

# Issue Brief – Early Intervention/Baby Watch - Caseload

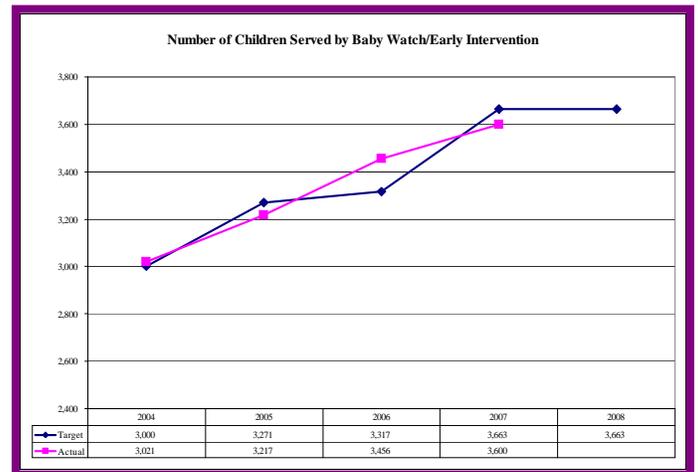
DEPARTMENT OF HEALTH

DOH-09-06

**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 three contracted service programs from discontinuing their contract. The Department has requested \$1,028,300 ongoing General Fund for 5% projected caseload growth.

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 caseload increase for the Baby Watch/Early Intervention helps reimburse providers for costs of serving additional children, which they are required to serve. 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. The caseload increase of \$1,028,300 ongoing General Fund helps to prevent the lowering of non-Medicaid rates. In FY 2006 when caseload increases were not funded, non-Medicaid rates went down 2%. This increase will help maintain the non-Medicaid rates at FY 2007 levels. 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. The chart to the right shows the non-Medicaid provider rate for the past 6 fiscal years.

	<b>Non-Medicaid Provider Rate</b>	<b>Annual Change</b>
FY 2003	\$4,500	N/A
FY 2004	\$3,243	-28%
FY 2005	\$3,439	6%
FY 2006	\$3,364	-2%
FY 2007	\$3,500	4%
FY 2008	\$4,123	18%

**LEGISLATIVE ACTION**

- The Analyst recommends funding this \$1,028,300 ongoing General Fund request with savings from the Medical Assistance Line Item Reduction (see Issue Brief DOH-09-20 “Medicaid Funding Adjustment”).