



JUL 09 2001

COMMONWEALTH of VIRGINIA

Department Of Mental Health, Mental Retardation and Substance Abuse Services

RICHARD E. KELLOGG
COMMISSIONER

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December 14, 2000

The Honorable S. Vance Wilkins, Jr.
Speaker of the House
P. O. Box 469
Amherst, Virginia 24521

The Honorable Mary T. Christian
House of Delegates
P. O. Box 1892
Hampton, Virginia 23669

Dear Mr. Speaker and Delegate Christian:

During the 2000 Session of the General Assembly, the House Committee on Rules considered House Joint Resolution 294, patroned by Delegate Mary Christian. HJR 294 requested the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) to study parental liability for costs of early intervention services. The Resolution did not pass. However, a letter (Attachment A) was sent to the Department requesting that we review the issues of parental liability for costs of early intervention services and apprise the chief patron, Delegate Christian, accordingly. DMHMRSAS responded that we would report the findings and recommendations to the Governor and the 2001 General Assembly.

This letter summarizes the Department's process and findings, and forwards our recommendations as enclosed in the proposed "Ability-to-Pay Practices" for your review. The attached response on parental liability costs for early intervention services represents the culmination of considerable time, effort and resources from the Department's staff, family members and other state agency representatives. The workgroup held 11 meetings from January 11, 2000 through August 21, 2000. Our objective throughout all of the meetings and activities has been to develop reasonable fees using a process that is consistent across Virginia.

The Honorable S. Vance Wilkins, Jr., Speaker of the House
The Honorable Mary T. Christian, Delegate
Page Two
December 14, 2000

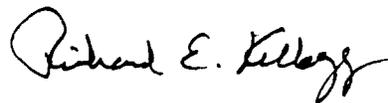
It is important to note that the recommendations concerning parental liability costs for early intervention services were developed before Proposed Rules from the United States Department of Education became available on September 5, 2000. A period of public comment on the Proposed Rules closed on December 4, 2000, and it cannot be established when the Final Rules will be promulgated. The impact on the Commonwealth of financing early intervention services cannot be determined until the Final Rules are issued. The proposed rules are available from the Department if you wish to review a copy.

Therefore, the Department will continue to work on the document over the coming year while we are waiting for Final Rules to be promulgated. We will revise the draft document on parental costs for early intervention services over the coming year and widely disseminate the revised draft to the field for review and comments. After receipt of the Final Federal Rules, we will be able to provide you a final report on parental costs for early intervention services.

We are providing you with a brief overview of activities staff have been involved in (Attachment B) leading up to the development of the Ability-to-Pay Practices. This information should be helpful to you as you review the draft document.

Please feel free to contact me if you have questions or concerns. Thank you for your support in working with us to review these issues.

Sincerely yours,



Richard E. Kellogg

REK/lis

Enclosures

pc: The Honorable James S. Gilmore, III
Governor of Virginia

The Honorable Claude A. Allen
Secretary, Health and Human Resources

The Honorable Susan C. Schaar
Clerk of the Senate

The Honorable Bruce F. Jamerson
Clerk of the House of Delegates

Legislative Services Library

*Response to the Speaker of the House and
Delegate Mary T. Christian*

*Review of Parental Liability Costs of
Early Intervention Services (Part C)*

*Submitted by:
Richard E. Kellogg, Commissioner*

*Department of Mental Health, Mental
Retardation and Substance Abuse Services
Commonwealth of Virginia*

Part C

Early Intervention Program for Infants and Toddlers with Disabilities

Ability to Pay Practices

Background

Early intervention services for children and toddlers are provided by publicly operated Community Services Boards (CSB), local school systems, public Health Departments, and Social Service agencies as well as private providers under the Part C system in the Commonwealth of Virginia. The term “providers” will be used in this document in acknowledgment to all the above. Services are available throughout the state and follow individual procedures of public providers or procedures of the participating private providers. Early intervention services may be extensive and costly. However, early intervention services are beneficial to eligible children and the Commonwealth as a whole, by promoting healthy development and preventing more costly service needs in the future. The process used to assure that services are provided in a manner that will not create an unnecessary financial hardship on liable parties (families) is the Ability to Pay process. State and Federal law requires that an Ability to Pay process be available for Part C services. The large number of providers and the relatively high cost of services create a need to develop an Ability to Pay process that is consistently applied state wide and assures access to services.

