

## **Ability-to-Pay Issue**

### **Report of Early Intervention Interagency Management Team**

**September 8, 1999**

#### **Introduction**

At June 9, 1999 meeting of the Virginia Interagency Coordinating Council (VICC), two motions related to early intervention fees and ability-to-pay was approved as follows:

- The Early Intervention Interagency Management Team (EIIMT) develop a legislative or other administrative proposal for a statewide, equitable, family-friendly sliding fee schedule for early intervention services. Some remedial action should be implemented as soon as possible.
- Furthermore, the EIIMT should explore whether certain non-reimbursable (from third party sources) early intervention services could be exempted from fees to families (in addition to evaluation and assessment, child find, and service coordination), such as special instruction, respite, and transportation services.

In response to this VICC motion, the EIIMT held two meetings on the ability-to-pay issue at the July 8 and August 12, 1999 meetings. The recommendations and outcomes follow from these two meetings and subsequent activities by the EIIMT with support of the Part C Office.

#### **Summary of July 8 EIIMT Meeting and Recommendations**

At the EIIMT July 8, 1999 meeting, the members met to review the motion from the VICC on the ability-to-pay issues. In addition to the members present, Emily Dreyfus, Co-Chair of the Ability-to-Pay Work Group and Mike Lupien, DMHMRSAS Office of Research and Evaluation attended as requested. Anne Lucas, Beth Tolley and Mary Ann Discenza from the Babies Can't Wait Office! also attended.

#### ***Meeting Process and Recommendations***

The members of the EIIMT discussed the motion from the VICC. Emily Dreyfus summarized the Ability-to-Pay Work Group's report by reporting that many families do not access some or all early intervention services because of fees. She emphasized that the Work Group does not agree that the offer of technical assistance from DMHMRSAS Reimbursement Office is not the long-term solution to the problem. Mike Lupien provided a brief analysis of the survey of the family report (more specific data were not available), and reported that the data, as presented, did not support a statewide resolution and many issues may be isolated to some communities. The EIIMT members were reluctant to propose legislative action or administrative change in ability-to-pay policy until more specific information was obtained. Therefore, the EIIMT made the following recommendations:

- Investigate further the specific localities that are having the most families decline services due to fees, requesting Barry Mason be involved, and based on information obtained, provide technical assistance and training to those localities.
- Recommend that DMHMRSAS explore ways to resolve the issues of family fees without legislative action, preferable changes in the Virginia Part C Policies and Procedures and/or implement such changes through interagency agreements and contracts with local councils/fiscal agents.
- Review VDH and CSS eligibility guidelines as a potential model for a statewide scale for early intervention services.

- Explore the use of a separate fund to assist families with ability to pay issues and meanwhile provide technical assistance to help resolve immediate issues.
- Send a reminder letter from the Part C Office and DMHMRSAS Reimbursement Office to all council coordinators and CSB Executive directors about the policies related to fees and ability to pay scales. In the letter, Anne Lucas and Barry Mason is to request that the DMHMRSAS Reimbursement Office be notified when parents indicated they will decline services after the appeal process citing the inability to pay for services.
- Staff from the Babies Can't Wait Office! meet with Commissioner Kellogg to apprise him of the issues.

### ***Findings from the Participating Agency Commissioners and Directors***

The staff from the Babies Can't Wait Office met with Commissioner Kellogg and a request was sent to participating agency commissioners/directors to review the reports and to respond. The findings from this request include:

- The participating agency commissioners/directors were asked to indicate whether the participating State agencies were interested in pursuing efforts to develop and implement a statewide ability-to-pay mechanism for Part C early intervention services.
- The overall response from the commissioners/directors was they preferred to have more specific information about what families were paying for Part C services (co-pays, deductibles, number of services, number of appeals) before considering an ability-to-pay mechanism for the Part C system.

### **Summary of the August 12 EIIMT Meeting and Recommendations**

The EIIMT met August 12, 1999 and continued to discuss again the ability-to-pay issue and the responses from the participating agency commissioners/directors. From the discussion, the EIIMT requested the following:

- A team be formed to make a visit to at least three localities before the VICC September 8 meeting and that visits obtain a more representative sample.
- The team, composed of an EIIMT representative and two Part C staff members, should initially make a visit to three localities to determine the locality's ability to pay process, the actual fee families pay and appeal process. Visits to other localities will follow.
- The purpose of the visit should be to obtain
  - (1) The locality process of informing families about fees and ability-to-pay mechanisms for service.
  - (2) The specific data on family income and number in household, insurance status, co-pay for those services, and number of services per month.
  - (3) The number of locality appeals through the local ability-to-pay mechanisms.

### **On-site Locality Reviews**

The team chose the following process and visited to date three localities to assess their ability to pay mechanisms and range of fees for families for early intervention services. The ATP survey data was reviewed and localities were chosen based on the following criteria: 1) localities where families had not reported difficulties with fees; 2) localities where families had reported some difficulties with fees; and, 3) localities where families and service coordinators reported significant difficulties.

