

Early Steps State Office
Responses to Questions from Service Coordination Workgroup and Service
Coordinator Supervisors
Re: Natural Environment vs. Payor of Last Resort and Other Issues
12/13/06

Q1: What is required to show that Part C is payor of last resort?

A1: When the Individualized Family Support Plan (IFSP) indicates that the family's insurance carrier will be the payor for services, a written denial on company letterhead or an explanation of benefits (EOB) received by the provider is required to show that Part C is payor of last resort. When neither of these can be obtained, the LES may accept the insurance company's written policy or statement of benefits as documentation that a certain service is not covered by the policy or that the policy pays for a limited number of sessions. If a written statement of benefits is used, the LES must confirm this information with the insurer.

When the policy directs the insurance company to reimburse for a service, but only under specified circumstances (e.g., three times per month), documentation of this must be kept in the child's Early Steps record. Subsequent denials will not be required as long as the specified circumstances exist (e.g., the time period has not passed).

When a denial, EOB or written statement is not in the child's record, the record must contain documentation of all reasonable attempts to obtain these documents.

When the child's IFSP indicates that the family's insurance carrier will not be the payor for services, no documentation of payment denial by the insurance company is required. However, there must be documentation in the child's record as to the circumstances which led to the decision not to access the child's insurance.

Q2: Does the Early Steps State Office (ESSO) have plans to train new providers on the Team-Based Primary Service Provider (PSP) approach?

A2: Training on the PSP approach is available via Early Steps Orientation Modules #1 and #2. These modules can be viewed at:

<http://www.cms-kids.com/ESproviders/training/EStraining.htm>

In addition to the on-line modules, the *Early Steps Service Delivery Policy and Guidance* document provides detailed information about the PSP approach. This document can be viewed at:

<http://www.cms-kids.com/EarlySteps/EarlyStepsPolicy.pdf>

ESSO is planning a series of live web conferences in Spring 2007 on topics such as service provision in natural environments and the team-based primary service provider approach. Information related to these web conferences will be disseminated when plans are finalized.

Q3: When will the orientation modules be completed?

A3: ESSO is working to expedite the orientation modules. The IFSP module has taken longer than expected and has held up the subsequent modules from development. The IFSP module is expected to be online in Spring 2007.

Q4: How can we encourage providers to adopt the primary service provider approach?

A4: Reimbursement rates for services were recently increased with the intent to provide incentives to providers. The new rates are listed on the new service taxonomy. Although the new taxonomy has not been integrated into the data system yet, the new rates can be used. See response to A2 re: ESSO training.

Q5: Is it acceptable that some LES are using the primary service provider model only for children who need one service?

A5: No. In accordance with the Early Steps Service Delivery and Policy Guidance document (effective July 1, 2004 and Revised February 1, 2005), Early Steps will implement a team based primary service provider approach to service delivery. This approach requires the IFSP team to select a primary service provider for each child and family. The decision is based on the presenting needs of the child and family, IFSP outcomes, relationships with the family/caregivers, and expertise in the areas of support needed by the child and family/caregivers. In the team based primary service provider approach, providers, other than the primary service provider, may serve the child/family either directly or through consultation. These decisions should be made individually, considering the concerns, priorities, resources of each child/family, the family's everyday routines, activities, relationships and places and the outcomes and strategies identified on the IFSP.

Q6: What is the status of the revised policy documents?

A6: ESSO staff are currently drafting policies while awaiting the draft regulations and further instructions from the Office of Special Education Programs (OSEP). All Early Steps stakeholders, including service coordinators, will have opportunities (at least 60 days) to review and comment via face-to-face meetings, electronic means and in writing before any new policies are adopted. LES have the opportunity now to bring any issue forward for consideration for revised policy, either through their TA liaison, or through workgroups they may be involved in.

Q7: What is the role of the service coordinator in dealing with insurance companies?

