

MEMORANDUM

DATE: December 16, 2016; updated December 27, 2016

TO: Adrienne O'Brien, Laurie Thomas, and Mike Steenhout, Washington State Department of Early Learning

FROM: Allegra Calder, Jason Hennessy, and Annie Sieger, BERK Consulting

RE: Early Services for Infants and Toddlers Cost Study Update 2016 Findings and Results

INTRODUCTION

Background and Context

The Washington State Department of Early Learning (DEL) is the designated state lead agency for early intervention services for children with disabilities birth to three years of age. These services were codified by the federal Individuals with Disabilities Education Act in Part C (IDEA Part C). The current governmental early intervention service network in Washington is complex, with services provided through two channels that differ in governance, policy/statutory guidance, and funding. One channel is aligned with DEL and the other is aligned with the Office of the Superintendent of Public Instruction (OSPI).

- 1. DEL/IDEA Part C aligned service channel (DEL-aligned).** These services are significantly funded by federal IDEA Part C funds, with services coordinated through Local Lead Agencies (LLAs). Under this funding structure, DEL-aligned services are governed by IDEA Part C policy and managed using DEL systems.
- 2. OSPI/State Special Education aligned service channel (OSPI-aligned).** These services are significantly funded by state special education funds, with services coordinated through school districts. Under this funding structure, OSPI-aligned services are governed by state special education policy and managed based on OSPI guidelines, which record costs and enrollment as part of general reporting.

While LLAs and school districts can and often do provide direct services, many exclusively or additionally contract with others, including providers and independent contractors. These service relationships are layered and, in some cases, the two service channels overlap. The complexity of the system affects its cohesion, administration, and cost. It also makes it challenging to assess the system overall.

Early Intervention Service Providers

Local Lead Agencies (LLAs) – locally-designated agencies that act as regional coordinators of early intervention services. Most LLAs provide services either directly or by contracting with other agencies. There are 25 LLAs in Washington.

School Districts – as required by state law, all school districts provide or contract for early intervention services using IDEA Part C criteria. School districts receive funding to provide early intervention services; districts are under the authority of OSPI.

Providers – individual organizations that are direct service providers, some of which specialize in one or more early intervention services.

Independent Contractors – individual service providers who generally specialize in one or more intervention services.

Purpose

In 2016, the Washington State Legislature passed Senate Bill 5879 (SB 5879), which required DEL to submit a plan on comprehensive and coordinated early intervention services for all children eligible for services under IDEA Part C, or the Early Services for Infants and Toddlers (ESIT) program. DEL was directed to include the following in the plan:

- A full accounting of all expenditures related to early support for infants and toddlers;
- The identification and proposal for coordination of all available public financial resources within the state from federal, state, and local sources;
- A design for an integrated early learning intervention system for all eligible infants and toddlers who have been diagnosed with a disability or developmental delays and their families;
- The development of procedures that ensure services are provided to all eligible infants and toddlers and their families in a consistent and timely manner; and
- A proposal for the integration of ESIT services with other critical services available for children birth to age three and their families.

This cost study was undertaken to satisfy the Legislature's requirement that OSPI and DEL report information related to the early intervention services provided to eligible children in Washington, and the costs of those services. Specifically, SB 5879 directed OSPI and DEL to report information related to early intervention services, including but not limited to:

- Number of children served;
- Coordination and transition services;
- Detailed information on services provided by school districts and contracted for by school districts;
- Administrative costs;
- Per student allocations; and
- Per student expenditures.

The Legislature outlined the reporting timeframe for this information as two school years, 2013-2014 and 2014-2015. Data from multiple years can provide context about changes in funding; however, with only two years of data, identifying trends and outliers is impossible.

To fulfill the Legislature's request for a full accounting of the ESIT program, DEL engaged BERK Consulting, the public policy consultancy that conducted the *2011 Early Support for Infants and Toddler Cost Study* to update that cost study. Specifically, DEL engaged BERK to:

- Develop and administer a survey to collect expenditure data and financial resource information from LLAs and ESIT providers; and
- Review and summarize the results of the OSPI school district ESIT survey.

The update to the *2011 Cost Study* was constrained by data availability and the data collected through OSPI's school district ESIT survey, which was completed at the time of BERK's engagement.

Because of these constraints, BERK's update is limited to those areas where accurate and insightful information exists. BERK implemented lessons learned from the 2011 survey to improve data collection and focus the analysis. Some charts from the 2011 study were either no longer relevant or unsupported by the data collected.

This summary memorandum documents the results of the effort.

METHODOLOGY

Although DEL is state lead agency for ESIT, the split between DEL- and OSPI-aligned services is such that it is simpler to collect information from each agency separately. Consequently, DEL and OSPI each used their own survey instrument and methodology.

DEL Methodology

Survey Process

DEL and BERK surveyed all LLAs and DEL-selected providers in Washington to gather information on expenditures, funding, and service provision. Survey questions were designed to respond to the information requested by the Legislature and to inform DEL's plan.

Participation

DEL provided contact information for all 25 LLAs and 21 provider agencies. The overall survey response rate was 96%; one LLA and one provider agency did not respond within the survey timeframe. In addition to the designated survey participants, three additional entities provided completed surveys.

Survey Tool Description

The final survey tool included 15 pages of instructions, navigation, and questions. Completing the survey required a considerable investment of time; respondents were asked to provide a maximum of 1,400 data points.

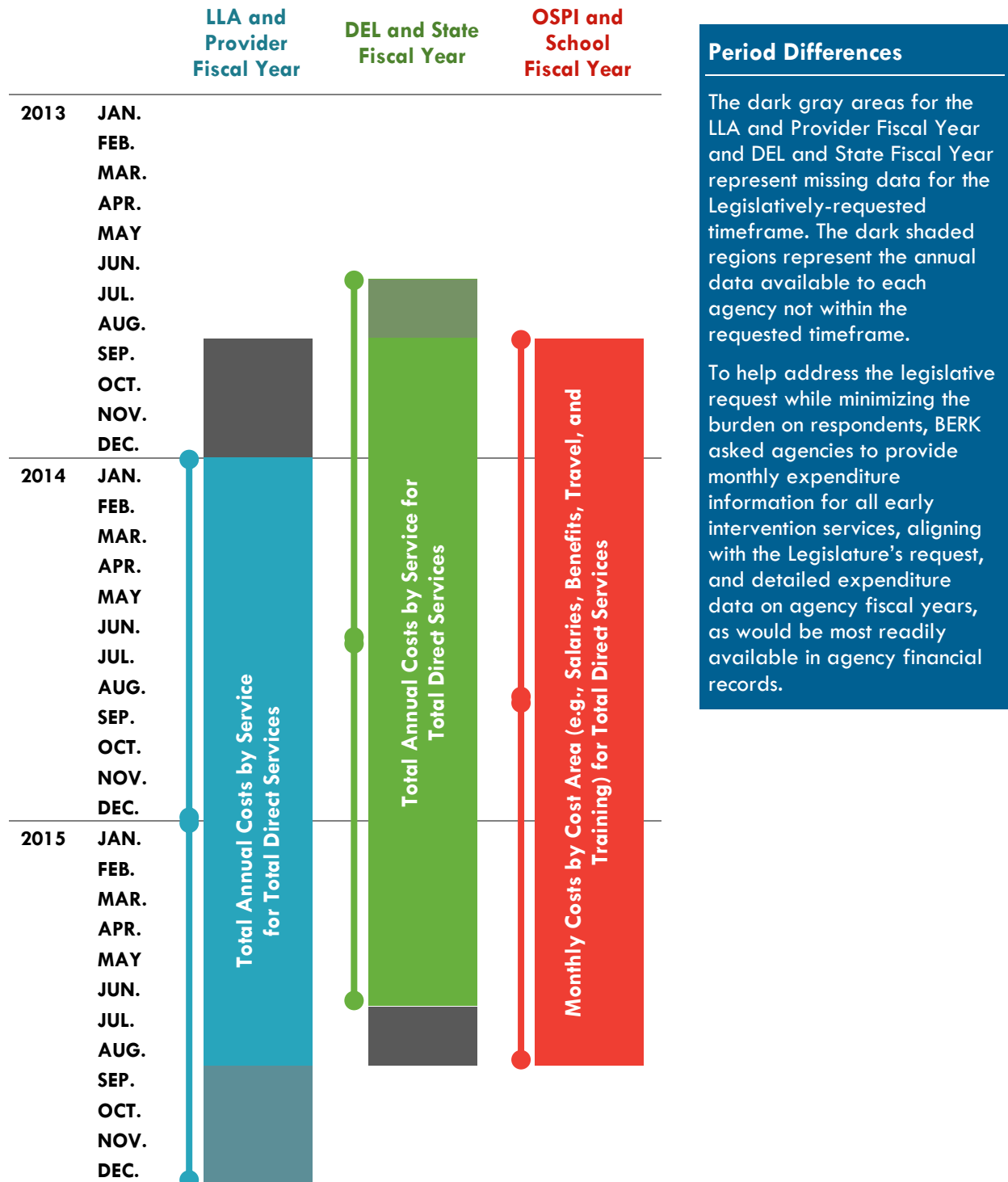
Respondents were asked for information on the following:

- **Services provided**, including those provided directly by each agency and those provided by contractors.
- **Direct, indirect, and administrative costs** related to providing early intervention services; additionally, the survey requested limited information about each agency's overall operations to provide context for early intervention service provision across the state.
- **Revenues** across five source types, including federal, state, local, insurance, and other.
- **Qualitative questions** regarding barriers to service provision, resource and funding needs, and issues around Medicaid and private insurance.