Purpose

This document provides guidance on all participating Part C providers on the appropriate procedures to be used relative to the Ability to Pay process. It is intended that the Ability to Pay process be statewide in application and consistently used by all Part C providers, both public and private. The desired result of a consistent Ability to Pay process is to reduce charges for services to a reasonable fee for consumers who have a demonstrated financial need. This process ensures that fees are not a barrier to services.

Definitions

- Charges – are the gross (non-discounted) amounts of anticipated payment for services. In the public sector, charges are generally established as the cost of providing care.
- Ability to Pay – is the process established by law that is used to reduce the charge to a lesser amount when full payment would create a financial hardship.
- Sliding Fee Scale – is a matrix utilizing gross family income in conjunction with family size to determine an amount or fee to be paid that is less than the full charge.

- Fees – are amounts that are acceptable as payment that are less than the full charge that should be made available to consumers who demonstrate financial hardship.
- Income – is defined as wages, salary, etc. and is consistent with the Federal definition of wages. Income to be considered for this policy is that of the mother and/or father of the family as is consistent with parental liability in the Code of Virginia.
- Appeal Process – the process used when it can be determined that consumers have a demonstrated financial hardship but the discounted fee from a sliding scale also represents a financial burden.
- No Charge Services – (34 CFR 303.521 Fees) establishes the following as no charge services:
 - Implementing the child find requirements
 - Evaluations and Assessments
 - Service coordination
 - Administrative and coordinative activities related to:
 - (i) The development, review & evaluation of IFSPs
 - (ii) Implementation of procedural safeguards
- Financial Hardship – is defined as a personal economic condition resulting from a family being subject to extraordinary debt and which may prevent a consumer from obtaining full and necessary services. The parameters defining financial hardship must correspond to the family size and family gross income found in the Ability to Pay scale. Financial hardship may also be created by extraordinary co-insurance and deductible requirements.

Responsible Authority

The Commissioner of DMHMRSAS as Part C Lead agency in the Commonwealth of Virginia, in cooperation with the other state agency heads participating in Part C, is responsible for development of Ability to Pay policies and procedures (34 CFR 303.520 Policies related to payment for services).

All such procedures are developed with consultation of the Part C, Continuous Quality Improvement Ability to Pay Workgroup, which includes representatives of other state agencies, local public and private providers and families.

Specific Guidance

All providers receiving funding from any State or Federal program must make services available to all families seeking services in a like manner.

At the point of intake, all providers must give families once eligibility has been determined the family fee information sheet. The information will include:

- A list of chargeable services as well as services for which there are no charges.
- Financial Agreement Forms.
- Fee determination procedures and forms.
- Sliding Fee Scale.
- Use of private insurance benefits relative to the Part C System.
- Procedures for filing an appeal.

Charging for Services...

- All services (except no-fee services) must be charged to families in a like manner regardless of anticipated payment source.
- All families should be advised that they must be charged the cost of care and that a sliding fee scale is available to reduce charges if fees create a barrier to services or financial hardship.
- Private insurance plans may not be billed for services where no consumer liability can be established.
- Part C funds may be utilized to ensure the provision of services until a fee under Ability to Pay is determined.
- If a family's insurance is not part of the Part C provider insurance "network", the family may access the Ability to Pay process.

Ability to Pay...

- The Ability to Pay process is the method used to discount charges to a fee that is less than the full charge rate.
- To be considered for a discounted rate under Ability to Pay policy, the family has the responsibility to provide income documentation that will support such a reduction. Refusal to provide such information will result in the family being charged at the full rate for services.
- All Ability to Pay activities must be addressed in a dignified, confidential and professional manner.

- Families may decide not to make use of private insurance coverage if, in the family's determination, a financial loss such as a decrease in available lifetime coverage or discontinuation of policy may occur.
- If a family decides not to use insurance, they may be eligible for a discounted rate under the Ability to Pay policy if they provide income documentation.
- When a family has documented financial hardship as defined in this document, i.e., based on income and family size, fees will be determined in accordance with the sliding fee scale.

Sliding Fee Scale...

