

SB 2595

Measure Title: RELATING TO EARLY INTERVENTION SERVICES.

Report Title: Department of Health; Early Intervention Services; Fees

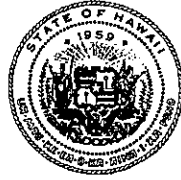
Description: Requires the department of health to develop and establish a family cost participation schedule of monthly cost participation fees for early intervention services. Authorizes the department to offer early intervention services on a fee-for-service basis for children who are ineligible for services under part C of the Individuals with Disabilities Education Act.

Companion:

Package: Keiki

Current Referral: HMS, WAM

Introducer(s): CHUN OAKLAND, BAKER, IGE, KIDANI, TOKUDA, Fukunaga, Galuteria, Kim



STATE OF HAWAII
DEPARTMENT OF HEALTH
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In reply, please refer to:
File:

Senate Committee on Human Services

S.B. 2595, RELATING TO EARLY INTERVENTION SERVICES

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health**

February 7, 2012

1 **Department's Position:** The Department of Health (DOH) appreciates the intent of this bill to increase
2 funding for early intervention (EI) services and to provide services to promote children's development.
3 However, we cannot support this bill because the DOH already has the option to establish a sliding fee
4 schedule, we are concerned about implementation costs, and a program of EI services on a fee-for-
5 service basis for children who are ineligible under Part C of the Individuals with Disabilities Education
6 Act (IDEA) does not address the needs of children/families who cannot afford such services.

7 **Fiscal Implications:** There will be additional DOH costs to implement a sliding fee schedule and
8 establish a program of EI services for children who are ineligible under Part C.

9 **Purpose and Justification:** This bill establishes a sliding fee schedule for EI services and allows DOH
10 to develop a program to offer EI services on a fee-for-service basis for non-Part C eligible children.

11 DOH already has the option to establish a sliding fee schedule. Hawai'i Revised Statutes
12 §321-351 states that "early intervention services" means services which are "provided at no cost, except
13 where federal or state law provides for a system of payments by families, including a sliding fee
14 schedule". Federal regulations for Part C of IDEA [CFR § 303.500(b)] allow a state to establish a
15 system of payments that includes a schedule of sliding fees.

1 We are concerned that the cost to implement a sliding fee schedule may be greater than the total
2 amount of fees to be collected. In addition to collection and accounting costs, the number of care
3 coordinators will need to be increased to offset the added time for care coordinators to determine the
4 families' income, possible financial hardship, and individualized fee based on the services provided. If
5 there is a sliding fee, it should be based on annual gross income not less than 300% (instead of 200%) of
6 the federal poverty guideline to match QUEST eligibility. Additional funds would be needed to study
7 whether implementing a sliding fee schedule is feasible and how to design the sliding fee and collection
8 system so that that the revenue is greater than the cost.

9 We are concerned that providing EI services on a fee-for-service basis for non-Part C eligible
10 children does not address the children/families who may need but cannot afford services that promote
11 child development. DOH does not want to duplicate physical, occupational, and speech therapy, or
12 other services which are already available through private providers. DOH does not have funding to
13 cover administrative and care coordination costs to implement a sliding fee schedule.

14 Thank you for the opportunity to testify.

**IN SUPPORT
SENATE BILL 2595
Testimony of Robin H. Kobayashi**

I support SB 2595. For three main reasons:

- The Department of Health's ("DOH") change in eligibility standards for children who can receive Early Intervention Services ("EIS") is so drastic that it severely limits the number of children who will now qualify for services;
- Studies have shown that investment in EIS have led to huge benefits, both for the individual and society as a whole;
- DOH's changes only demonstrate to families with children with special needs that it would rather avoid the cost and administrative hassle than invest in our children.

DOH's Changes Will Cut A Large Number of Children with Special Needs

EIS provides physical, occupational, and speech therapy, among other things, for infants and toddlers ages 0-3 years of age. Last year, the DOH changed the eligibility standard for children would qualify for EIS to 1.5 standard deviation. This means only those children who suffer from a severe delay will be eligible services. It is projected that about **25% fewer children** will be receiving services today.

EIS Leads to Enormous Benefits

While the Department of Health wishes to save the State expenditures on EIS, it does so at the risk of our children and future society. It is indisputable that several research findings prove **most physical development in the brain occurs by age 3**. See OJJDP Fact Sheet. A recent study conducted by the RAND Corporation has shown that effective early childhood intervention programs led to:

- Increased cognitive development for the child;
- Improved educational processes and outcomes for the child;
- Enhanced economic self-sufficiency, initially for the parent and later for the child, through increased participation in the labor force, decreased participation in welfare, and higher incomes.
- Decreased criminal activity;
- Improved health-related indicators like child abuse;

- An economic return to society ranging from \$1.80 to \$17.07 for each dollar spent on the program.