The tool development process included beta testing by a group of four LLAs and providers who reviewed a draft survey instrument. These volunteers provided BERK and DEL with feedback to improve and refine the instrument before it was released to the complete survey group.

Data Collection and Period Adjustment

The Legislature requested information for the 2013-2014 and 2014-2015 school years. The Washington State school year is defined in statute as September through August of the following year. This is different from the Washington State fiscal year and the fiscal years of most LLAs and providers.



Survey Administration

Representatives from the LLAs and providers were emailed a copy of the survey instrument. The LLA and Provider Survey was open from September 26th to October 28th, giving respondents one month to complete the survey. Some participants were given extensions to this deadline and allowed to complete the survey as late as November 4th.

Throughout the survey, technical assistance was offered to participants through a variety of channels: two webinars were held to describe the tool in detail, answer questions, and demonstrate how to enter information; resources such as recordings of the webinars, definitions, and collected questions and answers were posted on DEL's website and emailed out to survey respondents; and the staff and consulting team provided direct technical assistance over email and phone.

Analysis

BERK consolidated the 46 completed surveys for analysis. With this combined data set, BERK analyzed data at the service area and state levels. Analysis used reported information, not estimation. In addition to data summarization, BERK used GIS to produce service year maps.

Data validation efforts were limited because of schedule and a lack of control data; as such, identified outliers were removed from the analysis rather than smoothed. To document this process, the number of respondents is included for each chart and graph as appropriate.

Qualitative

Respondents provided detailed answers to five qualitative questions. BERK analyzed survey responses for common themes; within each theme, responses were analyzed for key terms and phrases, and grouped into clusters by topic. The ideas and themes were then synthesized into findings for the report. It is important to note that these findings reflect the themes reported by LLAs and providers, and may not be inclusive of every narrative response received.

OSPI Methodology

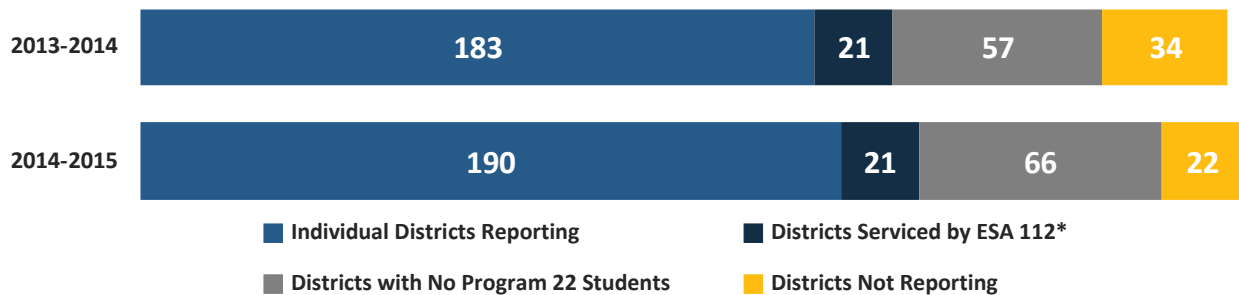
Survey Process

Senate Bill 5879 directed OSPI to provide DEL with a full accounting of the school district expenditures. In response, OSPI developed an Excel-based survey instrument to collect expenditure information from school districts.

Participation

All 295 school districts received an announcement of the survey; however, not all school districts provide early services to infants and toddlers. A breakdown of the response to OSPI’s survey is in Exhibit 1.

Exhibit 1. OSPI School District Survey Participation



Notes: The total for the 2014-15 school year includes one charter school and three tribal compact schools that did not exist in the 2013-14 school year. ESA 112 services 28 school districts, but data from only 21 were returned; the remaining seven districts were included in “Districts Not Reporting.”
2013-2014 n = 295 and 2014-2015 n = 299.

Sources: BERK Consulting, OSPI, 2016.

Survey Tool Description

OSPI’s survey instrument included tabs with a description of the survey purpose, instructions, background information on federal definitions of Part C activities, and a report tab for school districts to provide their responses.

OSPI survey respondents were asked for information on the following:

- **Cost of services provided**, both directly by the district and contracted out, by service type. The response was split between spending on early intervention services from both Program 22 and non-Program 22 funding.

OSPI prepopulated the survey instrument with reported spending and annual average enrollment data. Once a responding school district selected itself from a dropdown menu, these data were displayed for the 2013-2014 and 2014-2015 school years.

Survey Administration

OSPI made the survey available on its website to all 295 school districts in Washington State during the summer of 2016. School districts were requested to return completed surveys by August 15th.

Review and Analysis

OSPI provided DEL with a consolidated set of returned surveys. BERK summarized these data at the service area and state levels. Similar to the process used for DEL, analysis relied upon reported information, not estimation. In addition to data summarization, BERK used GIS to produce service year maps.

Data validation efforts were limited because of schedule and a lack of control data; as such, identified outliers were removed from the analysis rather than smoothed. To document this process, the number of respondents is included for each chart and graph as appropriate.

SUMMARY OF RESULTS

These results represent a good faith effort to provide a complete accounting of the full expenditures related to early intervention services in the State of Washington to all children birth to age three. However, this accounting is limited, both by the nature of the split DEL- and OPSI-aligned system and by data availability. The results provide insights into the system and information on service provision, revenue, and expenditure patterns.

Limitations

It is important to recognize and be explicit about the limitations of these results. There are limitations to the data collected and the results generated by those data.

Limitations in Data Availability

Both survey instruments were designed to collect actuals (rather than estimates) based on the data known to be available to entities in the early intervention system. This limited the scope and detail of both surveys.

An important example of this is in collection of data related to services provided at the child level. Both DEL- and OSPI-aligned early intervention services are tailored to the child being served; this can include differences in frequency, duration, and location (services are expected to take place in the child's natural environment). Consequently, to be comparable any measure of cost per service or cost per child requires that units of measure for services and children served account for these differences. Unfortunately, neither DEL- nor OSPI-aligned entities track services provided at this level of detail. Therefore, to assess the cost of services on a per child basis would require point-level analysis of all children served.

Data-Specific Limitations

The information collected through both surveys is self-reported, and thus has certain limitations. These include respondent biases, differing understandings of Part C requirements and DEL's Data Management System (DMS), and availability of information within organizations.

With all self-reported data, there is a question of respondent biases, especially if there are perceived benefits, such as possible future funding decisions.

However, there are a number of factors that mitigate these data limitations:

- Extensive technical assistance was provided to LLAs and providers throughout the survey completion period;
- The survey was designed to provide accuracy at an order of magnitude, which is reflected in the rounding of all responses;
- Anomalous outliers and clear user errors were removed; and
- The response rate was 96% from LLAs and providers.

Data validation was limited by the survey process and lack of comparable historic information. A parallel effort to audit the files from a sample of service providers is currently being undertaken.

As validation efforts were limited, when we identified outliers that appeared to be the result of respondent error or incomplete information, we removed those observations from the analysis. To document this process, the number of respondents is included for each chart and graph as appropriate.

Limitations in Comparability of Results

As discussed previously, the data used to generate the results documented in this memo came from two separate survey instruments, one administered by DEL and one administered by OSPI. The differences

between the response rates and data collected by each survey limits comparability of the DEL-aligned and OSPI-aligned services. Specific differences between the data collected include:

- Determinations of how costs should be accounted for under federal regulations, specifically:
 - **Administrative costs:** OSPI differentiates between district-level administrative costs and program-level administrative costs. According to OSPI, district-level administrative costs were captured in their data collection process by taking the difference between total Program 22 revenue and Program 22 expenditures. The DEL survey requested administrative and overhead costs separately from direct service costs.
 - **Service coordination:** OSPI characterized costs included in service coordination services as program-level administrative costs. DEL considers service coordination costs as those costs related to coordinating the services each child receives, developing Individualized Family Service Plans, and general case management. The federal regulations define what is meant by service coordination services; the general definition from the Code of Federal Regulations 303.34.a.1 is included below for reference:

“As used in this part [Part C], service coordination services mean services provided by a service coordinator to assist and enable an infant or toddler with a disability and the child's family to receive the services and rights, including procedural safeguards, required under this part.”
- Non-comparable units of measure for children served:
 - DEL-aligned entities use a **count of unique children served within a year period**.
 - OSPI-aligned entities use an **annual average enrollment measure, based on a nine-month time period**.
- **Lists of services included:** The OSPI survey did not include two service categories, initial evaluation and hearing services, or provide a place to record other services, such as translation services.
- **Level of data collection detail:** The OSPI survey allowed respondents to provide data for early intervention services as a whole, and not include detail about data by service.

Because of these differences, the data collected through the two survey efforts cannot be combined into a single dataset, limiting comparison of the results. Therefore, results related to the DEL-aligned system and those for the OSPI-aligned system are shown separately.

