



# Practice Manual

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## Chapter 5: System of Payments

**Missouri Department of Elementary and Secondary Education  
Office of Special Education  
Updated April 2018**

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# 5 SYSTEM OF PAYMENTS

The First Steps program is operated through five funding sources: state general revenue, federal Individuals with Disabilities Education Act (IDEA) grant, family cost participation (FCP) fees, private insurance, and public insurance (MO HealthNet/Medicaid). These sources create a system of payments that is administered by the Department of Elementary and Secondary Education (DESE).

In order to explain the funding system to parents, DESE created the *Missouri First Steps System of Payments* policy (see Chapter 5 Documents). The System of Payments policy includes a description of the process for determining the family's monthly participation fee and the potential ramifications families may incur when private or public insurance is used to help pay for early intervention services.

There are no-cost services provided to all families regardless of the use of private or public insurance or monthly fees. The following are considered no-cost services:

- Child find activities
- Evaluation and assessment
- Service coordination
- Administration and coordination activities, including the development, review, and evaluation of Individualized Family Service Plans (IFSPs), translation services and the provision of parental rights

The System of Payments policy has three main components: private insurance, public insurance, and FCP.

## SECTION I: PRIVATE INSURANCE

*Missouri Part C State Plan Section XVIII. (34 CFR 303.520 through 303.521)*

The first component of the System of Payments policy is private insurance. As mandated by Revised Statutes of Missouri (RSMo) 376.1218, private insurance carriers practicing in Missouri must help pay for the cost of early intervention services. A family is not required to have private insurance in order to participate in First Steps.

## A. Annual Insurance Carrier Election

State law provides private insurance carriers two options to contribute to the cost of early intervention services: bulk/percentage payment or direct claims. Private insurance carriers must notify the Central Finance Office (CFO) no later than October 1<sup>st</sup> of each year, as to their election (i.e., bulk/percentage or direct) for the upcoming calendar year. By December 1<sup>st</sup> of each year, the System Point of Entry (SPOE) is notified of each private insurance carrier's election for the upcoming year.

### 1. Bulk/Percentage Payment

With the bulk/percentage payment election, the insurance carrier pays First Steps an amount equal to one-half of one percent of the carrier's direct written premiums or \$500,000, whichever is less.

If the insurance carrier elects bulk/percentage, then personally identifiable information about the child and family is not released to the carrier.

### 2. Direct Claims

With the direct claims election, the insurance carrier agrees to pay the applicable MO HealthNet/Medicaid rate, up to \$3000 per child per calendar year, for each early intervention direct service billed for the following services: assistive technology devices, occupational therapy, physical therapy, and speech language pathology.

If the insurance carrier elects direct claims, then personally identifiable information about the child and family is released to carrier.

Under the direct claims election, insurance carriers may have fully insured plans and/or self-insured plans.

#### a) Fully Insured Plan

Under a fully insured plan, the employer purchases a health insurance plan from an insurance company for coverage to all employees. These health plans are applicable to all state laws, including the First Steps law. The insurance cards for a fully insured plan should have a statement indicating "fully insured" on the cards of Missouri residents. If the child's insurance card states "fully insured," the Service Coordinator documents this in the child's electronic record.

#### b) Self-Insured Plan

Under a self-insured plan, the employer operates their own health plan instead of purchasing a plan from an insurance company. The Employee Retirement Income Security Act (ERISA) is a federal law exempting employers who "self-fund" their

employee health plans from state laws that mandate coverage of specific services. ERISA does not apply to any health plan a family purchases outside of their employer.

The Service Coordinator does not determine whether a child's health plan is self-funded.

Regardless of the carrier's election (i.e., bulk/percentage or direct), the Service Coordinator collects private insurance information and enters the information into the child's electronic record.

## **B. Parental Consent to Use Private Insurance**

As part of the explanation and review of the System of Payments policy with the parent, the Service Coordinator discusses the use of private insurance, including all potential ramifications.

The Service Coordinator explains if the child's insurance carrier chose the bulk/percentage election, then personally identifiable information is not released to the carrier and there are no ramifications.

The Service Coordinator explains if the child's insurance carrier chose the direct claims election, and the parent provides consent to use the child's private insurance, then personally identifiable information is released when billing the carrier for early intervention services. Additionally, the family may incur ramifications.

### **1. Ramifications for Private Insurance**

Prior to obtaining parental consent, the Service Coordinator notifies the parent of possible ramifications for using private insurance. These ramifications may impact the services the family can obtain under their insurance policy while in First Steps and after the family leaves First Steps.

The Service Coordinator explains to the parent that the use of private insurance may:

- Count towards or result in a loss of benefits (e.g., number of therapy visits allowed) due to the annual or lifetime coverage caps for the child, parents, or family members
- Negatively affect the availability of private insurance to the child, parent, or family members, including cancellation
- Be the basis for increasing the insurance premiums for the child, parent, or family members

In addition to the ramifications listed above, the use of private insurance may negatively impact the family's health savings account if the insurance company attempts to pay for early intervention services out of this account.

If the parent has any questions about the use of private insurance, including potential ramifications, then the parent should contact the insurance carrier prior to giving consent.

If the family's insurance is negatively impacted due to First Steps participation, then the parent should contact the Service Coordinator to discuss the situation.