### ***Overall Findings of the Initial Three (3) Locality Visits***

The team reviewed each locality's procedures used for determining family and their process used in informing families about fees and their ability-to-pay mechanism, including appeal. Data was obtained from each locality on current families served regarding actual monthly fees for services, whether or not they had appealed the fee, and if they used other sources of payment for the services (i.e., Medicaid or other third party coverage).

#### ***Locality financial support and family incomes.***

For each of the three localities who were included in the initial site visits regarding ability-to-pay issues, information was obtained about each locality's financial support. This information is as follows:

- One locality had a strong county tax-base in which family income ranges from low- to upper-income levels.
- Another locality had a weak county tax-base with a high number of families on Medicaid and families uninsured.
- The final locality had a high poverty rate and a high number of families on Medicaid.

#### ***The Process of Informing Families about Fee Schedules***

Localities were asked to describe their ability-to-pay mechanisms of informing families about fee schedules and families response to that information. The following information was obtained from the localities visits:

- Each locality seems to follow a similar process when informing families about fees and payment requirements. Families were informed during the intake process that screening and evaluation and service coordination are at no charge for families, however, that services on the IFSP do have fees and families are not denied services due to an inability to pay. In all three localities, families were informed during intake that appeal procedures are available to assist families who have difficulty with fees.
- Separate financial intakes were held in one community. One community did not require reporting of income unless assistance with fees is requested. All three communities gather family financial information on a financial form including annual income and number of people in the family. Proof of income is typically required and information about insurance is collected from families.
- In one community, the CSB is considering providing families with a copy of the fee agreement that identifies the family's responsibility for fees and assignment of insurance.
- The paperwork required to establish payments for service visits is explained to the family by either the financial intake worker or the service coordinator.
- In one locality, service coordinators can request an exceptional reimbursement action, i.e. waive co-pay/co-insurance, waive deductible, set fee at 0% due to clinical crisis, etc.
- Family fees range from full fee, a percentage of full fee or no fee based upon income and number of people in the family in accordance with the sliding fee scale, or a reduced fee based on an exemption or appeal. In all three localities the appeal process requires family documentation of household expenses; some families choose not to go through this process while others do go through this extensive review.
- Service coordinators are aware of when families decline some or all services from Part C system and will follow up in order to find out the reasons for declining services and as appropriate, inquire if is related to fees.
- Localities indicated that information from families about their fees and their willingness to go through the appeal

process depends on the rapport established with the service coordinator and their willingness to reveal their household expenses and lifestyle choices.

- Families vary in their willingness to participate in the Part C system. Some families do not care to indicate the specific reasons for not remaining in the Part C system. Some families choose services outside the system, that may not be based on income but family preference and perceptions of the Part C system and its service providers. Some may opt for service coordination under the Part C system and choose a non-Part C service provider while others choose to remain in the Part C system and choose a full array of services.
- All three localities seek reimbursement through Medicaid or insurance for therapy services.
- Each locality has a different approach to assist families financially, depending on their agency's policy, the localities funding support, the available service providers, and the family's situation and their perceptions. For instance, the following may occur:

(1) In one locality the Central Point of Entry refers families with private insurance to non-Part C providers for therapy services if that is the family's preference and their insurance company does not reimburse the local Part C participating provider. If the family still wants services from the Part C system, the family will be charged 100% of the fee.

(2) In two localities, families who deny access to private insurance for covered services are charged full fee at 100%.

(3) In one locality, the locality does not apply their ability-to-pay mechanism or sliding fee scale for families who have third party coverage. Co-pays and deductibles are collected when services are provided.

(4) Finally, two localities charge minimal fees for special instruction while one locality does not charge for this service.

### ***Record Review Findings***

- The total number of appeals reported by the three localities was three. Two of the appeals were reported by one locality and involved only therapy services since they are not charging for special instruction.
- One locality reported 4 requests for exceptions to waive co-pay and deductibles. In this locality, the request for exception precedes the appeal process.

### **Overall Findings from the Site Visits to Three (3) Localities**

The three locality visits were valuable in that the team was able to review the financial forms, review the process, and examine records on what families are actually paying for Part C services. Several overall positive things are occurring in each community:

- Families are provided information about services and fees usually at intake and again at evaluation. Families are given information about services that require a co-pay or deductible, including the amount per visit. Families are given information about the sliding fee scale and the appeal process. One community includes information on the appeal process on their financial form for families.
- Few families are actually paying fees for services in two of the localities and only 3 appeals have been processed. One locality utilizes an exception process for families when necessary prior to appeal; four (4) families requested an exemption to collecting co-pays and deductibles due to hardship.

Several conclusions can be drawn from the site visits by the EIIMT team to the three localities regarding ability-to-pay:

- Written legal guidance continues to be needed from the State Attorney General's Office regarding charging families 100% of the fee when a family denies access to the use of their insurance or when the provider is not in the insurer's network.
- Localities continue to need to expand local Part C networks to ensure that Part C providers are available within the major insurer's networks.
- To obtain a more conclusive analysis, team visits must be made to localities where families reported in the family survey that they were having difficulty paying and accessing early intervention services. All localities should be visited to assess their ability-to-pay mechanisms. This is especially important since all three localities reported they had difficulty finding out why their families refused services, particularly that it was attributable to fees including co-pays and deductibles.