Provision of Early Intervention Services

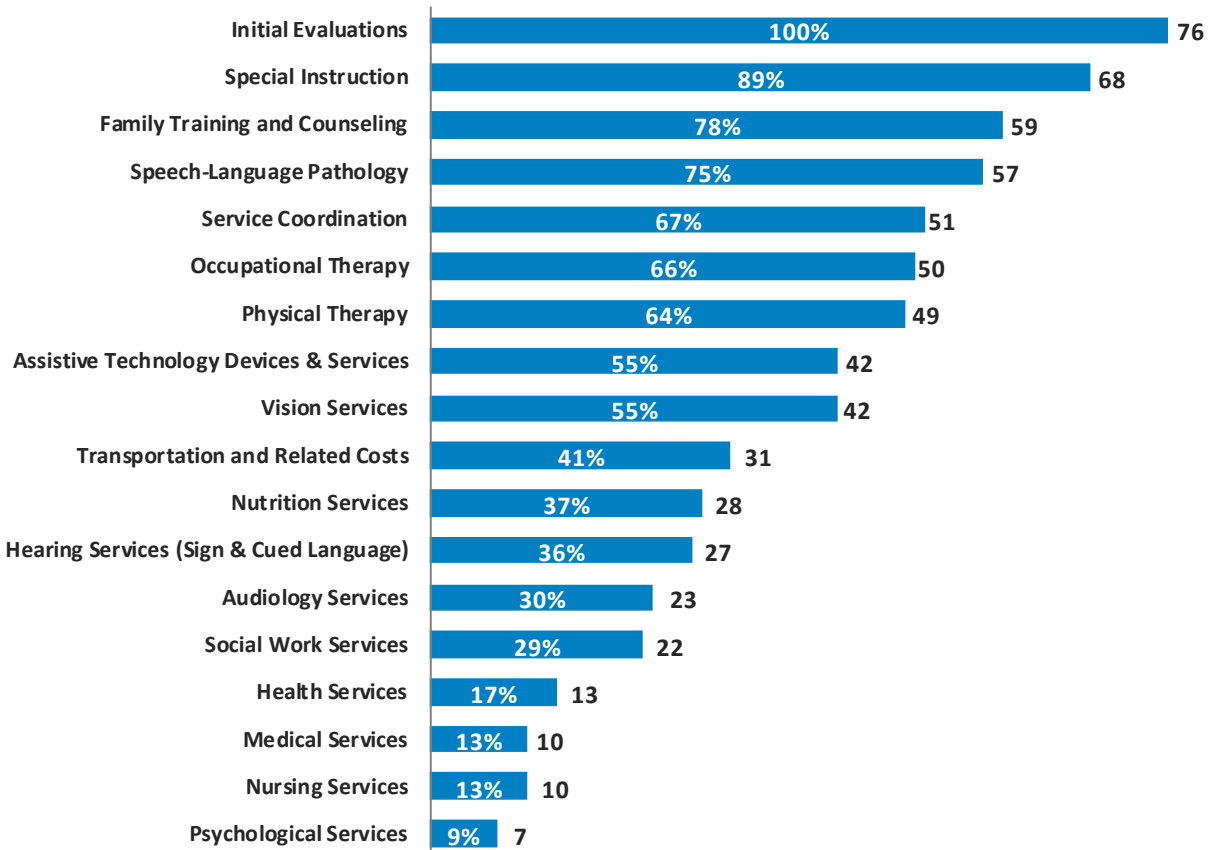
Service Providers

Early intervention services in Washington are provided by a complex network of DEL- and OSPI-aligned entities including LLAs, school districts, providers, and independent contractors. These entities provide direct services and/or contract with others who provide direct services to children.

DEL-aligned Provision of Early Intervention Services

There are 76 known entities participating in the DEL-aligned early intervention system. Exhibit 2 shows the number of entities that provide each type of service.

Exhibit 2. Number of Reported DEL-aligned Entities Providing Services by Service Type, 2013-2014



Note: n = 46, reporting an additional 30 entities

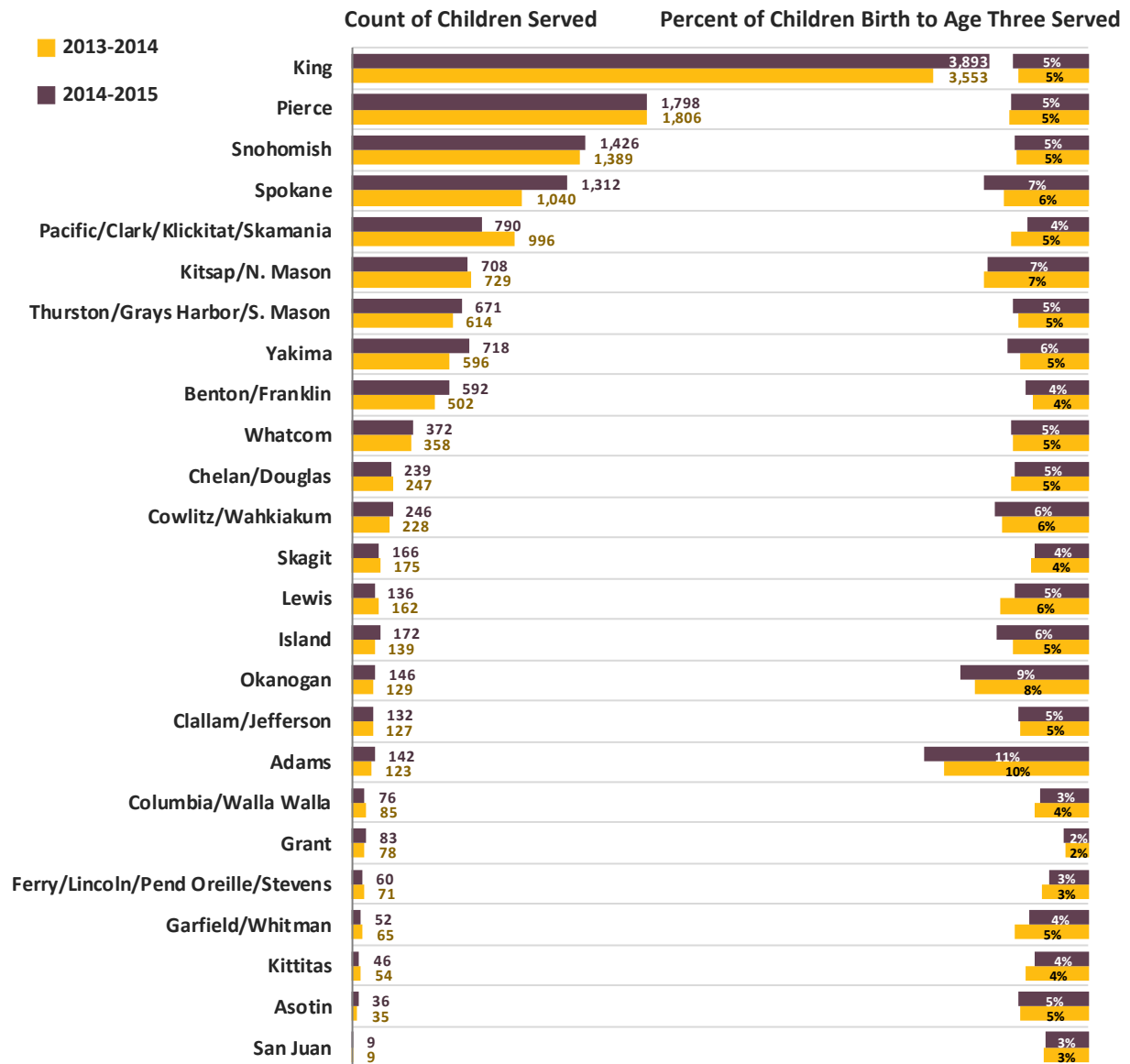
Sources: BERK Consulting, ESIT LLAs and Providers, 2016.

- All 76 reported DEL-aligned early intervention services entities provide initial evaluations.
- Most entities (75% or more) provide speech-language pathology, family training and counseling, and special instruction.
- Family training and counseling activities can take place outside of the natural environment, which makes it possible for entities to provide this service to support play groups and other service activities.
- There are some areas of the state where no service providers are identified for some services, specifically health services, medical services, nursing services, and psychological services.

The Washington early intervention system is designed to serve all eligible children birth to three years old in their natural environment. Assuming that the rate of eligible children out of total children birth to three years old is the same across all LLA service areas, the rate of children served out of total children birth to three years old should be similar across all LLA service areas as well. Of course, there are other community characteristics that lead to different rates of eligible children accessing the system across LLA service areas, including the percent of children living in poverty and prevalence of disabilities. It is also possible that the rate of eligible families accessing the system is influenced by the accessibility of the system itself.

Exhibit 3 shows the counts of children receiving early intervention services and the resulting percent of children served across all LLA service areas.

Exhibit 3. Number of Children Receiving DEL-aligned Early Intervention Services and Percent of Children Birth to Age Three Served, 2013-2014 and 2014-2015



Sources: BERK Consulting, OSPI 2016.

