



*"People
helping people
help
themselves"*

Mitchell E. Daniels, Jr., Governor
State of Indiana

Division of Disability and Rehabilitative Services
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September 15, 2010

First Steps stakeholders, parents and providers,

It is the goal of the Division of Disability and Rehabilitative Services (DDRS) to meet not only the financial obligations of the First Steps program for today, but to support an early intervention system that is sustainable for future generations. With that in mind, DDRS is looking closely at the First Steps program to determine where reasonable budget adjustments may be made, while continuing to identify sources of additional program revenue. Changes to the program are aimed at increasing accountability, and improving communication among providers and families, while maintaining a system of quality services.

Attached, you will find the proposals that DDRS is moving forward. We openly acknowledge many of these changes will directly affect local programs. We also know that like the State, you will be asked to make tough decisions on your future involvement in the First Steps system. Therefore, we would like to encourage you to submit your questions and comments to the First Steps web at firststepsweb@fssa.in.gov. We are working on a very tight timeline; however we will attempt to address your comments and suggestions. Updates and future communication will be posted on the First Steps web under "what's new" <http://www.in.gov/fssa/ddrs/2821.htm> as well as through email communications and the DDRS list serve.

Thank you for your ongoing commitment to the long term success of our First Steps system.



First Steps

The following pages contain proposed changes to the First Steps Program. DDRS will release further details as individual proposals are finalized. You may submit comments or questions to:

firststepsweb@fssa.in.gov

Increase requirements for higher intensity services

Require State prior approval for the following:

- Delivery of an individual service at a frequency of 2 times per week or greater
- Delivery of an individual service over 60 minutes in duration

Considerations:

- Delivery of services continues to meet the intent of the early intervention system
- Resources to review PA's

Estimated Savings: \$500,000

Process: Notice to providers and SPOEs
 Develop internal review process

Tighten enrollment requirements for Developmental Therapists

Enrollment Guidelines

- Degree in early childhood or special education with a focus on early childhood development
- DTs enrolled at an associate level for the first year. After one year, the provider may request to advance to the specialist level

Considerations

- Additional focus and expertise on early childhood development
- Increased supervision and quality controls
- Help to reduce the number of new providers coming into the system with minimal early childhood experience
- Existing providers would be “grandfathered” into the new requirements

Estimated Savings:

- Enrollment at Associate level **\$100,000** due to lower rate
- Stop gap for future spending due to the reduction of new providers coming into the system.

Process: Modification to personnel requirements

Newborn Hearing Screenings (NBH)

Infants that do not pass their newborn hearing screen will be directed to their primary medical home for follow-up and necessary audiology evaluations

Considerations:

- ISDH holds the responsibility for coordination of the NBH process and rule making
- ISDH is supportive of the desire of First Steps to decrease involvement in follow-up activities
- Promotes coordination with primary care physician
- Time saving at the SPOE due to reduced intakes
- Reduced number of audiology evaluations

Estimated Savings: \$500,000 in audiology services

SPOE cost saving is undetermined at this time

Process:

Notification to ISDH, clarification to SPOEs, Notice to providers. ISDH will notify birthing hospitals and audiology staff.

ED team evaluation procedures

Streamline evaluation procedures, while increasing responsibility of the ED team members to monitor the Individualized Family Service Plan (IFSP), including placing the teams under the SPOEs

- Limit minutes available for evaluation or establish a per assessment rate
- Limit minutes available for ongoing assessment and monitoring of the IFSP. Require written feedback on the child's progress and the appropriateness of the plan
- Limit annual evaluation to one ED team provider for those children with a medical diagnosis that meets eligibility
- Increased monitoring of ED team through per child cost analysis

Considerations:

- Limited reimbursement may result in reduced monitoring by ED team members

Estimated Savings : Cost saving is dependent on the approach, however ranges from **\$500,000 to \$1,000,000**

Process: Finalize rates, modifications to the ED team manual, modification to the SPOE contracts with ED team requirements (not required but may be recommended), report development for monitoring.

Modify reimbursement for IFSP meeting attendance

Remove payment authorization for ongoing providers to attend IFSP meetings as a separate authorization. Providers may use existing auth to participate in the IFSP meeting at the invitation of the parent.

Considerations:

- Child progress, service recommendation and outcomes should be included in the required quarterly reports. Therefore, SCs and ED teams should have adequate information to develop the IFSP.