- A Sliding Fee Scale will be used to establish a reduced uniform monthly payment for consumers without regard to the frequency and number of services provided.
- The Sliding Scale is based upon a monthly gross family income and the number of family members.
- The Sliding Scale automatically takes into consideration normal living expenses.
- If collection of coinsurance and deductibles represents a documented financial hardship on families, providers may waive collections and substitute use of the Ability to Pay scale.
- In cases where services are anticipated to extend over one year, the family should be told that an annual re-evaluation of financial need is required.
- One fee will be established for Part C and other CSB services if needed, for each family regardless of the number of services provided. There will be no increase in fees for more than one child being provided services.
- Information obtained for the purposes of determining Ability to Pay must be maintained in a confidential manner consistent with State and Federal law.

Ability to Pay Appeal Process...

- If the discounted rate that is derived from use of the Sliding Scale represents a documented financial hardship or a barrier to services, the family may request additional reduction of charges through the Ability to Pay appeal process.

- The purpose of the Ability to Pay appeal process is to provide families the opportunity to have charges reduced below the Sliding Scale if their personal and documented financial condition supports such a reduction.
- Care must be taken not to arbitrarily assess the merits of particular financial obligations.
- Providers must share with families all factors that were considered in the appeal process.
- If the family is not in agreement with the amount of either the full charge rate or the discounted rate for services AND further reductions cannot be agreed to with the service provider staff, additional Appeal steps are available:
 1. 1st Step = Discounted rate established with Service Provider Financial Manager or Program Manager.
 2. 2nd Step = Discounted rate established with CSB or Private Provider Executive Director.
- In cases where agreement cannot be reached between the consumer and the service provider, two avenues remain open to the consumer:
 1. Administrative Complaint process as outlined in State and Federal Part C regulations.
 2. Due Process procedures as outlined in Part C State and Federal regulations.

Procedure

Each provider of Part C, Early Intervention Services for Infants and Toddlers with Disabilities (both public and private providers) shall incorporate the guidance provided in this document into local policy and procedure documents.

The requirement for private providers to follow Ability to Pay procedures issued by the DMHMRSAS, as the Part C lead agency in the Commonwealth of Virginia will be contained in their annual contract or provider agreement.

References

DMHMRSAS Early Intervention policies - Commonwealth of Virginia: Application for Continued Funding Under Part C of IDEA.

§ XIII. Policies and procedures related to Financial Matters

34 CFR Part 303, Early Intervention Program for Infants and Toddlers with Disabilities
(Part C of the Individuals with Disabilities Education Act)

§ 303.12 Early Intervention services

§ 303.520 Policies related to payment for services

§ 303.521 Fees

Code of Virginia, § 37.1-197 (7)- Community services boards; local government department; powers and duties.

Code of Virginia, § 37.1-202.1- Liability for expenses of services

Code of Virginia, § 20-61- Desertion or nonsupport of wife, husband or children in necessitous circumstances.

State Board Policy, § 6002 (FIN) 86-14 – Service Availability and Ability of Client to Pay Philosophy.

Rules and Regulations to Assure The Rights of Clients in Community Programs
PART II. Client Rights. ARTICLE. Treatment.

CCH Medicaid-Manual, § 4302.2 State Plan Amendment Requirements – Non-duplication of payments.

§44,445, Health Insurance Portability and Accountability Act of 1996, PubLNo.104-191., (Aug.02,1996). Identifies the potential for co-insurance and deductibles to be a financial hardship.

Construction of Sliding Fee Scale

PART - C
EARLY INTERVENTION SERVICES

SLIDING FEE SCALE

Construction

A Sliding Fee Scale is the method used to reduce the full charge rate to a lesser amount when documented financial hardship has been established.

Fees are computed in the Part C Sliding Fee Scale by factoring 10% against the amount of disposable family income.

Disposable family income in the Sliding Fee Scale is determined by reducing gross family income as follows:

- The basis for the Sliding Fee Scale is family size and gross family income.
- Gross family income is used because it is verifiable, assuring that reductions from full charges are appropriate.
- Gross family income is reduced to net (available) based on Federal tax data.
- A survey of financial lending institutions revealed that the maximum level of indebtedness for a family of four is limited to 40% of the family's gross income.
- The Sliding Fee Scale assumed that families experiencing financial hardship would spend resources at a level of 35% of the family's gross income.
 - 35% is intended to cover all credit debt, i.e. mortgage, rent, credit cards, auto loans, etc.
- Auto insurance has been estimated at \$75.00 per month.
- A survey of utility companies indicated that a family of four would experience a \$310 monthly utility cost.
- Food cost estimates were obtained from DSS offices using USDA estimates.
- Gasoline cost estimates were based on one fill up per week.
- A clothing allowance of \$35 per person was used after a survey of CSBs.
- A cost of living allowance of 15% was used and compares to 18% allowed by the DSS.