## **2. Obtaining Consent for Private Insurance**

At the Initial and Annual IFSP meetings for every family, the Service Coordinator provides the parent a copy of the System of Payments policy and reviews the policy with the parent. As part of the explanation and review of the System of Payments policy with the parent, the Service Coordinator discusses the use of private insurance, including all potential ramifications.

After reviewing the policy, the Service Coordinator provides the *Consent to Use Private Insurance* form (see Chapter 5 Forms) to the parent. The parent indicates one of three options: 1) to give consent to use private insurance, 2) to decline consent to use private insurance, or 3) to acknowledge the child does not have private insurance.

The Service Coordinator must explain to the parent that they cannot selectively choose which services to bill to private insurance. If the parent gives consent to use private insurance, then all direct services for occupational therapy, physical therapy, speech language pathology and assistive technology devices are billed to private insurance.

If the parent gives consent to use private insurance, then the Service Coordinator collects insurance information, including the policy number, policy holder name and date of birth. The parent is considered the policy holder even if the insurance policy is in the child's name since the parent is the responsible party. In order to enter the policy holder's name on the FCP & Insurance tab in the child's electronic record, the Service Coordinator must enter the policy holder on the Family tab as an Educational Decision Maker.

If the parent has two insurance plans and gives consent to use both, then the parent must clarify the primary and secondary billing order.

The Service Coordinator may obtain a photocopy of the front and back of the insurance card in lieu of completing the insurance information section of the form. The Service Coordinator completes the form with the reason for consent and IFSP services. The parent must sign the form.

If the parent declines consent or does not have private insurance, then the consent section is completed and the parent must sign the form.

## **3. Insurance Changes Impacting Consent**

After obtaining consent to use private insurance, changes may occur in the family's insurance coverage or IFSP services, including the following:

#### **a) Family Changes**

The Service Coordinator must update the Consent to Use Private Insurance form with the parent anytime the child's private insurance changes (e.g., when the parent changes jobs or changes insurance carrier or policy number). When the form is updated, the Service Coordinator immediately updates private insurance information on the Health Plans page of the FCP & Insurance tab in the child's electronic record. An IFSP meeting is not required in order to change private insurance information in the child's electronic record.

#### **b) IFSP Service Changes**

The Service Coordinator must review and update the Consent to Use Private Insurance form with the parent every time assistive technology devices, occupational therapy, physical therapy and speech-language pathology are initiated or increased in length, duration, frequency, or intensity.

#### **c) Annual Insurance Changes**

Before December 31<sup>st</sup> of each year, the Service Coordinator must contact every parent who gave consent to use private insurance to discuss possible insurance changes for the upcoming calendar year.

If one of the following events occurs, then the Service Coordinator must update the Consent to Use Private Insurance form with the parent and update the child's electronic record prior to December 31<sup>st</sup>:

- The insurance carrier election changes to the direct claims option for the upcoming calendar year (i.e., from bulk/percentage to direct);
- The family's insurance carrier or policy number will change for the upcoming calendar year and the parent gives consent to use private insurance; or,
- The parent decides to withdraw consent.

When the family's insurance changes, the Service Coordinator must update the FCP & Insurance tab in the child's electronic record to end the old policy and enter the new policy. There can only be one active insurance plan selected as primary in the child's electronic record.

### **4. Parent Does Not Give Consent**

If the parent declines consent to use private insurance, all early intervention services are still provided to the child and family.

If the parent initially declines to use private insurance, then the Service Coordinator must have the parent sign the consent form and indicate decline. The Service Coordinator enters that the parent declined insurance on the Fee Determination page of the FCP & Insurance tab

in the child's electronic record. The Service Coordinator reviews the parent's decision at the Annual IFSP meeting.

The parent may withdraw consent to use private insurance at any time. If after initially providing consent to use private insurance the parent withdraws consent, the Service Coordinator must have the parent sign a new consent form and indicate decline. When consent is withdrawn, the Service Coordinator must immediately update the consent status on the Health Plans page of the FCP & Insurance tab in the child's electronic record. Timely data entry of consent is critical to ensure the services are accurately selected for submission to the child's insurance carrier.

## **5. Insurance Explanation of Benefits and Co-Payments/Deductibles**

First Steps does not charge the parent a co-payment or deductible for early intervention services. The parent is responsible to pay the premiums for private insurance, including co-payments and deductibles for services not provided by First Steps.

Parents may receive an Explanation of Benefits (EOB) from their private insurance company. The EOB lists any early intervention services as Missouri First Steps, not the name of the provider who delivered the service. The EOB may also show a balance not paid by the insurance company for early intervention services. The balance due may be referred to as the patient's responsibility, co-payment, co-insurance or deductible. The parent is not responsible for paying the balance due for any early intervention services because First Steps does not collect this amount from the parent.

If a parent receives a statement from the insurance company indicating they owe First Steps for unpaid amounts, the parent should contact the Service Coordinator to review the statement. If determined that the insurance company is attempting to collect payment from the parent for early intervention services, then the Service Coordinator should contact the Area Director for further review of the situation.

## SECTION II: PUBLIC INSURANCE

*Missouri Part C State Plan Section XVIII. (34 CFR 303.520 through 303. 521)*

The second component of the System of Payments is public insurance. Public insurance in Missouri is referred to as MO HealthNet/Medicaid, which is operated by the Department of Social Services (DSS). MO HealthNet/Medicaid includes Managed Care (MC+). The MC+ plans include United Healthcare Community Plan, Missouri Care, and Home State Health.

