

Issue Brief – Early Intervention/Baby Watch - Provider Rate

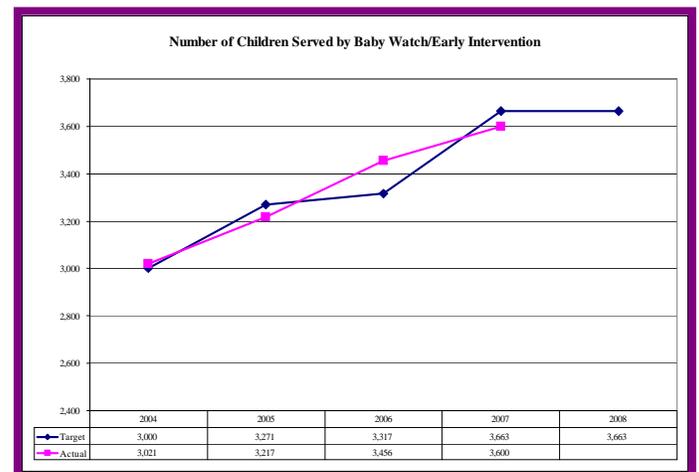
DEPARTMENT OF HEALTH

DOH-09-09

SUMMARY

Last year this line item received \$2,280,600 in new ongoing General Fund for the Baby Watch/Early Intervention program. The funds were used to pay for program growth of 144 additional children and to raise the non-Medicaid child rate from \$3,500 in FY 07 to \$4,123 in FY 08. The agency indicates that monies also prevented 3 contracted service programs from discontinuing their contract. The Analyst recommends that \$735,300 ongoing General Fund be approved for a FY 2009 6% provider rate increase.

Baby Watch/Early Intervention is a program within the Bureau that provides early developmental interventions statewide for young children with developmental delays and/or disabilities from birth to age three. Services include evaluation and assessment, service coordination, specialty and therapy services such as nursing, physical therapy, occupational therapy, speech therapy, special instruction, family support and other related services. This program has grown significantly over the past several years. Services are directly provided in the home, impacting transportation costs. During the past few years, tightening eligibility and instituting a parent fee has reduced the rate of growth. Still, it has grown almost 10 percent from 2004 to 2006. The chart to the right reflects the average caseload for the program.



OBJECTIVE

The provider rate increase for the Baby Watch/Early Intervention helps reimburse providers for the rising costs of inflation. With adequate reimbursement, contractors will continue to provide services through contracts for this program.

DISCUSSION AND ANALYSIS

Baby Watch/Early Intervention providers accept contracts to serve all qualifying children, both Medicaid and non-Medicaid, who live with certain geographical areas (usually a county or group of counties). The providers have no choice which clients to accept and all non-Medicaid clients are paid at a lower rate, \$4,123 vs. \$5,445 in FY 2008. This provider rate increase of \$735,300 ongoing General Fund helps to raise non-Medicaid rates by 6%. This increase will help to narrow the gap between Medicaid and non-Medicaid rates. Medicaid rates have annual increases from a different funding source and for the last 3 years have been raised 4% annually. Statewide non-Medicaid clients make up 75% of the client base.

LEGISLATIVE ACTION

- The Analyst recommends that the Subcommittee place \$735,300 ongoing General Fund on its priority list for provider rate increases for non-Medicaid clients in the Baby Watch/Early Intervention program.