PART - C

EARLY INTERVENTION SERVICES

SLIDING FEE SCALE - WORK PAPER

INCOME

1	Gross Yearly Income	→	\$30,000	\$35,000	\$40,000
2	Monthly Income (line 1 / 12)		\$2,500	\$2,917	\$3,333
3	Deductions (claiming 1 on 1040)		\$560	\$654	\$747
4	Net Monthly Income	→	\$1,940	\$2,263	\$2,586
5	EXPENSES				
6	Credit Debt (35% of line 2)		\$875	\$1,021	\$1,167
7	Auto Insurance		\$75	\$75	\$75
8	Utilities		\$310	\$310	\$310
9	Food (\$125 per person)		\$500	\$500	\$500
10	Gasoline (\$100 per adult)		\$200	\$200	\$200
11	Clothing (\$35 per person)		\$140	\$140	\$140
12	Miscellaneous (15% of line 4)		\$291	\$339	\$388
13	Total Expenses (line 6 through line 12)	↓	\$2,391	\$2,585	\$2,780
14	Disposable Income (line 4 less line 13)	→	(\$451)	(\$323)	(\$193)
15	Fee (10% of Disposable income)	→	\$0	\$0	\$0

Note: Computations are made for a family of four.

PART - C
EARLY INTERVENTION SERVICES
SLIDING FEE SCALE - WORK PAPER

INCOME

1 Gross Yearly Income	→	\$45,000	\$50,000	\$55,000
2 Monthly Income (line 1 / 12)		\$3,750	\$4,167	\$4,583
3 Deductions (claiming 1 on 1040)		\$747	\$933	\$1,027
4 Net Monthly Income	→	\$3,003	\$3,234	\$3,556
5 EXPENSES				
6 Credit Debt (35% of line 2)		\$1,313	\$1,458	\$1,604
7 Auto Insurance		\$75	\$75	\$75
8 Utilities		\$310	\$310	\$310
9 Food (\$125 per person)		\$500	\$500	\$500
10 Gasoline (\$100 per adult)		\$200	\$200	\$200
11 Clothing (\$35 per person)		\$140	\$140	\$140
12 Miscellaneous (15% of line 4)		\$450	\$485	\$533
13 Total Expenses (line 6 through line 12)	▼	\$2,988	\$3,168	\$3,363
14 Disposable Income (line 4 less line 13)	→	\$15	\$65	\$194
15 Fee (10% of Disposable income)	→	\$0	\$7	\$19

Note: Computations are made for a family of four.

PART - C

EARLY INTERVENTION SERVICES

SLIDING FEE SCALE - WORK PAPER

INCOME

1	Gross Yearly Income	—————>	\$60,000	\$65,000	\$70,000
2	Monthly Income (line 1 / 12)		\$5,000	\$5,417	\$5,833
3	Deductions (claiming 1 on 1040)		\$1,120	\$1,213	\$1,307
4	Net Monthly Income	—————>	\$3,880	\$4,204	\$4,526
5	EXPENSES				
6	Credit Debt (35% of line 2)		\$1,750	\$1,896	\$2,042
7	Auto Insurance		\$75	\$75	\$75
8	Utilities		\$310	\$310	\$310
9	Food (\$125 per person)		\$500	\$500	\$500
10	Gasoline (\$100 per adult)		\$200	\$200	\$200
11	Clothing (\$35 per person)		\$140	\$140	\$140
12	Miscellaneous (15% of line 4)		\$582	\$631	\$679
13	Total Expenses (line 6 through line 12)	—————v	\$3,557	\$3,751	\$3,946
14	Disposable Income (line 4 less line 13)	—————>	\$323	\$452	\$581
15	Fee (10% of Disposable income)	—————>	\$32	\$45	\$58

Note: Computations are made for a family of four.