DESE and DSS have an interagency agreement that allows for MO Healthnet/Medicaid funds to be used to help pay for early intervention services. The interagency agreement applies to the following services: assistive technology devices, audiology, counseling, Developmental Assessment of Young Children (DAYC), health, medical, nursing, occupational therapy, physical therapy, psychology, social work, speech/language pathology, and vision.

If a child does not have public insurance and the family's income indicates they may be eligible for coverage, then the Service Coordinator should inform the parent of the availability of public insurance, but the parent is not required to enroll in MO HealthNet/Medicaid in order to participate in First Steps.

### A. Parental Consent for MO HealthNet/Medicaid

As part of the explanation and review of the System of Payments policy with the parent, the Service Coordinator discusses the use of public insurance. The Service Coordinator explains that if the parent provides consent to use public insurance, then personally identifiable information is released when billing public insurance for early intervention services.

#### 1. Ramifications for Public Insurance

Per the interagency agreement between DESE and DSS, when a parent gives consent for First Steps to use public insurance, the following ramifications will not occur:

- A decrease in available lifetime coverage or any other insured benefit for the child or parent under public insurance
- The parent paying for services that would otherwise be covered by public insurance
- Any increase in premiums or discontinuation of public insurance for the child or the parent
- A loss of eligibility for the child or the parent for home and community-based waivers based on aggregate health-related expenditures

In the event one of the above ramifications occurs, the parent should contact the Service Coordinator. The Service Coordinator collects information about the situation and relays the

information to the Area Director. The Area Director contacts the MO HealthNet/Medicaid state office about the situation.

## **2. Obtaining Consent for Public Insurance**

At the intake visit for every family, the Service Coordinator provides the parent a copy of the System of Payments policy and reviews the policy with the parent. As part of the explanation and review of the System of Payments policy with the parent, the Service Coordinator discusses the use of public insurance.

The Service Coordinator must obtain the document control number (DCN) to confirm the child has MO HealthNet/Medicaid. The Service Coordinator may review one of the following documents to obtain the number: MO HealthNet/Medicaid card, MO HealthNet/Medicaid eligibility letter, current statement or bill from MO HealthNet/Medicaid.

After reviewing the policy, the Service Coordinator provides the ***Consent to Use MO Health Net/Medicaid*** form (see Chapter 5 Forms) to the parent. The parent indicates one of three options: 1) to give consent to use MO HealthNet/Medicaid, 2) to decline to give consent to use MO HealthNet/Medicaid, or 3) to acknowledge the child does not have MO HealthNet/Medicaid.

The Service Coordinator must explain to the parent they cannot selectively choose which services to bill to public insurance. If the parent gives consent to use public insurance, then all direct services for the following types are billed to public insurance: assistive technology devices, audiology, counseling, DAYC, health, medical, nursing, occupational therapy, physical therapy, psychology, social work, speech/language pathology, and vision.

If the parent gives consent to use public insurance, then the parent must complete the consent section and sign the form. The Service Coordinator may obtain a photocopy of the front and back of the MO HealthNet/Medicaid card.

If the parent declines consent or does not have public insurance, then parent completes the consent section and signs the form.

## **3. Public Insurance Changes Impacting Consent**

At every IFSP meeting, the Service Coordinator asks the parent if there are any changes in public insurance. The Consent to Use MO HealthNet/Medicaid form is updated only if the status of public insurance changes while participating in First Steps.

## **4. Parent Does Not Give Consent for Public Insurance**

If the parent declines consent to use public insurance, all early intervention services are still provided to the child and family at no cost. The Service Coordinator must have the parent sign the consent form and indicate decline.

The parent may withdraw consent to use public insurance at any time. If after initially providing consent to use public insurance the parent withdraws consent, the Service Coordinator must have the parent sign a new consent form and indicate decline. When consent is withdrawn, the Service Coordinator must immediately update the consent status in the child's electronic record. Timely data entry of consent is critical to ensure the services are accurately selected for submission to MO HealthNet/Medicaid.

## **5. MO HealthNet/Medicaid Statements**

The parent is responsible to pay any applicable premium for public insurance. The parent receives a separate statement from MO HealthNet/Medicaid when a payment is due.

If a parent receives a statement from MO HealthNet/Medicaid indicating they owe First Steps for unpaid amounts, the parent should contact the Service Coordinator to review the statement. If determined that MO HealthNet/Medicaid is attempting to collect payment from the parent for early intervention services, then the Service Coordinator should contact the Area Director for further review of the situation.

### **B. Families with Private and Public Insurance**

If the child has both private insurance and public insurance coverage, the private insurance may be required to pay before public insurance. The Service Coordinator ensures the parent is informed of the possible ramifications of using private insurance.

## SECTION III: FAMILY COST PARTICIPATION

*Missouri Part C State Plan Section XVIII. (34 CFR 303.520 through 303.521)*

The third component of the System of Payments policy is FCP. As mandated by RSMo 160.920, all families are assessed for their ability to pay a monthly fee. If determined to have the ability to pay, then the parent is required to make a financial contribution to the cost of early intervention services.