- Although differences in the rate of eligible children accessing the system across LLA service areas can be attributed to community characteristics, there are some outlier LLA service areas where significantly higher or lower percentages of birth to age three children are served.
 - A comparatively high percentage of children birth to three are being served in Adams and Okanogan LLAs.
 - A comparatively low percentage of children birth to three are being served in Grant, San Juan, and Ferry/Lincoln/Pend Oreille/Stevens LLAs.

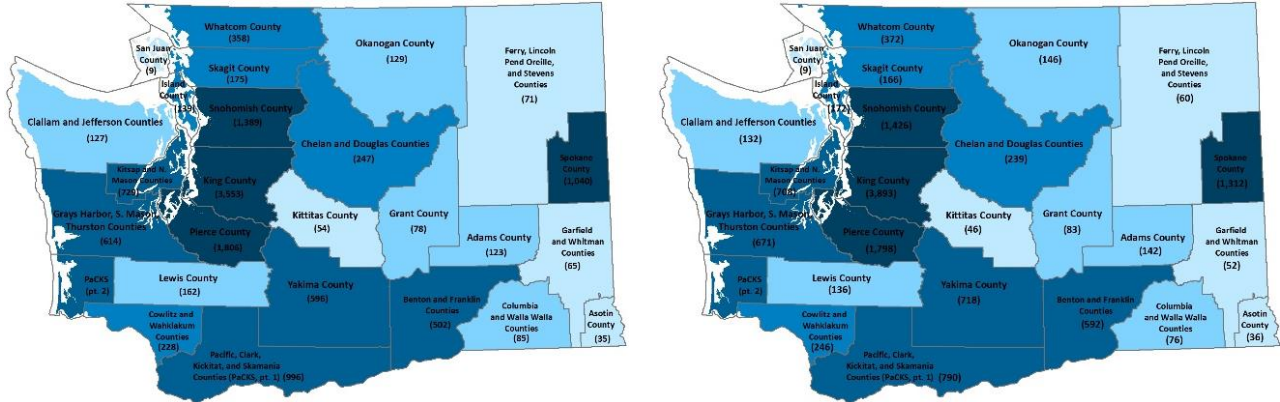
Exhibit 4 provides geographic displays of children served by count and percent of all birth to three-year-old children served for both 2013-2014 and 2014-2015.

Exhibit 4. Children Served by DEL-aligned Early Intervention LLAs and Providers

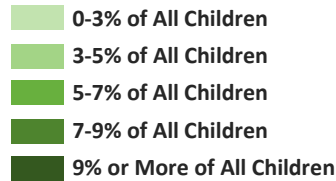
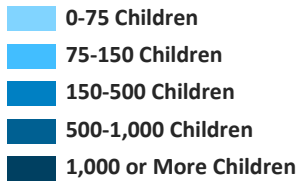
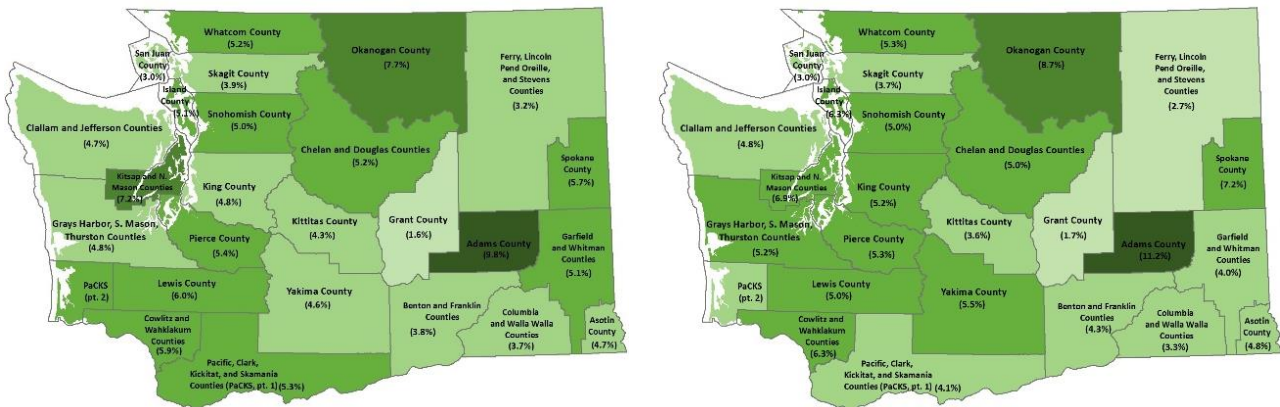
2013-2014

2014-2015

Number of Children Served



Percent of All Birth to Age Three Children Served



Sources: BERK Consulting, ESIT LLAs and Providers, 2016.

- As the exhibit illustrates, the count of children served and rate of eligible children accessing the system across all LLA service areas remained relatively stable between 2013-2014 and 2014-2015.

While we would expect the rate of children served out of total children birth to three years old to be relatively consistent across all LLA service areas, we would also expect the rate of children receiving each type of service to be relatively consistent across all LLA service areas. As with the prior example, there are other community characteristics that produce slightly different service needs – but we can identify outliers where a disproportionate number of children are or are not receiving a service.

Outliers may mean that service reporting or the service provision model is different in those LLA service areas. However, in areas where disproportionately few children are receiving a service, outliers may identify a need for service providers and/or lack of accessibility of those services in that LLA service area. More inquiry is needed to understand the cause of these outliers. Exhibit 5 shows the rate of children receiving each service across all LLA service areas in 2013-2014.

Exhibit 5. Percent of Served Children Receiving Each Service Within LLA Service Area, 2013-2014

	Speech/Language Pathology	Special Instruction	Occupational Therapy	Physical Therapy	Service Coordination	Family Training, Counseling, and Home Visits	Transportation and Related Costs	Nutrition Services	Assistive Technology Devices and Services	Vision Services	Social Work Services	Hearing Services	Audiology Services	Early Identification, Screening, & Assessment Services	Psychological Services	Nursing Services	Medical Services	Health Services	Total Children Served in Area
Adams	33%	95%	23%	1%	15%	0%	-	-	-	-	-	-	-	-	-	-	-	-	123
Asotin	83%	9%	37%	17%	-	51%	-	-	-	-	-	-	-	-	-	-	-	-	35
Benton/Franklin	61%	83%	38%	10%	0%	0%	0%	0%	2%	-	-	-	-	-	-	-	-	-	502
Chelan/Douglas	88%	38%	31%	12%	-	3%	-	0%	1%	1%	-	0%	0%	0%	-	-	-	-	247
Clallam/Jefferson	69%	76%	9%	35%	1%	30%	-	-	-	-	-	-	-	1%	-	-	-	-	127
Columbia/Walla Walla	60%	48%	45%	31%	5%	5%	-	-	2%	-	-	-	-	-	-	-	-	-	85
Cowlitz/Wahkiakum	71%	88%	66%	8%	0%	0%	-	-	-	-	-	-	-	-	-	-	-	-	228
Ferry/Lincoln/Pend Oreille/Stevens	76%	31%	25%	17%	0%	1%	6%	3%	1%	-	-	-	-	1%	-	-	-	-	71
Garfield/Whitman	80%	65%	29%	40%	94%	3%	-	3%	-	2%	-	-	-	-	-	-	-	-	65
Grant	64%	76%	28%	24%	1%	0%	1%	-	1%	-	3%	-	-	-	-	-	-	-	78
Island	72%	49%	39%	23%	1%	4%	-	1%	-	-	1%	-	-	-	-	-	-	-	136
King	67%	41%	34%	23%	4%	10%	-	0%	2%	0%	2%	0%	0%	0%	0%	-	-	-	3,553
Kitsap/N. Mason	65%	57%	16%	4%	1%	33%	-	-	-	2%	-	-	-	-	-	-	-	-	730
Kittitas	52%	41%	-	17%	0%	2%	-	-	4%	-	-	-	-	-	-	-	-	-	54
Lewis	57%	54%	57%	33%	0%	2%	-	-	1%	-	-	-	1%	-	-	-	-	-	162
Okanogan	33%	79%	24%	-	1%	1%	-	-	-	-	-	-	-	-	-	-	-	-	129
Pacific/Clark/Klickitat/Skamania	63%	79%	32%	27%	1%	8%	0%	0%	1%	0%	2%	-	0%	-	-	-	-	-	996
Pierce	39%	64%	22%	10%	65%	5%	0%	-	1%	2%	-	1%	0%	-	-	-	0%	-	1,806
San Juan	44%	11%	67%	11%	44%	11%	-	-	-	-	-	-	-	-	-	-	-	-	9
Skagit	58%	49%	25%	9%	29%	7%	-	1%	1%	-	-	-	-	1%	-	-	-	-	175
Snohomish	65%	35%	35%	20%	12%	15%	-	7%	3%	2%	1%	0%	1%	0%	0%	0%	-	-	1,392
Spokane	79%	31%	38%	55%	6%	6%	51%	15%	6%	2%	-	1%	-	-	-	0%	-	0%	1,040
Thurston/Grays Harbor/S. Mason	31%	67%	30%	19%	5%	54%	-	0%	-	0%	-	-	0%	-	-	-	-	-	614
Whatcom	42%	30%	25%	11%	3%	4%	-	-	-	-	-	-	0%	-	-	-	0%	-	358
Yakima	43%	68%	17%	24%	0%	11%	0%	0%	2%	-	2%	-	0%	-	0%	1%	0%	-	596
Statewide Overall	60%	53%	31%	21%	13%	12%	4%	2%	2%	1%	1%	0%	0%	0%	0%	1%	0%	0%	
Statewide Counts	7,943	6,993	4,098	2,770	1,765	1,551	545	262	209	127	119	56	19	10	9	8	4	1	13,311

Notes: There are limitations to the source of these data; some services, such as hearing services, have a specific meaning to DEL that is not well-understood among ESIT LLAs and providers. Values rounded to nearest percent; “-” indicates no children had that service recorded in their Individualized Family Service Plan.