PART - C
EARLY INTERVENTION SERVICES
SLIDING FEE SCALE - WORK PAPER

INCOME

1	Gross Yearly Income	→	\$75,000	\$80,000	\$85,000
2	Monthly Income (line 1 / 12)		\$6,250	\$6,667	\$7,083
3	Deductions (claiming 1 on 1040)		\$1,400	\$1,507	\$1,587
4	Net Monthly Income	→	\$4,850	\$5,160	\$5,496
5	EXPENSES				
6	Credit Debt (35% of line 2)		\$2,188	\$2,333	\$2,479
7	Auto Insurance		\$75	\$75	\$75
8	Utilities		\$310	\$310	\$310
9	Food (\$125 per person)		\$500	\$500	\$500
10	Gasoline (\$100 per adult)		\$200	\$200	\$200
11	Clothing (\$35 per person)		\$140	\$140	\$140
12	Miscellaneous (15% of line 4)		\$728	\$774	\$824
13	Total Expenses (line 6 through line 12)	↓	\$4,140	\$4,332	\$4,529
14	Disposable Income (line 4 less line 13)	→	\$710	\$827	\$968
15	Fee (10% of Disposable income)	→	\$71	\$83	\$97

Note: Computations are made for a family of four.

PART - C

EARLY INTERVENTION SERVICES

SLIDING FEE SCALE - WORK PAPER

INCOME

1 Gross Yearly Income	→	\$90,000	\$95,000	\$100,000
2 Monthly Income (line 1 / 12)		\$7,500	\$7,917	\$8,333
3 Deductions (claiming 1 on 1040)		\$1,680	\$1,773	\$1,867
4 Net Monthly Income	→	\$5,820	\$6,144	\$6,466

5 EXPENSES

6 Credit Debt (35% of line 2)		\$2,625	\$2,771	\$2,917
7 Auto Insurance		\$75	\$75	\$75
8 Utilities		\$310	\$310	\$310
9 Food (\$125 per person)		\$500	\$500	\$500
10 Gasoline (\$100 per adult)		\$200	\$200	\$200
11 Clothing (\$35 per person)		\$140	\$140	\$140
12 Miscellaneous (15% of line 4)		\$873	\$922	\$970
13 Total Expenses (line 6 through line 12)	↓	\$4,723	\$4,917	\$5,112
14 Disposable Income (line 4 less line 13)	→	\$1,097	\$1,226	\$1,355
15 Fee (10% of Disposable income)	→	\$110	\$123	\$135

Note: Computations are made for a family of four.

*The Actual Sliding
Fee Scale*

PART - C
EARLY INTERVENTION SERVICES

SLIDING FEE SCALE

Actual

The actual Sliding Fee Scale includes:

- Use of the Sliding Fee Scale results in a monthly payment.
- Income levels up to \$200,000 per family, and
- Family size up to a family of six and over.
- The actual Sliding Fee Scale has been developed using the same method demonstrated in the previous section with a family of four.
- Small variations between the construction work paper and the final scale may occur due to rounding.
- If the fees to be paid under the actual scale result in financial hardship, the family may appeal for a lower payment.