### A. Assessment of a Monthly Fee

At the Initial and Annual IFSP meetings for every family, the Service Coordinator must conduct the fee assessment process to determine if the family has an ability to pay a fee. The ability to pay refers to the determination of whether a family is able to financially contribute to the cost of services provided by First Steps.

For each family, the Service Coordinator completes the *Financial Information for Family Cost Participation* form (see Chapter 5 Forms) with the parent. If the child is enrolled in MO HealthNet/Medicaid (under any State of Missouri entitlement program), or the family receives Supplemental Security Income (SSI) or Food Stamps, or the child in First Steps is in foster care, then financial information is not required to be collected.

#### 1. Household Size

A household or family unit is defined as the group of individuals living in the same residence including, but not limited to, biological parents, adoptive parents, step-parents, and children (biological and adoptive). The most recent federal tax return is the preferred method of collecting household size.

When a federal tax return is not available, it is important to determine the relationship the individual has to the Head of the Household (i.e., the person who is financially liable), and the individual's residence and source of financial support. The Service Coordinator completes the *Household Size and Other Income Worksheet* (see Chapter 5 Documents).

#### 2. Income Information

Income information is defined as earned and unearned income with allowable expenses. The most recent federal tax return is the preferred method for collecting income information. In order to determine the family's adjusted gross income, the Service Coordinator collects income information from the parent or an individual acting in the role of parent (e.g., guardian, foster parent).

The federal tax return captures both earned and unearned income. Child support is excluded from income information.

- **Earned Income.** Gross annual earned income means 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.
- **Unearned Income.** Gross annual unearned income means the total income from investments and other sources unrelated to employment. Examples include interest earnings, dividends, annuities, rents, pensions, disability/survivor benefits, workers compensation, unemployment, retirement benefits, and any other income as required in the reporting of federal income tax.

### ➤ **Payroll Information**

If a federal tax return is not available, then the parent must provide either the most recent pay check stubs, or a signed letter from the employer stating the current level of income. When income is determined using payroll information, the income may be higher since it does not include exemptions that would be in a federal tax return.

The Service Coordinator must view the family's financial information so it may be recorded on the Household Size and Other Income Worksheet. However, the Service Coordinator is not required to collect a copy of the payroll information.

If the parent gives a copy of financial documentation to the Service Coordinator, the documents should be destroyed after the income information is no longer needed to determine the monthly fee. This prevents the parent's financial record from becoming part of the child's paper record.

### **3. Fee Schedule**

The *Family Cost Participation – Fee Schedule* (see Chapter 5 Documents) is a sliding scale based on household size and income using 200% of the federal poverty level guidelines. The fee schedule is updated annually on July 1<sup>st</sup> when changes occur in the federal poverty guidelines. The monthly fee is determined based on the family's placement on the sliding scale.

The family is determined to have the inability to pay if their household size and income places them on the fee schedule at \$0, the child is enrolled in MO HealthNet/Medicaid, the family receives SSI or Food Stamps, or the child in First Steps is in foster care.

When a parent chooses to decline consent to use public insurance, the Service Coordinator may need to override the fee calculation to ensure the family's monthly fee is \$0.

For a family determined to have the ability to pay, the minimum fee is \$5 and the maximum fee is \$100 per month. If a family has more than one child participating in First Steps, then the family is charged one fee per month.

The monthly fee is set at the maximum amount of \$100 if a parent declines to provide financial information in order to determine the ability to pay, or it is determined a parent intentionally provided false financial or household information for the FCP determination. The maximum amount is charged to the family until the next fee review.

When a parent chooses to decline consent to use private insurance, it does not impact the monthly fee. The monthly fee is determined based on household size and income.

After the monthly fee is calculated in the child's electronic record, the Service Coordinator must send the parent a copy of the Monthly Fee Determination from the child's electronic record.

### ➤ **Parent Delay**

If the parent does not have financial documentation available at the IFSP meeting, then the Service Coordinator sends the parent the *Family Cost Participation Information Letter* (see Chapter 5 Letters). A parent delay in providing financial documentation to assess the ability to pay cannot be used as a reason to delay the timeline to finalize the IFSP.

## **B. Additional Family Cost Participation Reviews**

There may be times outside of the required annual fee reviews that a parent would like to have the fee reviewed due to a difficult financial situation, a change in income or household size, or when the parent reports an error with the FCP account.

### **1. Financial Hardship Determination**

When a family is experiencing a difficult financial situation, the Service Coordinator discusses financial hardship with the parent. If the parent is interested in pursuing a hardship determination, then the parent completes the *Parent Request for a Financial Hardship Determination* worksheet (see Chapter 5 Documents). The parent must provide supporting documentation indicating one or more of the following situations:

- **Loss of Home.** This includes the destruction of the home (i.e., insurance claim showing total loss or significant damage to the home), or bank repossession of the home.
- **Loss of Job.** This includes a parent losing a job and not working another job, not able to work for medical/physical reasons, the business closed or stopped operation, or a household member was laid-off temporarily or long term. To be considered for financial hardship, the loss of annual income must be more than 10%.
- **Extensive Medical Costs.** This includes actual out-of-pocket costs paid by the family and not reimbursed by medical insurance or other program, such as co-pays, deductibles, hospital bills, and specialist bills. To be considered for financial hardship, the medical costs must be more than 10% of the family's annual income,

the medical costs occurred in the past 12 months and the costs were not included in the previously reported annual income.

