

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 469

51st Legislature, 1st Session, 2013

Tracking Number: .191803.1

Short Title: Family, Infant, Toddler Program Rate Study

Sponsor(s): Representative Elizabeth L. Thomson and Others

Analyst: James Ball

Date: February 27, 2013

Bill Summary:

HB 469 makes an appropriation to implement the recommendations of the Department of Health's (DOH) 2003 study of reimbursement rates for service providers in the Family, Infant, Toddler (FIT) program.

Fiscal Impact:

\$6.9 million is appropriated from the General Fund to DOH for expenditure in FY 14. Unexpended or unencumbered funds revert to the General Fund.

Fiscal Issues:

DOH notes that the appropriation in HB 469 is not included in the Governor's executive budget.

DOH requests authority to budget a minimum of 5.0 percent of the appropriation for administrative costs. Such costs would be used for staff, supplies, travel, and related administrative expenses.

Substantive Issues:

In 2003, DOH funded a reimbursement rate study for FIT providers that was published in FY 04. The study recommended rate increases based on location (home and community vs. center) and method (group vs. individual). One rate, the Home and Community Early Intervention Rate, was increased in FY 07, but not to the level of the reimbursement rate recommended by the study. HB 469 would enable full implementation of the study's recommended rate increases.

Background:

According to DOH, in FY 12 FIT provided early intervention services to 13,315 eligible infants and toddlers through 34 agencies statewide. FIT provides 97 percent of its services in a child's home or other easily accessible settings. The average cost per child is approximately \$439 per month.

Early intervention services include:

- speech therapy;
- physical therapy;
- developmental instruction;
- nursing;
- family therapy;
- social work;
- case management;
- occupational therapy; and
- vision and hearing services.

DOH further states that FIT utilizes multiple funding sources to implement the statewide system of early intervention, including:

- *Individuals with Disabilities Education Act* (IDEA) Part C federal grant: \$2.9 million;
- state General Fund: \$14.0 million;
- private insurance: \$1.4 million; and
- Medicaid: \$15.3 million.

In addition, DOH pays the Medicaid match of \$6.7 million.

DOH states that FIT providers are reimbursed on a fee-for-service basis. Rates for early intervention are based on a 15 minute unit and whether the location of the services was in the home and community or in the agency's center and whether the method of service delivery was in a group or for an individual.

Committee Referrals:

HHGIC/HAFC

Related Bills:

SB 281 *Family, Infant, Toddler Program 2003 Study* (Identical)