FAMILY INTERVENTION SERVICES

SLIDING FEE SCALE

Income Ranges	Family Size →				
	2	3	4	5	6+
\$0 -- \$30,000	\$0	\$0	\$0	\$0	\$0
\$30,001 -- \$35,000	\$6	\$0	\$0	\$0	\$0
\$35,001 -- \$40,000	\$19	\$0	\$0	\$0	\$0
\$40,001 -- \$45,000	\$32	\$3	\$0	\$0	\$0
\$45,001 -- \$50,000	\$45	\$16	\$0	\$0	\$0
\$50,001 -- \$55,000	\$58	\$29	\$7	\$0	\$0
\$55,001 -- \$60,000	\$71	\$42	\$19	\$0	\$0
\$60,001 -- \$65,000	\$78	\$55	\$32	\$12	\$0
\$65,001 -- \$70,000	\$97	\$68	\$45	\$25	\$4
\$70,001 -- \$75,000	\$110	\$81	\$58	\$38	\$17
\$75,001 -- \$80,000	\$123	\$94	\$71	\$51	\$30
\$80,001 -- \$85,000	\$141	\$107	\$83	\$64	\$43
\$85,001 -- \$90,000	\$154	\$120	\$96	\$77	\$56
\$90,001 -- \$95,000	\$167	\$133	\$110	\$90	\$69
\$95,001 -- \$100,000	\$180	\$146	\$123	\$103	\$82
\$100,001 -- \$105,000	\$193	\$159	\$135	\$117	\$95
\$105,001 -- \$110,000	\$206	\$172	\$148	\$130	\$108
\$110,001 -- \$115,000	\$219	\$185	\$161	\$143	\$121
\$115,001 -- \$120,000	\$232	\$198	\$174	\$156	\$134
\$120,001 -- \$125,000	\$245	\$211	\$187	\$169	\$147
\$125,001 -- \$130,000	\$258	\$224	\$200	\$182	\$160
\$130,001 -- \$135,000	\$271	\$237	\$213	\$195	\$173
\$135,001 -- \$140,000	\$284	\$250	\$226	\$208	\$186
\$140,001 -- \$145,000	\$297	\$263	\$239	\$221	\$199
\$145,001 -- \$150,000	\$310	\$276	\$252	\$234	\$212
\$150,001 -- \$155,000	\$323	\$289	\$265	\$247	\$225
\$155,001 -- \$160,000	\$336	\$302	\$278	\$260	\$238
\$160,001 -- \$165,000	\$349	\$315	\$291	\$273	\$251
\$165,001 -- \$170,000	\$362	\$328	\$304	\$286	\$264
\$170,001 -- \$175,000	\$375	\$341	\$317	\$299	\$277
\$175,001 -- \$180,000	\$388	\$354	\$330	\$312	\$290
\$180,001 -- \$185,000	\$401	\$367	\$343	\$325	\$303
\$185,001 -- \$190,000	\$414	\$380	\$356	\$338	\$316
\$190,001 -- \$195,000	\$427	\$393	\$369	\$351	\$329
\$195,001 -- \$200,000	\$440	\$406	\$382	\$364	\$342
\$200,001 -- +	\$453	\$419	\$395	\$377	\$355

Attachment A

March 10, 2000



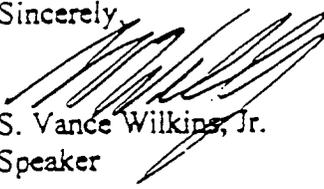
Mr. Richard Kellogg
 Commissioner, Department of Mental Health, Mental Retardation,
 and Substance Abuse Services
 James Madison Building, 13th Floor
 109 Governor Street
 Richmond, Virginia 23219

Dear Mr. Kellogg:

During the 2000 Session of the General Assembly, the House Committee on Rules considered House Joint Resolution 294, patroned by Del. Mary T. Christian, which requested that the Department of Mental Health, Mental Retardation and Substance Abuse Services study parental liability for costs of early intervention services. In an effort to reduce the number of legislative study resolutions, House Joint Resolution 294 was among those that were not reported. However, the House Rules Committee believes that the issues raised in the resolution may be appropriately reviewed by the Department of Mental Health, Mental Retardation and Substance Abuse Services. In the event that the Department determines it appropriate to review the issues raised, I request that you apprise the chief patron, Del. Christian, accordingly, and that the Department report its findings and recommendations to the Governor and to the 2001 Session of the General Assembly by December 1, 2000. I am enclosing a copy of HJR 294 for informational purposes so that you may be apprised of the issues raised in the study resolution.

Your cooperation and assistance in this matter are appreciated.

Sincerely,


 S. Vance Wilkins, Jr.
 Speaker

/bhe

Enclosure (HJR 294)

cc: The Honorable Mary T. Christian
 The Honorable Bruce F. Jamerson
 The Honorable Susan Clarke Schaar

HOUSE JOINT RESOLUTION NO. 294

Offered January 24, 2000

Requesting the Department of Mental Health, Mental Retardation and Substance Abuse Services to study parental liability for costs of early intervention services.

Patrons—Christian, Baskerville, Brink, Cox, Darner, Hall, Plum, Spruill, Van Landingham and Watts;
Senator: Miller, Y.B.