- **Other.** This includes other life events that resulted in a financial hardship for a family. This option requires the SPOE Director to review and approve the request.

When a financial hardship is requested, the SPOE Director evaluates the request and determines whether the nature of the family's situation meets the criteria for a financial hardship. The SPOE Director may choose one of the following four options:

- Recalculate the monthly fee to the appropriate amount based on a reduction in the annual income due to loss of job
- Reduce the monthly fee to \$5, the minimum fee
- Reduce the monthly fee to \$0
- No change to the current monthly fee

If the financial hardship request results in an adjustment to the monthly fee, then the Service Coordinator enters the new fee in the child's electronic record. The Service Coordinator must provide the parent with a copy of the Monthly Fee Determination from the child's electronic record.

As part of a financial hardship determination, the SPOE Director cannot request any FCP statement balance that is over 30 days be reduced to \$0.

The Service Coordinator must review the financial hardship determination at each Annual IFSP to verify the hardship still applies. The review of the hardship must be documented in case notes.

## **2. Parent Requests a Fee Review**

A parent may request a review of the monthly fee due to a change in household size, income information or a potential error in the FCP account balance or calculation.

### **a) Report a Change**

The parent has 15 working days to report any change in household size, income or insurance to the Service Coordinator. The Service Coordinator must review documentation related to the reported change as soon as possible. For changes in household size or income information, a new Financial Information for Family Cost Participation form is completed. For changes in private or public insurance, a new Consent to use Private Insurance or Consent to Use MO HealthNet/Medicaid form is completed. The Service Coordinator updates the child's electronic record accordingly.

If the parent reports the change within 15 working days of the event, then the Service Coordinator can backdate the new monthly fee determination to the date the change

occurred. If backdating the new fee determination impacts the previous month's balance, then the SPOE Director should contact the Area Director to reduce the family's current FCP balance.

If the parent does not report the change within 15 working days of the event and a new fee is calculated for the family, then the new fee is effective as of the date the change was reported. The Service Coordinator cannot backdate the reduced monthly fee because the new fee is not retroactive to the date the change occurred.

## **b) Administrative Review**

The parent must submit, in writing, a request for an administrative review regarding a potential error in the monthly fee or hardship determination. The request must outline the reason for the review and include any supporting documentation.

Within ten business days of receiving the request, the SPOE Director must make a determination if the fee should change. The SPOE Director's determination must be based on FCP guidance and documentation provided by the parent.

If the SPOE Director determines an error was made, then the SPOE Director may: 1) set a new monthly fee based on the documentation received, or 2) submit a request to the Area Director to correct the current balance.

### **➤ Parent Disputes Family Cost Participation Fees**

A parent who wants 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
- Request a due process hearing
- File a child complaint
- Use any other procedure established by the state for speedy resolution of financial claims, provided such use does not delay or deny the parent's rights

For more information on the dispute of fees, see Chapter 2.

## **C. First Steps Explanation of Benefits and Family Cost Participation Statement**

The parent of a child in First Steps may receive two types of documents from the CFO, a First Steps Explanation of Benefits and a Family Cost Participation Statement. Both documents are mailed to the address of the person listed as the Head of Household in the child's record.

## 1. Explanation of Benefits

Each month the CFO sends every family an EOB. The EOB is not a bill, rather a list of the dates of service and hours billed by each provider serving the child and family.

The Service Coordinator explains the EOB is a way for the parent to confirm the services billed were delivered to the family. If the parent finds a discrepancy in the EOB, then the parent should contact the Service Coordinator to review the services. If the Service Coordinator confirms the discrepancy, then either the parent or the Service Coordinator reports the discrepancy to DESE.

## 2. Family Cost Participation Statement

For families with a monthly fee or a balance on their First Steps account, the CFO sends a *Family Cost Participation Statement* (see Chapter 5 Documents) which is the family's bill for First Steps participation. The family receives one Family Cost Participation Statement per month regardless of how many children they have participating in First Steps. Every family is assigned a Household Identification number; therefore, in order for the family to have one monthly fee, siblings must have their Household Identification numbers combined via a Household Transfer in the child's electronic record. The Service Coordinator completes the Household Transfer prior to the Initial IFSP meeting.

When a child is in foster care, the Service Coordinator does not combine the Household Identification number with any other children.

The Family Cost Participation Statement lists the current monthly fee, any adjustments to the fee and the balance due. The date range of services is 60 days prior to the statement date, which corresponds to the 60-day timeframe for providers to bill for services.

Since there is a 60-day delay in the date range designated on the Family Cost Participation Statement, the family is not charged a monthly fee for the first 60 days following the Initial IFSP meeting. The Service Coordinator informs the family of this at the Initial IFSP to reduce confusion when the family receives their first Family Cost Participation Statement.

A family is not charged a monthly fee when they receive only no-cost services during the timeframe designated on the Family Cost Participation Statement.

Except for no-cost services, any service paid within the date range designated on the Family Cost Participation Statement is included in the amount charged to the family.

The Family Cost Participation Statement is generated based on data entered in the child's electronic record as of the 27<sup>th</sup> of the month. Timely data entry of FCP information is critical to ensure the family receives an accurate statement because WebSPOE does not correct previous statements due to late data entry, even if information is backdated.