A7: Since the primary role of the service coordinator is to serve as the single point of contact in helping families to obtain needed services, it is inevitable that service coordinators will need to deal, to some extent, with insurance companies. Specifically, this may involve any of the following:

- a. Discuss with each family the use of their family insurance.
- b. Obtain written consent/refusal from the family to bill insurance.

- c. Determine whether the family will incur a financial loss if their insurance is used to pay for Early Steps services.
- d. Provide information to the family on the resources available to fund services through Early Steps.
- e. Review the insurance booklet to determine coverage information.
- f. Contact the insurance company by phone to determine whether or not a provider is available, able to provide services in the setting determined to be the natural environment and covered under the insurance plan.
- g. Assist the family with contacting the insurance company by phone to determine whether or not a provider is available, able to provide services in the setting determined to be the natural environment and covered under the insurance plan.
- h. Explain Early Steps policy regarding payment of services.
- i. Document all correspondences in the child's record.

A LES may choose to designate someone other than the service coordinator to complete the above tasks, but the service coordinator maintains responsibility to serve as the single point of contact in helping families obtain needed services. While each LES must ensure that local procedures are in place to ensure that Part C is payor of last resort, the LES may use local discretion and determine the service coordinator's level of involvement with insurance companies.

Q8: How can service coordinators meet the needs of families and do "true" service coordination when caseloads are 1:65?

A8: ESSO recognizes that a 1:65 ratio is far from ideal. In recent years, additional federal and state funds allocated to Early Steps have been utilized for a reduction in service coordination caseloads or to provide direct services to eligible children. We are seeking additional funding and will continue to maximize any additional funds received to provide for reduced service coordinator caseloads and direct services.

Q9: What can be done to help service coordinator supervisors who have caseloads themselves, which prevents them from adequately supervising their employees?

A9: The contract between the Department of Health and each Local Early Steps includes funding and provisions for an average service coordinator caseload of 1:65. Beyond this requirement, the CMS Early Steps State Office does not dictate caseload sizes or the local management structure. Each Local Early Steps must decide the most cost effective and efficient way to allocate caseloads and supervision responsibilities. The CMS Early Steps State Office does not require that Service Coordinator Supervisors carry a caseload; however, when supervisors do carry a caseload the percentage of the supervisor's time spent providing service coordination will be apportioned to the Monthly Service Coordination FTE Report.

Q10: Some LES are unable to hire service coordinators due to low salaries. As a result, caseload ratios are greater than 1:100. How can ESSO help with this issue?

A10: See response to **A9** above. The amount of funds allocated to each Local Early Steps for service coordination is based on the budget developed by the Local Early Steps taking into account the number of FTEs needed to achieve a 1:65 ratio.

Q11: How should the IFSP team decide on location of service?

A11: The IFSP team must determine functional outcomes and strategies that reflect the basic skills that the children will learn to enhance development. Basic skills are those that can be embedded into natural routines and activities in which the child and family participate. The family identifies those routines and activities, including both home and community locations/environments. Strategies on the IFSP include adaptations and supports needed in those locations to ensure that IFSP outcomes are achieved. The location of services will be within the context of the child/family's everyday routines, activities, relationships and places where the child and family are supported to achieve the identified outcomes, unless there is an appropriate child-outcome based justification of why outcomes cannot be addressed within the context of natural routines and activities. Therefore, after careful evaluation/assessment of the child and significant input from the family as to their typical routines, activities, relationships and places, the team determines the type of services needed, how often the services will be provided, by whom and where the services will be provided and who will pay for the services.

Q12: With regard to Medicaid managed care reform, is it acceptable to use Part C funds to pay for a service that Medicaid denies due to reasons such as a provider not being enrolled or services exceeding the six-session limit?

A12: Yes, however, the following steps need to be taken. When Medicaid denies a service because a provider is not enrolled in a Medicaid managed care plan, the LES should encourage the provider to enroll. The LES should also determine whether there are other providers enrolled in a Medicaid managed care plan who might provide the service.