Referred to Committee on Rules

WHEREAS, Part C of the Individuals with Disabilities Education Act creates a federal grant program to provide early intervention services to infants and toddlers with disabilities and to their families; and

WHEREAS, Virginia entered full implementation of the Part C program in 1993. It soon became evident that early intervention services are of vital importance to Virginia's families with infants and toddlers with disabilities and that, because early intervention services can prevent or mitigate numerous problems, the expansion of early intervention services will ultimately benefit all citizens of the Commonwealth; and

WHEREAS, federal law mandates free early intervention eligibility screenings, evaluations, and service coordination for eligible children, yet allows service providers to charge for physical, occupational, and speech therapies, parent-infant education, assistive technology, respite care, audiology and other services; and

WHEREAS, early intervention providers in Virginia are charging fees for most services, and families and many service providers are reporting that these fees cause hardship, resulting in some families refusing services because of the fees; and

WHEREAS, the 40 local interagency coordinating councils that oversee federal Part C program funds administer their local programs and set their own fees, which have resulted in inequities and inconsistencies; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Department of Mental Health, Mental Retardation and Substance Abuse Services be requested to study parental liability for costs of early intervention services. The Department of Mental Health, Mental Retardation and Substance Abuse Services, in cooperation with the other state agencies participating in the early intervention program and all stakeholders in the program to include, but not be limited to, representatives of the local interagency coordinating councils, the Virginia Interagency Coordinating Council, the Early Intervention Management Team, parents and service providers, shall identify and resolve concerns related to fees for Part C program services, including federal requirements related to liability for the costs of various services and access to private insurance reimbursement; mechanisms to determine ability to pay on an equitable and consistent basis statewide; and extreme variations in the costs of services among different localities.

All agencies of the Commonwealth shall provide assistance to the Department of Mental Health, Mental Retardation and Substance Abuse Services for this study, upon request.

The Department of Mental Health, Mental Retardation and Substance Abuse Services shall complete its work in time to submit its findings and recommendations by November 1, 2000, to the Governor and the 2001 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

003629668

HJ294

1/25/00 15:53

Attachment B

In 1998, the Virginia Interagency Coordinating Council (VICC) formed an Ability-to-Pay Workgroup to obtain data from localities regarding the ability-to-pay mechanisms currently in use. This workgroup was comprised of representatives from families, local interagency coordinating councils, local community services boards, administrators, direct service public and private providers, representatives from the state Agency Heads, (Early Intervention Management Team members) and staff from the Part C Lead Agency (DMHMRSAS).

In June 1999, two reports were presented by the Ability-to-Pay Workgroup to the VICC. The first report was *Ability to Pay Focus Groups* by the Virginia Institute for Developmental Disabilities. The second report was *An Analysis of Preliminary Survey Results of Families receiving Part C Early Intervention Services* by the Social Science Research Center at Old Dominion University. The VICC passed a motion requesting the Part C Early Intervention Management Team (EIIMT) to develop a proposal for a statewide, equitable, family friendly sliding fee schedule for early intervention services. In response to the VICC motion, the EIIMT requested guidance from their respective agency heads and subsequently initiated seven visits to localities where there had been reports from families having difficulty accessing early intervention services as a result of fees to identify the specific issues. The findings from these site visits were reported to the VICC.

In December 1999, the Department made a presentation to the Joint Legislative Subcommittee Studying Early Intervention Services for Infants and Toddlers with Disabilities (HJR 725) addressing issues relevant to the implementation of Part C of the Individuals with Disabilities Education Act. An integral part of this presentation focused on the Department's commitment to resolve concerns regarding family fees. In preparation for this presentation, the Department met with internal staff and a representative from the ARC of Virginia to discuss concerns of families regarding fees for Part C services. It was agreed that the ARC of Virginia would assist DMHMRSAS with collecting scenarios from families to use to evaluate the potential impact of proposed changes on families who represent a wide array of circumstances and financial backgrounds.

In January 2000, the Department initiated a workgroup including Department staff, families, early intervention public and private providers, and representatives from other state and local agencies. The workgroup was asked to: (1) analyze Part C requirements and existing state policies and procedures related to fees; (2) develop consistent procedures for determining family fees; (3) explore the use of a statewide sliding fee scale; and (4) analyze the financial impact of any proposed changes on the Commonwealth.

The workgroup met throughout the spring and summer in an effort to develop consistent procedures for determining family fees, standardize financial forms and information for families and determine what Part C services must be charged for across all public and private agencies. These activities included: (1) analyzing Part C requirements and existing state policies and procedures related to fees (2) reviewing fee

information and fee scales from other states; (3) analyzing policies and procedures, sliding fee scales, ability to pay mechanisms, fee agreements and financial intake forms from local community services boards and private providers; (4) developing survey tools to collect family revenue data from private providers; 5) reviewing median income data projections and other essential data; and (6) developing hypothetical monthly payment fee scales for analysis and impact on families, fiscal impact on selected CSBs and revenue from other agencies.