The monthly fee is applicable as of the FCP statement date, not the date of service. For example, if a fee is set at \$5 as of May 27<sup>th</sup> and the family received at least one service within the date range of February 28<sup>th</sup> to March 27<sup>th</sup>, then the family is charged \$5 on the May

statement. The following Family Cost Participation Statement schedule shows the date range of services for each monthly statement:

<b>Family Cost Participation Statement Schedule</b>	
<b>Statement Date</b>	<b>Date Range of Services*</b>
January 27 <sup>th</sup>	10/28 – 11/27
February 27 <sup>th</sup>	11/28 – 12/27
March 27 <sup>th</sup>	12/28 – 1/27
April 27 <sup>th</sup>	1/28 – 2/27
May 27 <sup>th</sup>	2/28 – 3/27
June 27 <sup>th</sup>	3/28 – 4/27
July 27 <sup>th</sup>	4/28 – 5/27
August 27 <sup>th</sup>	5/28 – 6/27
September 27 <sup>th</sup>	6/28 – 7/27
October 27 <sup>th</sup>	7/28 – 8/27
November 27 <sup>th</sup>	8/28 – 9/27
December 27 <sup>th</sup>	9/28 – 10/27

\* These dates of services must be paid by the Statement Date to be included in the Family Cost Participation Statement.

### 3. Monthly Fee Adjustments

Families cannot be charged more than the actual cost of the service, factoring in the amount received from other sources (e.g., private insurance). To ensure this requirement is met, there are two adjustments calculated in WebSPOE, as needed: an adjustment for services, and an adjustment for private insurance coverage.

#### a) Adjustment for Services

Each month the CFO reviews all paid services for the date range designated on the Family Cost Participation Statement to determine the amount of services compared to the monthly fee.

When the amount of paid early intervention services is less than the monthly fee, the monthly charge for that month is automatically adjusted for the difference. For example, if a family’s monthly fee is \$100 and the family received one hour of special instruction (i.e., \$68) during the designated timeframe, then the FCP statement reflects a \$32 adjustment for the service. The monthly charge for that month is \$68.

#### b) Adjustment for Private Insurance Coverage

Each month, after the review of the adjustment for services is complete, the CFO reviews private insurance coverage for any family who still has a monthly fee remaining. When a parent provides consent to use private insurance and the insurance carrier made a direct claims election, First Steps assumes the insurance company will pay for a portion of the cost

to deliver services. The only services applicable to private insurance coverage are assistive technology devices, occupational therapy, speech language pathology and physical therapy. When one of these four services is delivered as a direct service, the service is considered “submittable.” All other early intervention services and all other methods are considered “non-submittable” (e.g., family training, consultation, support joint visit, teletherapy).

The CFO conducts another review of all the services paid during the date range designated on the Family Cost Participation Statement to determine if any services are non-submittable to private insurance. If there are any non-submittable services, then the family is charged the monthly fee to help pay for the non-submittable service. For example, if a family with a monthly fee of \$59.94 receives four hours of special instruction direct service at \$272 and two hours of physical therapy support joint visit at \$136, then the parent is charged the monthly fee of \$59.94.

However, if the family has only submittable services, the insurance carrier made a direct claims election, and parental consent on file during the date range designated on the Family Cost Participation Statement, then the family’s charge for that month is reduced to \$0 to ensure the family does not pay more than the cost of services covered by private insurance. For example, if a family with a monthly fee of \$100 receives one hour of occupational therapy direct service at \$68 and one hour of physical therapy direct service at \$68, then the Family Cost Participation Statement reflects a \$100 adjustment for private insurance coverage. The monthly charge for that month is \$0.

## **D. Family Cost Participation Payments and Suspension**

Parents determined to have the ability to pay must make monthly payments to First Steps. If a parent does not make the required monthly payments, then early intervention services are suspended.

### **1. Family Cost Participation Payments**

Parents are expected to pay the balance on their Family Cost Participation Statement each month before the due date, which is the 20<sup>th</sup> of each month. Parents may make their FCP payment by mailing a check or money order to the CFO. Parents may also make their payment via online bill pay if this function is available through their banking institution.

The CFO processes all payments received from parents and posts payments to the FCP account in the child’s electronic record. The Service Coordinator can view the Family Cost Participation Statement that is greater than \$0 and account balance in the child’s electronic record.

## 2. Failure to Pay

The parent must pay the minimum amount due each month in order to keep their FCP account current. If the payment of a monthly fee is not received at the CFO by the 27<sup>th</sup> of the month, then a payment will not appear on the next Family Cost Participation Statement.

When the parent is 30 days late in paying the monthly fee, the child's name appears on the FCP Aging List on the WebSPOE homepage. This list is updated on the 28<sup>th</sup> of every month. The SPOE reviews the FCP Aging List and monitors accounts that are overdue.

### a) 60<sup>th</sup> Day Overdue

When a FCP account is 60 days overdue, the SPOE contacts the parent to explain the payment and suspension timeline. The SPOE must inform the parent that if payment is not received at the CFO prior to the 90<sup>th</sup> day of nonpayment, then IFSP services will be suspended, with the exception of no-cost services. Additionally, the SPOE should inquire why the parent has not made a payment (e.g., not receiving statements, change in income, medical bills). If applicable, the SPOE discusses financial hardship with the parent.

