

MISSOURI FIRST STEPS SYSTEM OF PAYMENTS POLICY (DRAFT)



INTRODUCTION

The Department of Elementary and Secondary Education (DESE), Office of Special Education (OSE), is the lead administrative agency for Part C of the Individuals with Disabilities Education Act (IDEA). The Missouri Part C program is referred to as First Steps and provides early intervention services for children, birth to age three, who have either a diagnosed condition known to contribute or cause developmental disabilities, or who have developmental delay(s). In addition, Missouri may provide First Steps services to children whose third birth dates are between April 1st and August 31st until the fall enrollment into their local district. Children in this category are referred to as “Summer Birthdays.”

FIRST STEPS PROGRAM STRUCTURE

DESE contracts with a Central Finance Office (CFO) to perform all fiscal management and communications within the First Steps program.

DESE contracts for System Points of Entry (SPOEs) to serve as regional offices to operate the First Steps program within each of the ten regions. SPOEs provide local administration of the program and service coordination activities among enrolled children, families, and providers.

DESE contracts with independent service providers to deliver early intervention services to children and families enrolled in the First Steps program as designated by the Individualized Family Service Plan (IFSP).

USE OF FUNDS (303.501)

Part C IDEA funds may be used for activities or expenses that are reasonable and necessary for implementing the First Steps program. This includes:

- Direct Early Intervention Services to children with disabilities birth to age three
- To Expand and Improve Services to children with disabilities birth to age three that are otherwise available
- To Provide Early Intervention Services to children with disabilities over age three (i.e. “Summer Birthdays”)
- Initiating, Expanding or Improving Collaborative Efforts Related to At-Risk Infants and Toddlers

FUNDING SOURCES

The Office of Special Education administers all funds received for the delivery of First Steps services. 303.223(b) Funding is received from various sources, thus creating a system of payments. The State has in place interagency agreements and state statutes establishing financial responsibility and funding sources for First Steps services. 303.511

Funding sources that support the First Steps program include:

- A. State Appropriations (General Revenue)
- B. IDEA Part C Grant Award
- C. Family Cost Participation Fees
- D. Private Insurance
- E. Public Insurance (MO HealthNet/Medicaid)

Each funding source is described in more detail below.

A. State Appropriations

Missouri implements a system of payments which establishes State participation in the cost of providing First Steps services. Each fiscal year, the General Assembly appropriates general revenue funding for the First Steps Program. This funding is used to meet the Maintenance of Effort requirements under Part C of IDEA.

State Appropriation Funding: State funding is expended in the following First Steps areas:

- Direct Early Intervention Services
- Contractual Payments for the Central Finance Office (CFO)
- Contractual Payments for System Points of Entry (SPOE)
- State Interagency Coordinating Council (SICC)
- Provider Training/Communications/Web-based Data System

B. IDEA Part C Grant Award

Missouri implements a system of payments which establishes Federal participation in the cost of providing First Steps services. Each fiscal year, the State of Missouri applies for the IDEA Part C grant through the federal Office of Special Education Programs (OSEP).

IDEA Part C Funding: IDEA Part C funding is expended in the following First Steps areas:

- Direct Early Intervention Services 303.223(a)

Payor of Last Resort: IDEA Part C funding is used as a Payor of last resort; meaning funds are only utilized as an interim payment source for timely provision of services and do not satisfy any financial commitments for services that would otherwise have been paid for from another public agency or private source. 303.500(2) and 303.510(a)(b)

C. Family Cost Participation (FCP) Fees

Missouri implements a system of payments which establishes family participation in the cost of providing First Steps services as mandated in 160.920 RSMo. Each eligible child and family participating in First Steps is assessed to determine their ability to pay a participation fee.

FCP Definitions: The following definitions help families understand the FCP Fee structure and how the fees are calculated.

Adjusted Gross Income: The adjusted income as reflected on the previous year's federal income tax form.

Allowable Deductions: The out-of-pocket family expenses, as defined by the lead agency, which may be allowed in the consideration of financial hardship when an adjustment to the calculated monthly fee is determined to be appropriate.

Family Cost Participation/Family Fee: The maximum amount the family must pay per month based on the family's ability to pay, considering the family's adjusted income as determined on the previous year's federal income tax form. The fee is based on a family unit, not per individual child.

Family Unit/Household Size: The group of individuals in the same household whose information is used to determine family size and financial resources. It could include, but is not limited to, biological parents, adoptive parents, step-parents, and children (biological and adoptive). For the purposes of determining the size of the family unit, dependency for family members must meet the dependency test applied by the federal Internal Revenue Code.

Head of Household/Financially Liable Person: The individual who is obligated to pay the calculated monthly fees for participation.

Income Verification: The process of reviewing family documentation of income and allowable expenses that will occur during the intake process, annual review, or at other times as requested by the family, the SPOE, or the lead agency. Required documentation will be as specified by the lead agency.

Gross Annual Earned Income: The total income from employment sources before payroll deductions and other withholdings. Examples include salaries and wages, tips, commissions, bonuses and any other income as required in the reporting of federal income tax.