Sources: BERK Consulting, DEL, 2016.

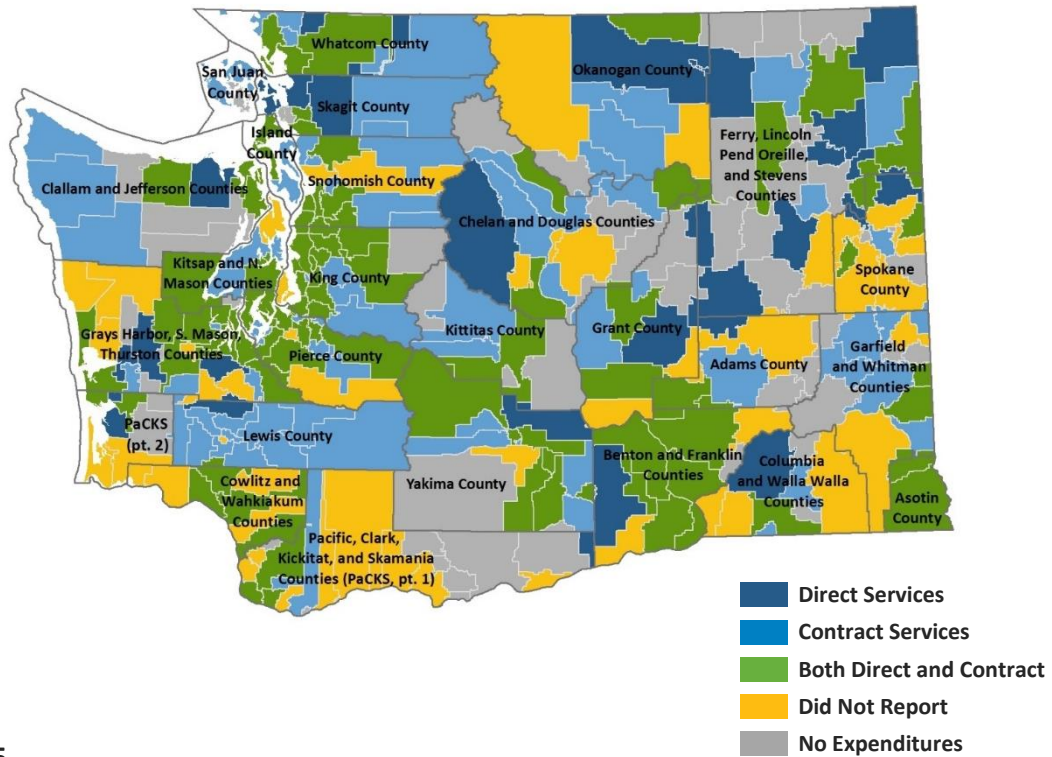
- There is relative consistency in the rate of children receiving each service among LLA service areas.
- Speech/language pathology, special instruction, occupational therapy, and physical therapy are the services provided to the most children.

- Some services are provided disproportionately in some LLA service areas, for example:
 - Provision of Family Training, Counseling, and Home Visits is **high** in Asotin, Clallam/Jefferson, Kitsap/N. Mason, and Thurston/Grays Harbor/S. Mason LLAs.
 - Provision of Transportation-related Services and Nutrition Services is **high** in Spokane LLA.
 - Provision of Speech/Language Pathology is **low** in Adams, Okanogan, and Thurston/Grays Harbor/S. Mason LLAs.
 - Provision of Special Instruction is **low** in Asotin and San Juan LLAs.
 - Provision of Occupational Therapy is **low** in Clallam/Jefferson and Kittitas LLAs.
 - Provision of Physical Therapy is **low** in Adams, Kitsap/N. Mason, and Okanogan LLAs.
- Service coordination is not reported evenly across all LLAs because there are differences in the ways LLAs report that service activity on Individualized Family Service Plans.

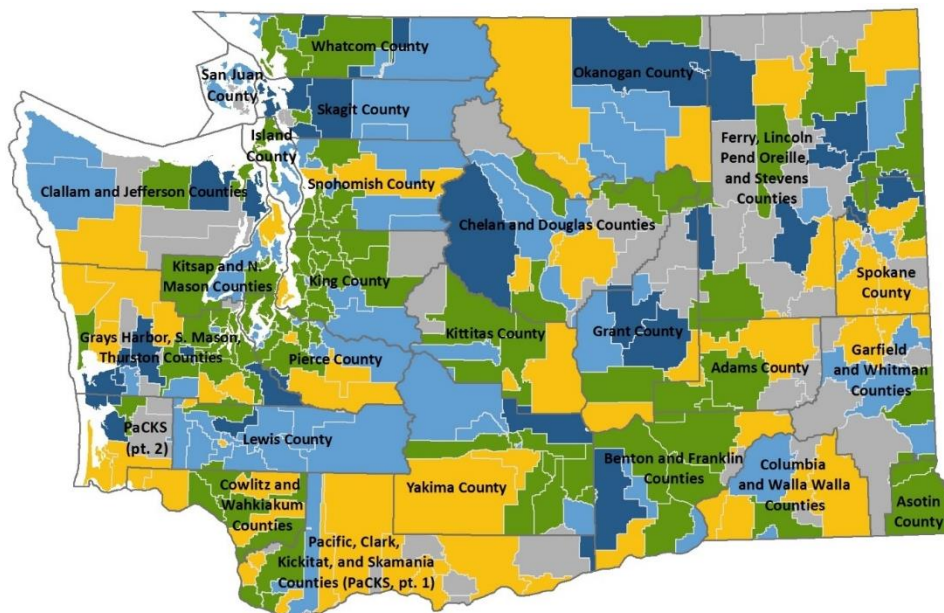
OSPI-aligned Provision of Early Intervention Services

In 2013-2014, 238 of 295 Washington school districts provided early intervention services. In 2014-2015, 233 of 299 Washington school districts provided these services. Exhibit 6 illustrates geographically the distribution of school districts providing direct and or contracted early intervention services in 2013-2014 and 2014-2015.

Exhibit 6. Provision of Early Intervention Services by School District
2013-2014



2014-2015

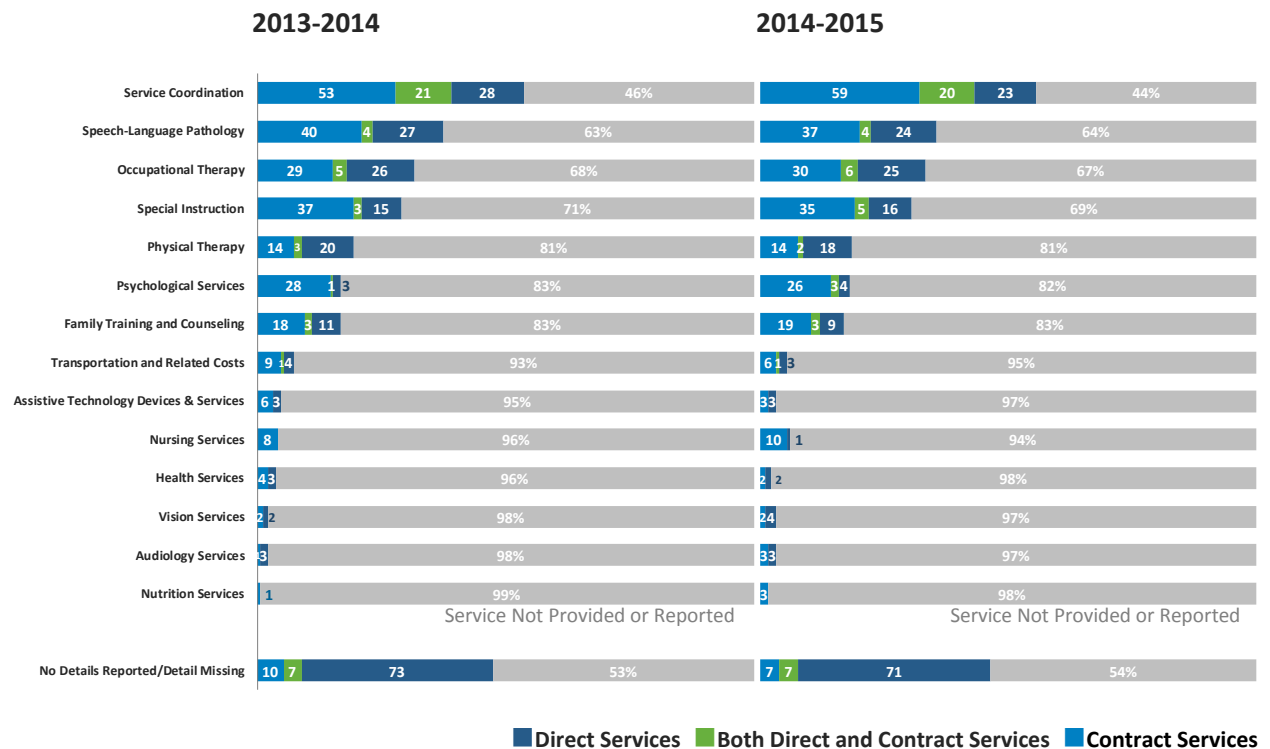


Note: These maps include 295 school districts.
Sources: BERK Consulting, OSPI 2016.