### b) 75<sup>th</sup> Day Letter

A family with a balance that is 60 days overdue has an additional letter, the *75<sup>th</sup> Day Letter* (see Chapter 5 Letters), included with the monthly Family Cost Participation Statement. This letter is mailed to the Head of Household indicating the date the family's early intervention services will be suspended if the minimum balance due is not paid.

Prior to the 90<sup>th</sup> day, the Service Coordinator attempts to contact the parent to ensure the parent received a Family Cost Participation Statement and to determine if the parent has made a recent payment. If the parent has not made a payment, then the Service Coordinator discusses the impact of not making a payment by the 90<sup>th</sup> day.

## 3. Suspension of Services

Regardless of the amount or type of early intervention services authorized in the child's IFSP, a family is eligible to have their services suspended when their FCP account is 90 days overdue. The SPOE has 14 calendar days to suspend services. Prior to suspension, the SPOE reviews the FCP account to verify if any payments equal to the 90 day balance have been posted to the account. If a payment has been made, the account reverts back to 30 or 60 days overdue, which takes the family out of suspension status. If no payments have been posted, then the SPOE proceeds with suspension. The SPOE must contact the parent to explain early intervention services have been suspended.

When the SPOE suspends services in the child's electronic record, all active authorizations are cancelled as of the suspension date, with the exception of any no-cost services. The SPOE does not have the ability to individually select authorizations to cancel. Since the family's providers may deliver services on the date of suspension, the SPOE uses one day in

the future (i.e., tomorrow's date) as the suspension date to ensure providers are able to bill for all delivered services. The child's record will show the record is suspended the day after the suspension button is selected.

Providers with an active authorization for service will receive an email notification that the authorization was cancelled. The Service Coordinator should contact (i.e., call or email) the providers to ensure they are aware of the cancellation to prevent the provider from delivering another service to the family.

When the account is suspended, the Service Coordinator must continue to conduct all required IFSP meetings within the specified timelines (e.g., Six-Month Review, Annual Review, and Transition Plan/Conference). Although the IFSP team cannot create any new child or family outcomes for the IFSP while the account is suspended, the team can discuss the family's concerns and support the family in locating and accessing local resources. If the IFSP team decides to make changes to the IFSP (e.g., change services), the Service Coordinator cannot change the IFSP until the account is reinstated. However, all no-cost services (e.g., ongoing assessments, service coordination) identified by the IFSP team must continue to be delivered to the family.

As long as the family is maintaining contact with the Service Coordinator, a family in suspension remains enrolled in First Steps. However, if the Service Coordinator is unable to locate or contact the family, then the Service Coordinator begins the inactivation procedures. For more information on unable to contact or locate procedures, see Chapter 6.

#### **4. Reinstatement of Services**

Once suspended, the parent must bring the account current (i.e., pay the full amount due) before early intervention services can be reinstated.

##### **a) Reinstatement Less Than 90 Days**

If a parent brings the FCP account current within 90 days from the suspension date, then the cancelled authorizations are reinstated without an IFSP team meeting. When the services are reinstated, all of the most recent service authorizations automatically restart under a new authorization number with the original end date.

The Service Coordinator verifies the availability of the previous providers, as previous providers may not be able to take the child back into their caseload, and a provider change may be necessary. The Service Coordinator notifies the family and providers once services and authorizations are reestablished.

##### **b) Reinstatement 90 Days or More**

If a parent brings the FCP account current 90 days or more from the suspension date, then the Service Coordinator must schedule an IFSP meeting to review the outcomes, services and availability of providers before the services are reinstated. After the IFSP meeting,

the Service Coordinator enters new service authorizations and early intervention services may resume.

### **E. Family Cost Participation When Exiting First Steps**

When a family leaves First Steps, there may be a balance or a credit remaining on the FCP account. For three months after the month the child's electronic record is closed, the parent continues to receive a Family Cost Participation Statement for services received prior to exit. The parent is expected to pay the amount listed on the final statements.

If the family made payments in excess of the current amount due and the funds are not needed to satisfy future monthly fees, then the family is refunded the balance. If the family has another child actively enrolled in First Steps, then no refund is offered until the family has no children actively enrolled.

Three months after the month the child's electronic record was closed, the parent receives a final Family Cost Participation Statement. The final statement indicates a \$0 balance and, if applicable, an adjustment reason for situations where the balance was adjusted (e.g., a refund is generated).

FCP refunds are automatically issued to the parent in a check from the CFO. The check is made payable to the Head of Household and is sent to the Head of Household's mailing address. Approximately one week after the final Family Cost Participation Statement, the Head of Household will receive a check in the mail.

## SECTION IV: EXPLAINING THE SYSTEM OF PAYMENTS POLICY

*Missouri Part C State Plan Section XVIII. (34 CFR 303.500 through 303.521)*

The Service Coordinator reviews the System of Payments policy with the parent during the intake visit, Initial IFSP meeting and Annual IFSP meeting. The Service Coordinator must be knowledgeable of the content of the policy and be prepared to answer any questions the parent may have when explaining the policy.

### **A. Intake Visit**

The Service Coordinator provides the parent with a copy of the System of Payments policy at the intake visit. The Service Coordinator reviews the components of the policy with the parent, including the availability of the no-cost services. The Service Coordinator explains to the parent how, if their child is eligible, the monthly fee is determined and any potential ramifications if the parent chooses to provide consent for the use of private or public insurance.

