



Who is at risk?

The Early Childhood Intervention (ECI) program provides services for children age birth to three with significant developmental delays. Services include an array of therapies delivered in a child's natural environment, such as home or a grandparent's house, where the most benefit can be gained from services designed to promote typical development. By teaching family members and caregivers to replicate needed services, and intervening at the earliest possible point to increase the child's ability to reach developmental milestones, the ECI

approach is extremely efficient, reducing the tax burden on the state and school systems later in life.

Why is this important program at risk?

ECI providers are terminating contracts at an **alarming rate** due to recent program changes and reduction in funding and rates. Texas transitioned ECI from a program funded for many years by federal and state funds to a family cost share model that uses private insurance, Medicaid, state general revenue and charitable contributions to cover costs of services. As the funding environment changed, the state did not provide ECI providers with flexibility necessary to successfully manage and sustain programs.

FY2010: 58 CONTRACTED ECI PROVIDERS

FY2017: 46 CONTRACTED ECI PROVIDERS

-20%

Additionally, statewide policy changes over the last five years resulted in reduced funding and narrowed eligibility standards for children served, leading to higher average levels of need in children served than ever before. Many ECI providers devote funds every year from limited financial reserves to remedy deficit budgets for ECI programs-and now face difficult decisions about sustainability.

Is reducing eligibility a viable solution?

Intervening early in a child's life reduces lifelong costs to taxpayers through special education and other government funded programs. If additional funds are not authorized, stabilizing the ECI provider network will require further eligibility restrictions, action that will decrease access to intervention at a critical point in a child's life. Reducing eligibility will place children at increased risk of abuse and neglect as families struggle to meet the needs of children with developmental delays and serious emotional disturbances.

What do we ask of you?

Help us continue to make a difference in the lives of Texas children who experience significant developmental delays. We urge state leaders to:

- authorize use of available federal IDEA Part C funds,
- support appropriations and exceptional items related to funding ECI caseload growth, and
- direct state offices to adopt policy and contract changes affecting efficient business practices and maintaining a viable provider network.

With adequate per child funding, policy changes for provider sustainability and contracting changes to increase efficiency, the ECI Program in Texas can more effectively ensure families with babies and toddlers with developmental delays have the resources and support they need to reach their goals.

Texas Council of Community Centers. Contact Erin Lawler at elawler@txcouncil.com or 512.541.8667.

RECOMMENDATIONS TO STRENGTHEN TEXAS ECI PROGRAM

1. Address inadequate per child ECI funding

HHSC should evaluate the varied ECI funding levels across the state, consider the impact of low funding levels in certain areas of the state, and secure funds necessary to address inadequate per child ECI funding.

2. Fund caseload growth

Texas ECI rules do not allow for a waiting list. Current ECI policy requires every eligible child must be seen within a prescribed timeframe. This is a particular challenge in a state with the fast-paced population growth of Texas. If a provider's caseload grows beyond their target, funds may not be available to cover these services, leaving the provider at risk for the costs to serve the children over and above the contracted number. If providers are to operate under entitlement rules, funding must be available for caseload growth.

3. Increase efficiency through flexible contracting/program procedures

Throughout Texas, many variations in local resources, manpower, demands and travel distances exist necessary to provide care. Each provider should be able to negotiate the parameters of its contract in order to most effectively serve local needs.

Additionally, ECI providers are held to stricter and sometimes more expensive standards of practice than other state-operated programs. Billing rules, family cost-share, the annual application process and an inability to reserve funds for upcoming years pose unnecessary burdens and do not reflect current healthcare business practices. Programs should be allowed additional flexibility in practice management including: reassessment of an appropriate family cost share procedure and billing guidelines; streamlining the application process to make it meaningful for the system of care; and ensuring providers may carry forward designated funds into the next contract year, reducing financial risk in sustaining local programs.

4. Allow providers ability to build financial reserves

Today ECI policies mandate any unspent funds must be budgeted for use in the ECI program in the next year. This mandate prevents providers from creating a financial "reserve" for years when the program costs more than the allocated funds or when infrastructure investments are necessary. HHSC should incorporate cost principles used with other contractors that include a reasonable expectation of risk margin.

5. Establish realistic expectations for program transitions

When an ECI provider ceases operation, the State seeks to contract with existing ECI providers from other service areas to assume the service areas that would otherwise be left with limited services or no services. These transitions are often time-consuming and labor-intensive, resulting in higher costs to the ECI program absorbing the additional service area. Contract expectations should appropriately fund transitions typically costing more and requiring additional time to respond to the local impact of provider changes.