Gross Annual Unearned Income: The total income from investments and other sources unrelated to employment. Examples include interest earnings, tips, alimony, dividends, annuities, rents, pensions, disability/survivor benefits, workers compensation, unemployment, maintenance/child support, retirement benefits, and any other income as required in the reporting of federal income tax.

FCP Fees: FCP fees are based on a sliding scale that considers the adjusted gross income for the family and the number of family members. The minimum fee assessed is five dollars and the maximum fee is \$100.00 per month. The scale was developed using two-hundred percent (200%) of the federal poverty guidelines for the year 2005. The family fee scale is updated annually when changes occur in the federal poverty guidelines. Changes to the calculated amount of the family fees take effect the month following the change. The fee is determined based on the information collected from the family and the sliding fee schedule. The schedule may be viewed at: 303.521(a)(3) <http://www.dese.mo.gov/divspeced/FirstSteps/FCPmainpg.htm>.

The maximum family monthly fee (\$100.00) will be charged in one of the following situations:

- Parent refuses to provide financial information to the SPOE in order to calculate the fee
- Parent provides false or misleading information
- Parent refuses to provide access or withdraws consent to private insurance (if available)

FCP Fee Adjustments: Adjustments to the monthly FCP amount may be increased or decreased for the following situations:

- Change in Family Unit/Household Size
- Change in Gross Annual Income of more than ten percent
- Financial Hardship (refers to unplanned events that impact the family's financial situation, including, but not limited to: loss of home, loss of job, extensive medical costs, etc).

The family has 15 working days to report a change to the service coordinator. If the family fails to report the change within the appropriate time frame and a reduction in fee is calculated for the family, the new reduced fee will not be retroactive to the time the change occurred.

Assessment of Family Cost Participation: Each eligible child and family participating in First Steps is assessed for their family cost participation amount and classified in one of the categories below.

Ability to Pay: Ability to pay refers to the determination of a family's financial ability to contribute to the cost of early intervention services provided by Missouri First Steps. This determination is based on the family's placement on a sliding fee scale. Placement on the scale at the minimum family participation rate (greater than \$0) as established by statute or by the lead agency indicates an ability to pay. 303.521(a)(3)

If the child/family is eligible for Medicaid (under any state entitlement program), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), or Food Stamps, then there is no family cost participation fee charged to the family. Furthermore, participation in First Steps will not reduce medical or other assistance available in the State or to alter eligibility under Title V or XIX of the Social Security Act. 303.510(c)

Inability to Pay: Inability to pay refers to a determination that the family is not able to financially contribute to the cost of First Steps services provided by Missouri First Steps. Placement on the sliding fee scale at \$0 indicates an inability to pay. The inability of the parents to pay for services will not result in a delay or denial of services to the child or the child's family. 303.521(a)(3)

Failure to Pay: The failure to pay refers to a determination that the family had the ability to pay, but has failed to pay their FCP monthly fees. The lead agency or its designee will take action to collect any unpaid amounts due. These actions include, but are not limited to, suspension of First Steps services except those provided at no cost. The family will be notified by mail when monthly fees are: 303.521(a)(3)

- Thirty (30) days past due
- Sixty (60) days past due
- Seventy-five (75) days past due

On the 75th day after non-payment of the calculated monthly fees, the head of household will receive prior written notice by mail indicating that First Steps services (except those provided at no-cost) will be suspended on the 90th day of non-payment. The lead agency or its designated agent shall also notify the appropriate SPOE when a family is in a non-payment status. The web-based data system contains a comment that services were suspended due to non-payment of required fees. A family may not receive services until the reinstatement criteria are met.

Reinstatement Criteria: Services suspended for non-payment of applicable fees may be reinstated upon full payment of the balance due. If less than three months have passed since suspension of services, the family is reassessed for their family cost participation amount. If more than three months have passed since suspension of services, the IFSP team must reassess the appropriateness of the existing IFSP before reinstating services. The family is not guaranteed the same service provider(s) as was assigned prior to the suspension of services.

FCP Statement: The CFO sends the family a monthly statement and collects the fees. The monthly fee is due for any portion of a month in which First Steps services are delivered to the family. Families will not be charged more than the actual cost of the First Steps service. Families with public

insurance or private insurance will not be charged disproportionately more than families who do not have public insurance or private insurance. 303.521(a)(4)(iv)

Dispute of FCP Fees: A parent who wishes to contest the imposition of a fee, or the State's determination of the parent's ability to pay, may do one of the following:

- Participate in mediation in accordance with Section 303.431 of the IDEA Part C regulations.
- Request a due process hearing under Section 303.436 or 303.441 of the IDEA Part C regulations, whichever is applicable.
- File a State Complaint under Section 303.434 of the IDEA Part C regulations.
- Use any other procedure established by the State for speedy resolution of financial claims, provided that such use does not delay or deny the parent's procedural rights. 303.521(e)