The Service Coordinator must verify the child's legal name. It is critical that the child's legal name is entered in the electronic record in order to ensure private and public insurance can match the child with their records.

The Service Coordinator does not obtain consent for private insurance at the intake visit. However, by the conclusion of the intake visit, the Service Coordinator is required to review the Consent to Use MO HealthNet/Medicaid form with the parent. Obtaining consent at the intake visit is important for MO HealthNet/Medicaid to help pay for the evaluation of the child, in addition to other early intervention services if the child is eligible for First Steps. Although the evaluation of the child is a no-cost service, MO HealthNet/Medicaid reimburses First Steps for the cost of an evaluation.

The Service Coordinator must have the parent indicate whether the child has public insurance, and if so, whether the parent gives consent to use public insurance. For more information on obtaining consent for public insurance, see Section II.

### **B. Initial IFSP Meeting**

In preparation for the Initial IFSP meeting, the Service Coordinator informs the parent of any applicable financial and insurance documentation that must be available at the IFSP meeting.

At the Initial IFSP meeting, the Service Coordinator provides the parent with another copy of the System of Payments policy. The Service Coordinator reviews all components of the policy and answers any questions the parent may have before services begin.

By the conclusion of the Initial IFSP meeting, the Service Coordinator is required to review the Consent to Use Private Insurance form with the parent. The Service Coordinator must have the parent indicate whether the child has private insurance, and if so, whether the parent gives consent to use private insurance. For more information on obtaining consent for private insurance, see Section I.

The Service Coordinator also reviews the Financial Information for Family Cost Participation form with the parent. The Service Coordinator has the parent confirm household size and income information, as applicable. For more information on family cost participation, see Section III.

After the Initial IFSP meeting, the Service Coordinator updates the child's electronic record accordingly and sends the IFSP, the Monthly Fee Determination and a copy of any forms completed at the Initial IFSP meeting to the parent.

### **C. Annual IFSP Meeting**

In preparation for the Annual IFSP meeting, the Service Coordinator informs the parent of any applicable financial and insurance documentation that must be available at the IFSP meeting.

At the Annual IFSP meeting, the Service Coordinator provides the parent with another copy of the System of Payments policy. The Service Coordinator reviews all components of the policy and answers any questions the parent may have since receiving services.

By the conclusion of the Annual IFSP meeting, the Service Coordinator asks the parent if any changes have occurred in public insurance coverage, and if so, a new Consent to Use MO HealthNet/Medicaid form is completed accordingly.

The Service Coordinator is required to review the Consent to Use Private Insurance form with the parent. Regardless of any change in coverage or services identified in the IFSP, a new Consent to Use Private Insurance form is completed for every family.

The Service Coordinator is also required to review the Financial Information for Family Cost Participation form with the parent. Regardless of any change in household size or income, a new Financial Information for Family Cost Participation form is completed for every family.

After the Annual IFSP meeting, the Service Coordinator updates the child's electronic record accordingly and sends the IFSP, the Monthly Fee Determination and a copy of any forms completed at the Annual IFSP meeting to the parent.

## SECTION V: FREQUENTLY ASKED QUESTIONS

**Question 1:** How is household size calculated if the parents are dependents themselves?

**Answer:** If the parents filed a federal tax return, the Service Coordinator uses information on the federal tax return to complete the household size on the Financial Information for Family Cost Participation form. If there is no federal tax return to establish household, then a dependency test must be used to complete the form.

**Question 2:** If the child's parents live together but are not married, what income information is collected?

**Answer:** If the parents filed separate federal tax returns, the Service Coordinator uses both federal tax returns to determine the fee. If no federal tax returns are available, the Service Coordinator collects payroll or other income information.

**Question 3:** If a family receives special instruction or a service other than an assistive technology device, occupational therapy, speech language pathology and physical therapy, is the parent required to sign the Consent to Use Private Insurance form?

**Answer:** Yes. Each parent completes a private insurance form at the Initial and Annual IFSP meetings to document the parent's decision to use private insurance.

**Question 4:** For assistive technology devices, what does the Service Coordinator list as the frequency of service on the Consent to Use Private Insurance form?

**Answer:** The frequency for assistive technology is the estimated number of items to be purchased according to the current authorizations in the child's IFSP.

**Question 5:** If parents share custody and the child receives services in both homes, which home is considered to be the child's household?

**Answer:** For the purposes of family cost participation, the parent who claimed the child on the federal tax return is considered to be the household.

**Question 6:** When entering the insurance carrier name in the child's electronic record, can the Service Coordinator use the option of "carrier not on file?"

**Answer:** No. The Service Coordinator should avoid using carrier not on file as the insurance carrier name because early intervention services cannot be submitted to private insurance unless the carrier's name is correctly selected from the list in WebSPOE.

If an insurance carrier's name is not found on the list in WebSPOE, the Service Coordinator should ask for assistance from the SPOE Director or call the CFO Help Desk at (866) 711-2573, extension 3.

**Question 7:** When a family moves to another SPOE region, does the new Service Coordinator need to enter a new Monthly Fee Determination?

**Answer:** No. Unless in conjunction with an Initial or Annual IFSP meeting, the new SPOE/Service Coordinator is not required to enter a new Monthly Fee Determination.