Estimated Savings :

- Cost saving is anticipated at **\$500,000**

Process: Process Clarification to SPOEs and providers

Increase provider education regarding appropriate services

Continued clarification of the following:

- Eligibility requirements
- No post operative services
- Appropriate use of informed clinical opinion

Consideration:

- Clarification will support best practices

Estimated Savings:

- While some cost savings may be noticed, reinforcement of policy services more as a “stop gap” for misuse of funds.

Process: Written clarification

Improve guidelines for use of clinic setting

BCDS should provide clarification on when it may be appropriate to discuss with families the option of having services in a clinic setting. The following are examples of times when this discussion may be appropriate:

- Kids on the Autism spectrum
- Kids with auditory or visual impairment
- Evaluation days in clinic

Considerations:

- Rate for onsite services is 20% less than services in the natural environment
- Consideration should be given to paying onsite services at the Medicaid rate
- While emphasis is placed on the provision of services in the natural environment, Federal law does allow for case by case exceptions
- Monitoring for abuse or increase of services by provider groups would be necessary

Estimated Savings:

- Cost saving is dependent on the final rates

Increase Parent Participation

While current procedures require caregiver participation, consideration should be given to strengthen the participation of the parent

- Require **active parent participation** during sessions within the home
- Require **active caregiver participation** at every therapy session
- When services are provided outside of the home, require **active parent participation** at a minimum of 1 time per month
- Continue to enforce that parents must be present and involved in all evaluations

Considerations:

- Increase parent involvement resulting in greater education of parent to support their own child
- Inconvenience for some families
- Scheduling difficulties for providers-increased need for flexibility in scheduling
- Sets clear expectation for the First Steps program
- May need to better define “active participation”

Estimated Savings: Unknown at this time

Three Month Authorizations

While the IFSP must be written for a one year period, service authorizations within the IFSP may be written for a shorter period of time. This would allow greater input from the ED team on the appropriateness of the services and require providers to provide input into the outcomes and progress of children

- Progress report with justification should be required prior to continue authorization of service
- Report must contain documentation of the ICD-9 code directly addressed by the service
- Prior to the addition of a service, an evaluation must be completed and ICD-9 code obtained.

Considerations:

- 3 month auths are standard practice in the health care industry
- Increase quality and use of ICD-9 codes will result in an increase in TPL reimbursement

Estimated Savings: *\$1,000,000*

Process: Policy clarification

Provider Networks

Consolidation of providers to form networks/groups

- Multidisciplinary Agency (required to maintain 3 providers from each discipline: Developmental, Occupational, Physical, and Speech Therapy Providers with the ability to obtain and provide all other required e.i. services)
- Demonstrated successful ability to bill insurance
- Physical service location, open to the public 5 days per week during normal business hours
- Revenue streams outside of First Steps
- Quality Assurance structure with written policies and procedures, meeting contractual obligations, including but not limited to, compliance with FERPA and HIPAA.
- Structure that provides staff support, provides continued education and mentoring for providers, with a clear line of authority.

Considerations

- Reduced number of payees, allowing for increased monitoring and reduce administrative overhead
- Increase team communication and collaboration
- Increased local supervision of and increase mentoring of providers
- Potential for increased leverage to negotiate service areas and reduction in rates 5%
- Need to minimize disruption to families as providers leave or change employment: Consider honoring current auths and phase in new enrollment criteria
- Transition costs for Service Coordinators to facilitate changes

Process: Policy clarification, amendment of provider agreements and personnel guide

SPOE/LPCC cost saving

Contract Cuts

15% cut of the SPOE/LPCC funding

Considerations:

- Need to “do things differently”
- Need to identify core processes and those that are “nice”
- Increase in caseloads
- Allow flexibility between LPCC and SPOE funding as new budgets are developed.

Estimated Savings: \$1.6m

Process: Contract amendment

Cost Participation

Suspension of services for accounts 60 days or greater past due

First Steps is in the process of implementing procedures that would suspend services to families where the cost participation account is 60 days or greater past due. Families would remain eligible to receive those services for which Federal law does not allow a fee to be accessed.

Estimated savings: **\$150,000**

Assistive Technology

Eliminate the payment for orthotics as a First Steps service*.

Estimated Savings: \$600,000

*Completed May 2010