- While HHSC funds contractors based on an average number of children served each month, IDEA Part C regulations require providers to serve all children determined eligible.
ECI Program: Service Areas

*As of March 1, 2018
ECI Contractors: Clients Served versus Number of Providers

Demand for ECI services continues to grow, while the number of contractors declines.

*Estimated
ECI Contractors: History

The number of ECI contractors has declined from 58 in 2010 to 44 as of March 1, 2018.

- Over the last 2 years, 6 providers have exited the program with two more providing notice to leave on or before May 31, 2018.
- Number of ECI contractors:

<table>
<thead>
<tr>
<th>Number of Contractors at Start of Fiscal Year</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018 as of 6/1/18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>58</td>
<td>56</td>
<td>51</td>
<td>51</td>
<td>51</td>
<td>50¹</td>
<td>49</td>
<td>48²</td>
<td>42³</td>
</tr>
</tbody>
</table>

¹ One new provider joined the ECI program in this year.
² One new provider joined the ECI program in this year.
³ Two providers provided notice to cease service May 31, 2018.
ECI Program: Services

Federal regulations require service coordination and a comprehensive array of services, including:

- Assistive technology
- Audiology
- Family training, counseling, and home visits
- Health services
- Language services
- Medical services
- Nursing services
- Nutrition services
- Occupational therapy
- Physical therapy
- Psychological services
- Social work services
- Specialized Skills Training*
- Speech therapy
- Transportation
- Vision services

*Specialized Skills Training (SST) is a unique and defining service of ECI.
ECI Contractors: Performance

Providers are exceeding the target number of children required in their contracts.

- In a recent survey, 90% of ECI contractors that responded report engaging in significant cost-saving measures during fiscal year 2017.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Delayed Hiring Staff</td>
<td>66%</td>
</tr>
<tr>
<td>Delayed System Upgrades or Equipment Purchases</td>
<td>55%</td>
</tr>
<tr>
<td>Reduced Child Find Efforts</td>
<td>45%</td>
</tr>
<tr>
<td>Downsized Staff</td>
<td>45%</td>
</tr>
<tr>
<td>Reduced Staff Benefits</td>
<td>23%</td>
</tr>
</tbody>
</table>
ECI Contractors: Performance

ECI contractors are exceeding performance measure targets.

While this means more Texas children are receiving critical services, it puts financial strain on contractors who are operating under federal parameters and funding constraints that currently exist in ECI.

<table>
<thead>
<tr>
<th></th>
<th>2016 Target</th>
<th>2016 Actual</th>
<th>2017 Target</th>
<th>2017 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Monthly Number Served</td>
<td>26,753</td>
<td>27,223 (102%)</td>
<td>27,170</td>
<td>28,693 (106%)</td>
</tr>
<tr>
<td>Average Monthly Delivered Hours</td>
<td>2.75</td>
<td>2.86 (104%)</td>
<td>2.75</td>
<td>2.85 (104%)</td>
</tr>
</tbody>
</table>
ECI Program: Ongoing Challenges

1. Part C requirements
   Federal regulations do not provide flexibility.

2. Texas population growth
   It is anticipated federal funding will not cover the population growth Texas is experiencing.

3. Contractors
   Routinely use their own resources to cover program expenses.
   Multiple contractors have indicated the likelihood that they will exit the program in the FY18-19 biennium due to funding, creating potential gaps in coverage.
ECI Program: Potential Gaps in Coverage

*As of May 31, 2018

Health and Human Services
Early Childhood Intervention
FY 2018 ECI Service Areas

*As of May 31, 2018
ECI 2018 Funding: State Appropriations Perspective

- $22,411,165 General Revenue Medicaid Match
- $6,223,362 General Revenue Certified Match
- $3,209,010 General Revenue for Early Childhood Intervention
- $5,131,125 Individuals with Disabilities Education Act (IDEA) Part B
- $42,321,832 Individuals with Disabilities Education Act (IDEA) Part C
- $16,498,102 Foundation School Funds
- $20,647,988 Specialized Skills Training (SST)
- $9,377,060 Targeted Case Management (TCM)
- $6,223,362 Medicaid Administrative Claiming (MAC)
- $15,000,000 Temporary Assistance for Needy Families (TANF)