

INFANT DEVELOPMENT PROGRAM - BACKGROUND MEMORANDUM

Section 9 of Senate Bill No. 2012, approved by the 2007 Legislative Assembly and attached as an appendix, provides for a Legislative Council study of infant development programs, including a review of the state's lead agency agreement, service coordination, staffing, and funding structure, including the adequacy of the funding and the equitable distribution of the funds to providers.

PREVIOUS STUDIES

The **2003-04 interim Budget Committee on Human Services** received quarterly reports from the Department of Human Services regarding the progress in preparing a joint recommendation with developmental disabilities service providers regarding a new statewide developmental disabilities service provider reimbursement system. The committee learned that although consensus of all developmental disabilities service providers was not reached, support was expressed for implementing a prospective fee-for-service payment system in lieu of the retrospective system previously in place. The retrospective payment system is still being utilized.

The **2003-04 Budget Committee on Health Care** studied, pursuant to Section 1 of Senate Bill No. 2330, the coordination of benefits for children with special needs under age 21 among the Department of Public Instruction, the Department of Human Services, and private insurance companies with the purpose of optimizing and coordinating resources and expanding services, including augmentative communication devices and therapy services.

The committee did not make any recommendations regarding its study of the coordination of benefits for children with special needs.

INFANT DEVELOPMENT PROGRAM

The infant development program of the Department of Human Services provides home-based, family-focused services to families with eligible children up to three years of age. The program provides information, support, and training for families to assist them in meeting their child's needs.

Children are eligible for the infant development program if the child is developmentally delayed or at high risk of becoming developmentally delayed.

A child is considered developmentally delayed if the child is performing below age norms by 25 percent or more in two or more of the following areas:

- Cognitive development.
- Gross motor development.
- Fine motor development.
- Sensory processing.
- Communication development (receptive or expressive).

- Social or emotional development.
- Adaptive development.

A child is also considered developmentally delayed if the child is performing below age norms by 50 percent or more in one of the following areas:

- Cognitive development.
- Physical development (including vision and hearing).
- Communication development (including receptive and expressive).
- Social or emotional development.
- Adaptive development.

There are no financial eligibility criteria for receiving infant development services.

Infant development programs are not facility-based nor do they provide direct therapy for children. The infant development service delivery model provides support to the family of the eligible child and provides training to the family through natural learning opportunities that occur within home and community-based routines. Services are provided in the family's home, child care settings, or other community programs to support the family and child.

Developmental disabilities case managers, employed through the regional human service centers, authorize early intervention services, including infant development, family subsidy, and family support services depending on each family's needs and preferences. Other services a case manager will help families identify, access, and coordinate include physical, occupational or speech therapy, specialized medical care, child care, adaptive equipment, and other support services available within the community.

The Department of Human Services, as the lead agency, has entered agreements with other service agencies to identify and provide services to eligible children and their families, including special education in schools and the Department of Public Instruction, State Department of Health, Head Start, child care programs, medical services, child protective services, foster care, mental health services, tribal early childhood programs, and family support organizations.

As of July 1, 2007, 830 children were being served by the infant development program. The number of children enrolled in the program has been increasing. There were 757 children enrolled in December 2006 and 298 children in December 1998. Eligibility criteria for the program have not changed during this time period.

Funding for the program is provided from the state general fund and federal Medicaid and federal Part C funds.

Infant development providers in the state include:

1. Northwest Infant Development Program - Williston.
2. Minot Infant Development Program - Minot.

3. Lake Region Kids Program - Devils Lake.
4. Northeast Regional Kids Program - Grand Forks.
5. Southeast Regional Kids Program - Fargo.
6. South Central Regional Kids Program - Jamestown.
7. Bismarck Early Childhood Education Program - Bismarck.
8. Standing Rock Early Childhood Infant Development Program - Fort Yates.
9. KIDS Program - Dickinson.

Payment rates for infant development services are developed based on a retrospective ratesetting process. This process involves the department setting an interim rate for the upcoming year. Each provider's rate is unique and is dependent on the provider's budgeted allowable costs. Providers submit a statement of budgeted costs to the department each year which is used to establish the interim rate. The final rate is determined at the close of the fiscal year after each provider reports actual costs for the previous fiscal year. The department reviews the reports to determine whether the reported costs are allowable, reasonable, and client-related. The actual costs are compared to the reimbursements the provider received for the year based on the interim rate. Settlement is then made at the end of the year through either a refund paid to the department by the provider if overpayment occurred or an additional payment to the provider is made by the department if the provider was underpaid for the year. Current interim rates paid to providers for infant development services range from \$17.25 to \$29.25 per day.

FUNDING

The following schedule compares funding for infant development program grants for the 2005-07 biennium and the 2007-09 biennium:

	2005-07 Biennium	2007-09 Biennium
General fund	\$1,485,226	\$3,892,327
Federal funds	2,871,601	6,992,802
Total	\$4,356,827	\$10,885,129

The increase is due primarily to paying private organizations for these services in all human service regions. Previously, four human service centers--Northwest, Northeast, Southeast, and South Central--hired staff to provide these services directly.

STUDY PLAN

The committee may wish to proceed with this study as follows:

1. Review the state's lead agency agreements with other entities relating to infant development services.
2. Receive information from the Department of Human Services regarding infant development program services, including the coordination of services for children receiving the services.
3. Receive information from the Department of Human Services on the structure and process involved in contracting for and providing infant development services and the funding structure and payment process of the program.
4. Receive information from providers of infant development services on service coordination, caseloads, and on the adequacy of funding and the equitable distribution of funds to providers.
5. Receive testimony from other interested persons regarding the infant development program.
6. Develop committee recommendations and prepare any legislation necessary to implement the committee recommendations.
7. Prepare a final report for submission to the Legislative Council.

ATTACH:1

SECTION 9. LEGISLATIVE COUNCIL STUDY - INFANT DEVELOPMENT PROGRAM. The legislative council shall consider studying, during the 2007-08 interim, infant development programs. The study, if conducted, must include a review of the state's lead agency agreement, service coordination, staffing, and funding structure, including the adequacy of the funding and the equitable distribution of the funds to providers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.