Id.; RAND Study Brief Lynn A. Karoly, M. Rebecca Kilburn, and Jill S. Cannon, *Early Childhood Interventions: Proven Results, Future Promise, MG-341-PNC, 2005.*

The bottom line is that saving money in EIS services today will cost the State far more in the near and long-term future.

DOH's Changes Will Have A Negative Effect on Hawaii's Families

My son, Jack, is now 21 months old. It is more than likely that he suffers from a congenital problem that can have associated problems that range from learning disorders to mental retardation and severe tumors. Jack is receiving early intervention services, and is thriving with this assistance.

As a parent whose child is receiving early intervention services, I feel appalled and disappointed that DOH would, in an effort to save resources, decrease the number of children receiving services by increasing eligibility standards. This bill would allow families with children in need to at least have the option of receiving services. I cannot stress enough how important this option is.

Please allow families, such as ours, to continue to receive these vitally important and effective services.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 05, 2012 9:55 PM
To: HMS Testimony
Cc: kenny.fink@juno.com
Subject: Testimony for SB2595 on 2/7/2012 1:30:00 PM
Attachments: SB2595 testimony.docx

Testimony for HMS 2/7/2012 1:30:00 PM SB2595

Conference room: 016
Testifier position: Comments Only
Testifier will be present: Yes
Submitted by: Robin Kobayashi and Kenny Fink
Organization: Individual
E-mail: kenny.fink@juno.com
Submitted on: 2/5/2012

Comments:

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 05, 2012 11:46 AM
To: HMS Testimony
Cc: Brenda.Kosky@gmail.com
Subject: Testimony for SB2595 on 2/7/2012 1:30:00 PM

Testimony for HMS 2/7/2012 1:30:00 PM SB2595

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Brenda Kosky
Organization: Individual
E-mail: Brenda.Kosky@gmail.com
Submitted on: 2/5/2012

Comments:

Ch

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 04, 2012 11:22 AM
To: HMS Testimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for SB2595 on 2/7/2012 1:30:00 PM

Testimony for HMS 2/7/2012 1:30:00 PM SB2595

Conference room: 016
Testifier position: Support
Testifier will be present: Yes
Submitted by: Scott Wall
Organization: Individual
E-mail: robertscottwall@yahoo.com
Submitted on: 2/4/2012

Comments:

Early intervention could save any number of children from becoming totally disabled. This is money well invested as opposed to money well spent.

We submit this testimony as parents of a child with special needs who currently receives services through the EIP. One of us is a parent representative on the Early Intervention Council.

- We appreciate the intent of this bill to increase access to early intervention services.
- We regret the failure to restore the early intervention program's (EIP) eligibility reduction.

We should not give up on our keiki.

Previously the EIP provided services to children who had greater than a 1 standard deviation (SD) deficit, which may include 15.8% of children. Under the new eligibility criteria, only children with a more severe 1.5 SD deficit, i.e. less than half of those previously, are eligible. These are children that might be graded as "D's" and "F's", and we're ok getting them to "C's" and "D's".

We should not stop treating keiki who continue to improve.

A child who has a >1.5 SD deficit is eligible for EIP services. As soon as the child improves to a <1.5 SD deficit, the child is no longer eligible. For a child who has demonstrated the ability to respond and continue to improve with treatment, why would we deny their potential during their most formative period?

If there is a genuine commitment to early childhood, then EI services should be adequately funded.

Too often the political process is full of unfulfilled promises and commitments. Instead of fulfilling them, we study, form task forces, and otherwise create the appearance of action when in fact the purpose is to achieve inaction. Identifying and communicating priorities is key, and top priorities should be adequately resourced.

Leverage existing revenue by billing commercial insurers for covered services.

Many of the EIP services such as physical therapy, speech therapy, and occupational therapy may be covered services under commercial health insurance. While mandating commercial insurance coverage of EI services is politically unlikely, billing for covered services is quite feasible and will allow more children to be serviced. Requiring health plans to treat DOH as a participating provider for reimbursement purposes may be necessary.

Allow children who have needs but are not eligible under Part C a way to access services.

The EIP is not set up to review a household's income or assets, and the assessment of a sliding scale fee will be very difficult to implement. In addition, the majority of children receive services at no cost under IDEA, so the cost of the infrastructure to have a sliding scale fee schedule may not justify the low expected revenue. However, a fixed co-pay or co-insurance for those >200% FPL based on self-declared household income and family size ineligible under Part C may be feasible.

Thank you for the opportunity to testify.