- The relative count of children served and rate of eligible children accessing the system across all LLA service areas remained relatively stable between 2013-2014 and 2014-2015.

As with DEL-aligned service provision, we would expect the rate of children receiving each type of service to be relatively consistent across all school districts. To support that, we would expect all school districts to provide approximately the same services. However, some services are needed by only a small number of students, resulting in some districts not providing services in the same year or only extremely large districts providing the service. Because of this, Exhibit 7, which shows the number of school districts providing each service by type and provision model, cannot be used to assess whether there are outliers in offerings across all school districts.

Exhibit 7. Number of School Districts Providing Service by Type and Provision Model, 2013-2014 and 2014-2015



Note: 2013-2014 n = 190 and 2014-2015 n = 183.

Sources: BERK Consulting, OSPI 2016.

- 54% of school districts provided service coordination in the 2013-2014 period and 56% provided it in the 2014-2015 period. This makes sense, as service coordination is one of the basic functions for all children receiving early intervention services.
- Two federally defined early intervention services, medical services and social work services, were not reported by any school districts in both school years covered by the survey. Medical and health-related services were less likely to be provided, which aligns with the school districts' broader mandate to provide educational services.
- Generally, schools are slightly more likely to provide services directly, and much more likely to either provide series directly or contract services, but not mix the two. The high number of school districts that reported some contracted expenditures without service detail (73 school districts, or almost 40% of reporting districts) suggests that these school districts may not know what services their contractors are providing. This is supported by information gathered in the LLA and provider survey that some school districts pay a flat per child fee to contractors.

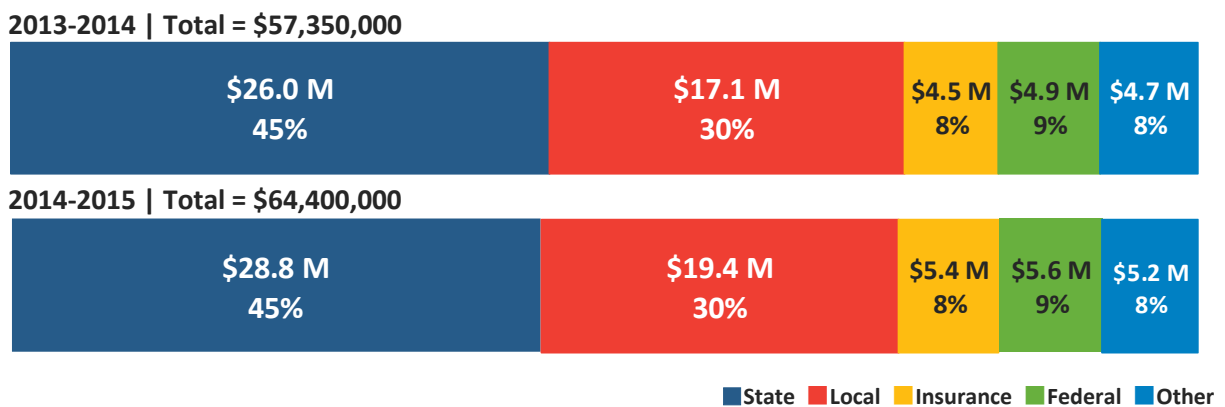
Revenues Supporting Early Intervention Services

Early intervention services in Washington are funded through a variety of sources including federal (IDEA Part C, Medicaid, and other federal), state (state special education funding, OSPI, DEL, DOH, and other state), local (county direct and other local), private (private insurance, fundraising, and donations), and, in limited cases, fees. As mentioned previously, DEL-aligned services are primarily funded by IDEA Part C while OSPI-aligned services are primarily funded by state special education funding.

Revenues Supporting DEL-aligned Early Intervention Services

Exhibit 8 shows the total revenues supporting DEL-aligned early intervention services for those entities reporting. It is important to recognize that these are not the full revenues supporting all DEL-aligned early intervention services, as not all agencies reported and not all revenues are known for all service providers and independent contractors.

Exhibit 8. Annual Revenues by Major Funding Sources



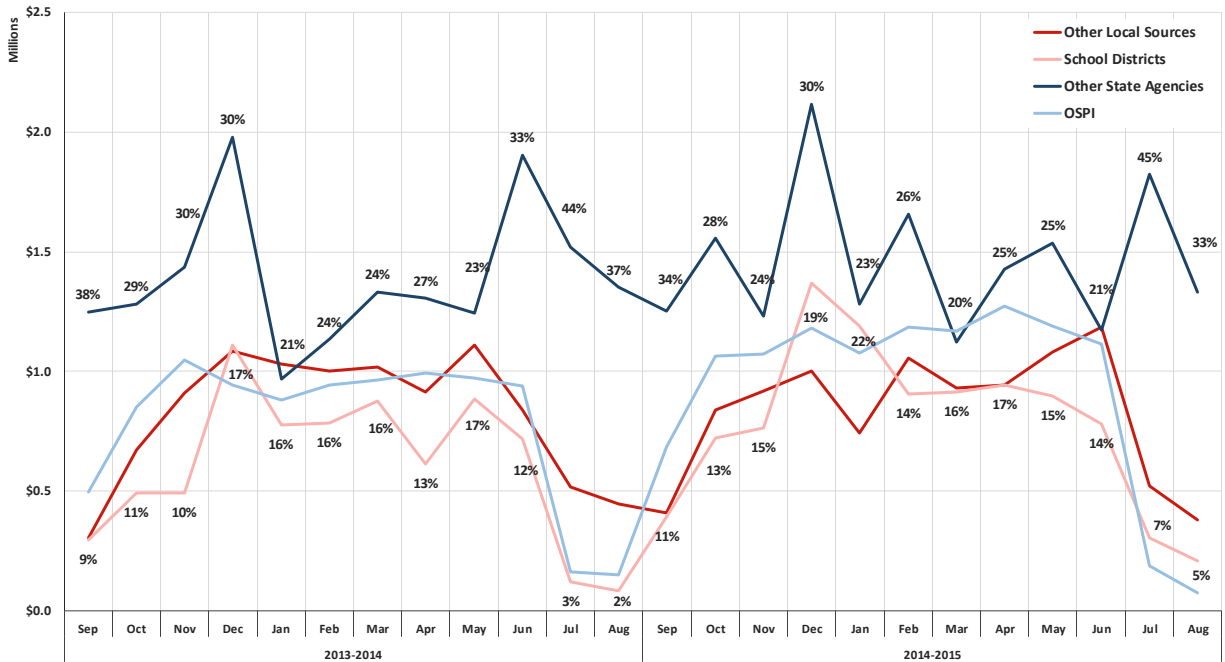
Note: n = 44.

Sources: BERK Consulting, ESIT LLAs and Providers, 2016.

- In both years, state and local funding made up three-quarters of the reported revenues.
- In both years, insurance constituted less than 10% of funding for LLAs and providers as a group.
- In both years, LLAs and providers reported that less than 10% of their funding came from other sources, including private donations.

While a diversified revenue structure can be beneficial because it prevents reliance on any single funding source, DEL-aligned entities are challenged by the seasonal fluctuation and volatility of some of these funding sources. Exhibit 9 illustrates these fluctuations by month for both the 2013 and 2014 calendar year.

Exhibit 9. Reported State and Local Revenues by Month, 2013-2014 and 2014-2015



Note: n= 44.

Sources: BERK Consulting, ESIT LLAs and Providers, 2016.

- The two largest funding sources for LLAs and providers, state and local, show seasonal patterns that present a challenge to organizations when costs remain steady while revenues fluctuate.
- State agency funding other than OSPI, the single largest funding category, shows considerable monthly variation, but not the same seasonal patterns as funding from OSPI, school districts, and other local sources.

Revenues Supporting OSPI-aligned Early Intervention Services

The OSPI survey did not collect information on revenues supporting OSPI-aligned early intervention services.