FCP Funding: FCP funding is not considered as State or Local funds, but rather as program income in accordance with 34 CFR 80.25, and added to the availability of funds for First Steps services. This funding is expended in the following First Steps areas: 303.521(d)

- Direct Early Intervention Services

No-Cost Services: The following services are provided at no-cost to all children and their families referred to the First Steps Program: 303.521(a)(4)(i)

- Child Find Activities
- Evaluation and Assessment
- Service Coordination
- Administrative and Coordinative Activities (related to the development, review, and evaluation of IFSPs)
- Implementation of Procedural Safeguards

D. Private Insurance

Missouri implements a system of payments which establishes private insurance participation in the cost of providing First Steps services. As mandated by 378.1218 RSMo, private insurance carriers practicing in Missouri will be billed according to their annual declaration. Insurance carriers may choose one of the options below on their annual declaration:

- Direct Claims – The insurance carrier pays the applicable Medicaid rate applied to each service claim billed for occupational therapy, speech and language therapy, physical therapy, and assistive technology. Individual child and service information is billed to the insurance carrier under this option.
- Bulk/Percentage Claims – The insurance carrier pays the First Steps system by January 31st of the calendar year an amount equal to one-half of one percent of the direct written premium for health benefit plans as reported to the Department of Insurance, Financial Institutions and Professional Registration on the health carrier's most recently filed annual financial statement, or five hundred thousand dollars, whichever is less. No individual child or service information is billed to the insurance carrier under this option.

Use of Private Insurance for Direct Claims: The use of private insurance for direct claims may incur the following consequences, and parents are notified of these consequences at the time of parental consent:

- The use of private health insurance to pay for First Steps services may count towards or result in a loss of benefits due to the annual or lifetime health insurance coverage caps for the child, parents, or family members. This option is applicable for direct claims only.
- The use of private health insurance to pay for First Step services may negatively affect the availability of health insurance to the child, parent, or family members; including being cancelled due to the use of this insurance for First Step services. This option is applicable for direct claims only.
- The use of private health insurance to pay for First Steps services may be the basis for increasing the health insurance premiums for the child, parent, or family members. This option is applicable for direct claims only. *303.520(b)(2)(i-iii)*

Use of Private Insurance for Bulk/Percentage Claims: The use of private insurance for bulk/percentage claims will incur no consequences to the parent as no individual child information is sent to the insurance carrier, and parents are notified of this at the time of parental consent.

Parental Consent: Missouri obtains parental consent before accessing private health insurance, and each time services increase in length, duration, frequency, or intensity. *303.520(b)(A)*
 Accessing private insurance means releasing personally identifiable information in order to bill the private insurance for First Steps services. The refusal of parental consent to access private insurance may not be used to delay or deny any services; however, the maximum family cost participation fee may be charged to the parent for refusal to access private insurance. *303.520(c)*

Co-Pays/Deductibles: Families will not pay co-pays or deductibles associated with accessing private insurance for First Steps services and parents are notified of this upon obtaining parental consent. *303.520(b)(B)(ii)*

Private Insurance Funding: Proceeds from private insurance claims are not considered as State or Local funds, or as program income. These funds are added to the availability of funds for First Steps services and expended in the following First Steps area: *303.520(d)*

- Direct Early Intervention Services

E. Public Insurance

Missouri implements a system of payments which establishes public insurance participation in the cost of providing First Steps services. Public insurance refers to MO HealthNet/Medicaid funds.

Use of Public Benefits or Insurance: According to the terms of the interagency agreement with the MO HealthNet Division, MO HealthNet/Medicaid claims are considered a carve-out, therefore there is no violation of the no-cost protection provisions listed below: *303.520(a)(ii)(A-D)*

- Decrease available lifetime coverage or any other insured benefit for that child or parent under that program.
- Result in the child's parents paying for services that would otherwise be covered by the public benefits or insurance program.
- Result in any increase in premiums or discontinuation of public benefits or insurances for that child or that child's parents.
- Risk loss of eligibility for the child or that child's parents for home and community-based waivers based on aggregate health-related expenditures.

However, if parents have private insurance that is required to pay before the public insurance, the parents may incur consequences as described in the Use of Private Insurance for Direct Claims Section. Parents are notified of this upon obtaining parental consent. 303.520(a)(3)(iv)

Parental Consent: Missouri obtains parental consent before accessing public health insurance, and each time services increase in length, duration, frequency, or intensity. Accessing public insurance means releasing personally identifiable information in order to bill the public insurance for First Steps services. The refusal of parental consent to access public insurance may not be used to delay or deny any services. 303.520(a)(2)(i)

Parents may withdraw their consent to public insurance at any time. Missouri does not require a parent to sign up for or enroll in public benefits or public insurance programs as a condition of receiving First Steps services. 303.520(a)(3)(ii)

Public Insurance Funding: Proceeds from public insurance are not considered as State or Local funds, or as program income. These funds are added to the availability of funds for First Steps services and expended in the following First Steps area: 303.520(d)

- Direct Early Intervention Services