When the established Medicaid service limitation has been met, the LES should assist the family in following the established process to request authorization for additional sessions.

Written documentation from the insurance company as described in A1 above must be in the record. When all procedures as outlined in A1 and A7 above are followed, Part C funds may be used. If a denial or other documentation is pursued and not provided, the LES should document all attempts to obtain the documentation and submit information related to the claim to the ESSO so that ESSO can forward to the Agency for Healthcare Administration (AHCA) or the Office of Insurance Regulation (OIR) for investigation.

Q13: Can Early Steps policy be changed so that providers who enroll with Early Steps do not have to enroll with Medicaid? This would increase the number of available providers in the system.

A13: No, this policy will not be changed. ESSO is committed to continuing to develop a system that does not treat children and families different based on health insurance coverage. Lifting the requirement for providers to enroll with Medicaid would result in either lost Medicaid revenue if

these providers served Medicaid recipients or a two-tiered system where Medicaid recipients can be served only by certain providers.

Q14: How should LES handle the long longstanding issue of insurance companies refusing to enroll providers? This creates significant barriers to providing services in the natural environment.

A14: Insurance companies are not required to enroll providers if they believe their network meets the needs of their group. Insurance companies are not required to provide services in the natural environment. See **A1**, **A7**, and **A12** for more specific information.

Q15: Which should be the priority when both are not possible: timely service delivery or providing services in the natural environment?

A15: ESSO understands the difficulties in providing services in the NE and the barriers which exist. ESSO will consider submitting this question to the Office of Special Education Programs (OSEP) for clarification.

Q16: What steps can LES take to get information from providers regarding when services have started, so we can track timeliness of services?

A16: It is recommended that each Local Early Steps include in provider agreements a requirement that the provider respond to all requests for services within a specified timeframe. Further, the provider agreement should specify timeframes and requirements for reporting on the initiation of services. As each Local Early Steps more fully implements the team based primary service provider approach in which potential providers are incorporated into the initial evaluation and assessment process, this communication gap may be ameliorated.

Q17: Should LES comply when insurance companies demand to see medical records before denying/approving services?

A17: Yes, as the required documents need to be provided in order to receive a service or get the required denial necessary to utilize Part C funds.

Q18: Can anything be done about providers being reluctant to enroll with insurance companies due to the complexity of the enrollment process?

A19: ESSO recognizes this as a challenge of our system in Florida. It may be if providers go through the arduous process of applying to the insurance companies, their reimbursement rates may be higher and partially compensate them for their time.

Q19: Can anything be done about insurance companies not allowing providers who are not associated with an office/clinic to enroll?

A19: Insurance companies are not required to enroll providers who are not associated with their network. They are required to look at issues such as geographic access, capacity and reputation in a community when recruiting providers. See A12 above.

Q20: In addition to including language in interagency agreements/ contracts, are there other steps we can take to ensure children who have summer birthdays and are eligible for Part B, receive services on their third birthday?

A20: The issue of summer birthdays is addressed in Question and Answer #55 of the document "Questions and Answers from Early Steps Spring Service Coordinator/Family Resource Specialist and Local Early Steps Directors Statewide Meetings" (June 15, 2006). The text of Answer # 55 is as follows: "The local school district is ultimately responsible for serving a child as of the third birthday, regardless of when the child's birthday falls within the calendar year. The Individual Educational Plan (IEP) must be developed by the child's third birthday. For all children with disabilities, the IEP team must consider the child's needs for Extended School Year Services (ESY) when they meet to develop the child's IEP. Extended School Year Services are those services, which are provided during the time when school is not in "regular" session. This means that for children who turn three near the end of the school year, or during the summer, the child's need for ESY services must be considered. If a child's third birthday occurs during the summer, the child's IEP team shall determine the date when services (ESY, if recommended, and school year services) on the IEP will begin. Current Early Steps policy does allow, but not require, Early Steps to continue to fund services for up to three months past the third birthday, as specified in the child's IFSP."