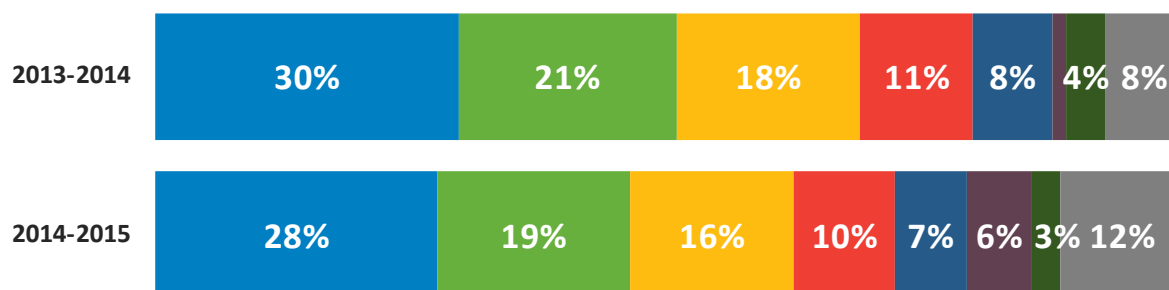
Early Intervention Service Expenditures

There are significant costs associated with the provision of early intervention services in Washington. While revenues and costs for DEL-aligned early intervention services do balance, it is important to note that they require non-governmental revenues to do so. This means that the governmental revenues supporting early intervention services in Washington do not cover the full costs of these services.

DEL-aligned Provision of Early Intervention Services

Exhibit 10 shows the direct services costs for all DEL-aligned early intervention services. It does not include administrative or indirect costs.

Exhibit 10. Reported LLA and Provider Early Intervention Expenditures by Category, 2013-2014 and 2014-2015



	2013-2014	2014-2015
Service Coordination	\$12,700,000	\$14,690,000
Special Instruction	\$9,070,000	\$9,960,000
Speech-Language Pathology	\$7,740,000	\$8,570,000
Occupational Therapy	\$4,690,000	\$5,210,000
Physical Therapy	\$3,310,000	\$3,730,000
Initial Evaluations	\$600,000	\$3,410,000
Family Training and Counseling	\$1,630,000	\$1,530,000
Other	\$3,240,000	\$6,310,000
Social Work Services	\$520,000	\$610,000
Nutrition Services	\$440,000	\$370,000
Vision Services	\$160,000	\$250,000
Transportation and Related Costs	\$150,000	\$150,000
Assistive Technology Devices & Services	\$100,000	\$100,000
Hearing Services (Sign & Cued Language)	\$80,000	\$110,000
Health Services	\$70,000	\$70,000
Nursing Services	\$30,000	\$60,000
Audiology Services	\$30,000	\$30,000
Psychological Services	\$40,000	\$10,000
Medical Services	\$0	\$10,000
<i>Other Services</i>	<i>\$1,620,000</i>	<i>\$4,540,000</i>
Total Costs Reported in DEL LLA and Provider Survey	\$42,980,000	\$53,410,000

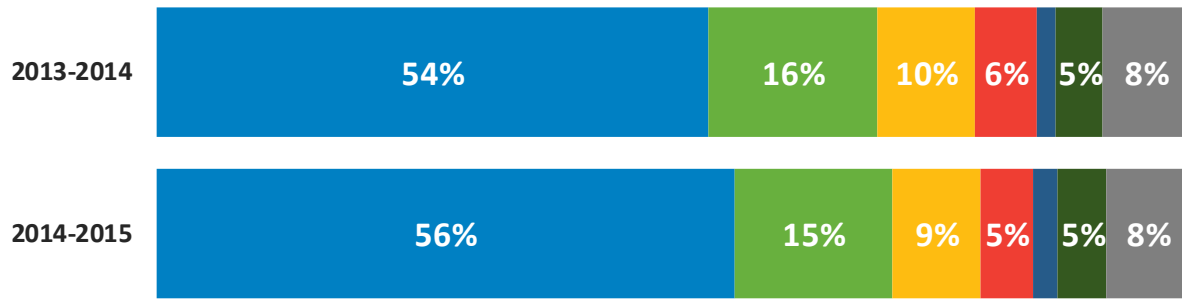
Notes: These are the reported expenditures only. Not all providers were surveyed and not all participants responded. Results rounded to the nearest \$10,000.

2013-2014 n = 38 and 2014-2015 n = 41.

Sources: BERK Consulting, ESIT LLAs and Providers, 2016.

- Service coordination is the single largest service spending area, followed by special instruction and speech-language pathology.
- Minimal spending was reported for medical and psychological services.

Exhibit 11. Reported School District Early Intervention Expenditures by Service Category, 2013-2014 and 2014-2015



	2013-2014			2014-2015		
	Direct	Contracted	Total	Direct	Contracted	Total
Service Coordination	\$4,050,000	\$5,030,000	\$9,080,000	\$4,490,000	\$6,170,000	\$10,660,000
Special Instruction	\$1,850,000	\$910,000	\$2,760,000	\$1,970,000	\$950,000	\$2,920,000
Speech-Language Pathology	\$920,000	\$700,000	\$1,620,000	\$840,000	\$790,000	\$1,630,000
Occupational Therapy	\$470,000	\$530,000	\$1,000,000	\$430,000	\$520,000	\$950,000
Physical Therapy	\$130,000	\$200,000	\$330,000	\$270,000	\$210,000	\$480,000
Initial Evaluations	-	-	-	-	-	-
Family Training and Counseling	\$480,000	\$290,000	\$770,000	\$530,000	\$370,000	\$900,000
Other	\$800,000	\$610,000	\$1,410,000	\$810,000	\$700,000	\$1,510,000
Psychological Services	\$590,000	\$20,000	\$610,000	\$590,000	\$40,000	\$630,000
Health Services	\$60,000	\$390,000	\$450,000	\$20,000	\$410,000	\$430,000
Assistive Tech Devices & Services	\$10,000	\$140,000	\$150,000	\$20,000	\$170,000	\$190,000
Nursing Services	\$50,000	\$0	\$50,000	\$80,000	\$0	\$80,000
Vision Services	\$80,000	\$10,000	\$90,000	\$40,000	\$10,000	\$50,000
Transportation & Related Costs	\$10,000	\$40,000	\$50,000	\$40,000	\$40,000	\$80,000
Audiology Services	\$0	\$10,000	\$10,000	\$10,000	\$30,000	\$40,000
Nutrition Services	\$0	\$0	\$0	\$10,000	\$0	\$10,000
Medical Services	\$0	\$0	\$0	\$0	\$0	\$0
Social Work Services	\$0	\$0	\$0	\$0	\$0	\$0
Hearing Services	-	-	-	-	-	-
Other Services	-	-	-	-	-	-
Reported Service Costs Total	\$8,700,000	\$8,270,000	\$16,970,000	\$9,340,000	\$9,710,000	\$19,050,000
No Details Provided Total			\$13,944,000			\$15,899,000
Total Costs Reported in OSPI Survey			\$30,914,000			\$34,949,000

Notes: These are the reported expenditures only. Not all providers were surveyed and not all participants responded. OSPI did not request information regarding Initial Evaluation, Hearing Services, and any Other Services. Results rounded to the nearest \$10,000.

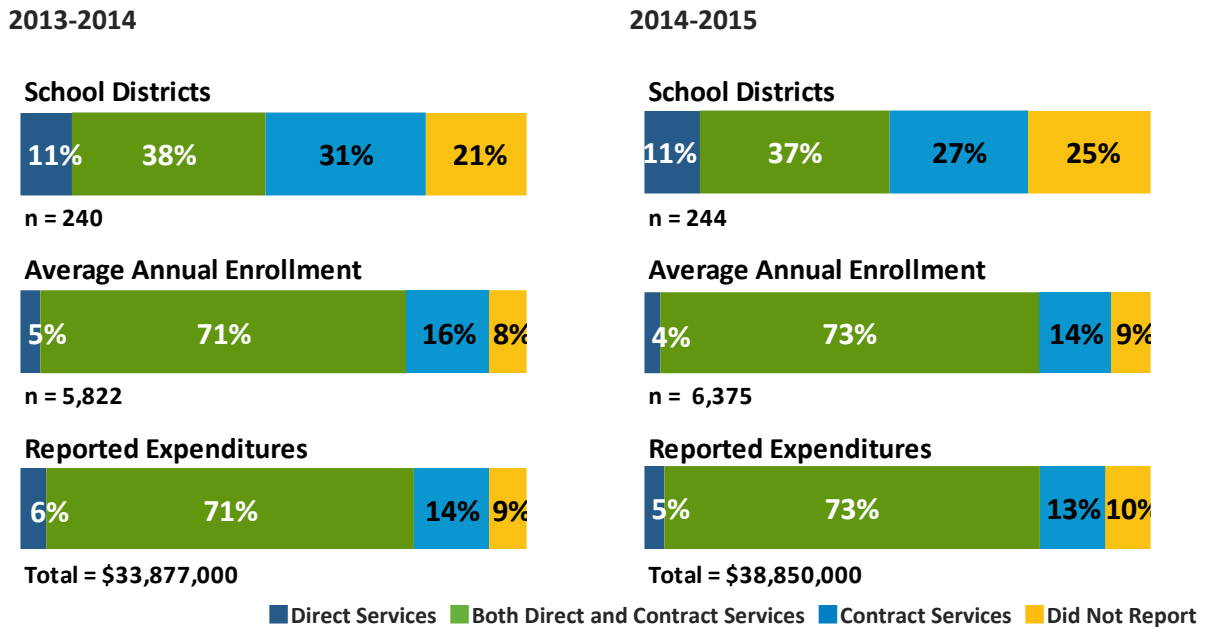
2013-2014 n = 190 and 2014-2015 n = 183.

Sources: BERK Consulting, OSPI 2016.

- In both years, almost 50% of school districts did not provide an individual service breakdown or only provided partial information. This was the case for 90 of the 190 school districts that provided expenditures (47%) in 2013-2014 and 85 school of the 183 school districts that provided expenditures (46%) in 2014-2015.
- Most of the identified spending goes to service coordination and not direct intervention services; however, respondents were encouraged by OSPI to include all administrative costs in the service coordination category.

Exhibit 12 compares relationships between school district, average annual enrollment, and expenditures based on service provision model.

Exhibit 12. Early Intervention School Districts by Service Provision, Average Annual Enrollment, and Expenditures



Notes: BERK categorized school districts based on reported expenditures. Expenditures are rounded to the nearest thousand. As directed by OSPI, enrollments from school districts with no expenditures reported were excluded from the "Average Annual Enrollment."
17.22 average enrollment in 2013-2014.
0.89 average enrollment in 2014-2015.

Sources: BERK Consulting, OSPI 2016.

- Most children receiving services from school districts receive them through districts that use a mixed service delivery model; conversely, only 5% of average annual enrollments receive services from districts that do not contract for at least some services.
- School districts with higher average annual enrollments use a mixed service delivery model: In both years, 70% of the average annual enrollment was in districts that both directly provide and contract for early intervention services, but these districts only represent 40% of the overall number of school districts.

Barriers to Early Intervention Services

Barriers to Early Intervention Services Identified by DEL-aligned Entities

As part of the LLA and Provider Survey, we asked LLAs and providers five key questions about the barriers they encounter in providing early intervention services, and more specifically, the barriers they face in accessing additional funding.

1. What are the current barriers to providing early intervention services?
2. What resources do you need to expand early intervention services to additional children? Do you face any barriers to expanding your early intervention services?
3. What are the current barriers to accessing early intervention funding sources?
4. If you bill Medicaid, what barriers do you face to increasing cost recovery through Medicaid? If you do not bill Medicaid, what barriers keep you from doing so?
5. If you bill private insurance, what barriers do you face to increasing cost recovery through Medicaid? If you do not bill private insurance, what barriers keep you from doing so?

BERK analyzed survey responses for common themes; within each theme, responses were analyzed for key terms and phrases, and grouped into clusters by topic. The ideas and themes were then synthesized into key findings related to the five questions.

It is important to note that these results come from self-reported data. BERK made no attempt to validate these responses or to weight responses for relevance or representativeness. Additionally, some themes are repeated across questions but included here for completeness.

Barriers to Providing or Expanding Early Intervention Services

Respondents overwhelmingly reported a **lack of qualified providers/workforce**. The reasons varied across respondents, but common themes include:

- LLAs, providers, nonprofits, and some agencies do not have enough resources to compete for qualified candidates who receive higher pay at school districts, hospitals, and private medical clinics.
- The pay scale is low for a high credentialed job, making it difficult to attract and/or retain qualified staff.
 - In some areas, providers need to be willing to work weekends and evenings in order to meet family needs and provide services in the natural environment. In addition, the work requires a lot of travel, especially in large, rural service areas.
- Early intervention careers are not promoted in university programs.
- Recent speech language pathology, occupational therapy, and physical therapy graduates have no early intervention experience in their training or schooling and face challenges in meeting position demands.
- Some Eastern and Central Washington respondents described a lack of bilingual service providers in their regions.

Lack of resources was a commonly cited barrier. Respondents explained that current funding is not commensurate with the number of children identified for early intervention services. Greater detail about funding barriers include:

- Travel costs for specialist services in the natural environment are high and not reimbursable, meaning the organization bears the burden. This burden may be especially high in rural areas where travel time is substantial.
- School district funding is limited to nine to ten months, but services are provided throughout the year, meaning the funding does not cover the service cost per child.
- Many private insurance providers do not cover early intervention services. Even when insurance policies do cover early intervention services, family copays are prohibitive for some families so they choose not to pursue early intervention services for their child or children.
- Many LLAs and providers are unable to access Medicaid funding because of the high administrative costs related to billing Medicaid.
- Medicaid does not currently recognize/fund family resource coordination (or service coordination services), teleintervention, or interpretation services.

There are **high resource needs to meet the logistics of scheduling in-home services**, especially in large service areas.

Resources Needed to Expand Early Intervention Services

Adequate funding is clearly the top resource needed to expand early intervention services in the state. Most respondents explained that current sources of funding do not reflect the true cost of delivering early intervention services. They reported that with adequate funding, they would be able to:

- Offer competitive salaries to hire and/or retain qualified staff;
- Recruit staff, particularly in the areas of occupational therapy and speech language pathology;
- Hire administrative staff with knowledge of Medicaid billing requirements;
- Secure adequate office space;
- Coordinate with local medical providers for referrals and share information on early intervention services and eligibility requirements; and
- Share clear definitions of early intervention services and eligibility.

Another resource cited by many respondents as necessary for improved or expanded early intervention service was **a more functional DMS** for the state. The current DMS has limited functionality and reporting options and the data contained within are unreliable, as it is used inconsistently or not used by all participating organizations (for instance, not all school districts use it).

Barriers to Accessing Early Intervention Funding Sources

Many respondents cited **difficulty in working with multiple school districts** and **a range of school district policies** as a barrier to funding. Challenges respondents reported with school districts include:

- School districts only fund student costs for nine to ten months of the year, but early intervention services should be provided throughout the year.
 - Pay rates for services are decided for the coming year by the school district at May enrollment. This means when service demand is higher than the prior year's enrollment, there is not enough funding to cover the cost of services.
- School districts interpret the WAC differently, which is confusing for providers serving multiple school districts across LLAs.
- Some school districts contract out for services every three years or less, which creates a fragile system because of frequent disruption and adaptation to new organizations/providers.

Some providers serve multiple jurisdictions with **different expectations for costs of service**, especially those providers with large service areas across counties.

Nearly all respondents described the challenges of **billing Medicaid and/or private insurances as a top barrier to accessing funding** for early intervention services. Themes related to barriers to billing Medicaid and private insurance include:

- Billing multiple private insurances requires a robust administrative infrastructure.
 - There is a lot of time, labor, and experience required to bill across multiple sources, each with different billing processes and requirements.
 - Billing processes are especially burdensome for small providers.

Barriers to Cost Recovery through Medicaid

Medicaid authorizations are increasingly complex and burdensome.

- It is difficult to receive Medicaid authorizations when the primary care provider did not refer the child for Part C services.
- Providers need to submit an authorization for each child receiving Medicaid funding.
- There is no regional "clearinghouse" for credentialing or authorizations that would improve the process for both Medicaid and private insurance reimbursement.
- Providers must be credentialed with an insurance company to bill. However, this process can take up to three months and providers cannot cover the costs of service in the interim.
- The authorizing process is ongoing because re-authorization is required every few months.
 - Medicaid rejects authorizations if you are not a medical provider.

Billing Medicaid is a time consuming process and many providers or organizations **lack staff with knowledge to navigate the process.**

- Reimbursement rates are low and often are not worth the administrative costs.
- Medicaid rejects many claims and resubmitting makes it not worth the reimbursement.

Billing codes for Medicaid do not align with early intervention services.

Multiple respondents felt that **coverage for foster children through Coordinated Care is incredibly cumbersome**. They cannot get reimbursement and do not want to avoid providing early intervention services to that population.

Some LLAs felt that they **did not receive support or training for implementing the System of Payment and Fees** policy.

There is **no Medicaid carve-out for early intervention service providers to access**.

Medicaid reduced number of visits and increased the justification requirements with more quantitative data, but with reduced visits often qualitative data are the only information available.

Barriers to Cost Recovery through Private Insurance

Many respondents explained that the families they serve **have limited coverage or no private insurance**. Common themes within this barrier include:

- Coverage has been reduced for families needing therapy.
 - Families with high deductible plans and/or high copays, often choose to go without early intervention services.
- Many insurances do not cover early intervention services because those services are classified as preventative and some services, such as developmental therapy, are not covered by insurance companies in Washington.

Similar to Medicaid, the **administrative burden of billing private insurance** was often cited as a barrier.

- Administrative costs to bill private insurance are higher than the reimbursement for smaller providers; re-authorization is time consuming.
 - Difficulty for authorizations if someone other than the primary care physician or pediatrician refers the child; it results in a claim rejection.
 - Washington needs a better system for re-credentialing with insurance companies.

LLAs and providers have **no training on how to bill early intervention to private insurance**.

Birth to three **policies are confusing and difficult for both insurance and providers to navigate**.

ADMINISTRATIVE RECOMMENDATIONS FOR FURTHER INQUIRY

This survey effort demonstrated the need to better coordinate reporting among DEL- and OSPI-aligned entities. Based on this work, we have the following recommendations:

- Align data systems between DEL- and OSPI-aligned entities, including:
 - Data management systems and/or data definitions
 - Accounting systems or reports
- Standardize service measures across systems and jurisdictions, specifically, through creation of shared definitions for units of measure related to services provided and number of children served.
 - Standardize the unit of measure for children served.
 - Standardize reporting of activities by type of service.