



STATE OF MICHIGAN
**Department of
Human
Services**

Memorandum

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Field Operations Administration

L-06-046
SERVICES

To: **County Directors
District Office Managers**

Date: March 30, 2006

From: **Jim Nye, Deputy Director
Field Operations Administration**

Subject: **Michigan Early On® Cost/Revenue Study and Utilization Review**

Response Due: None

This memorandum serves as notification that the fiscal study, the next step in Early On Redesign, is about to begin. We are asking for your willing participation in these activities to assure validity in the study. In order to lessen the amount of work requested of each service area, we will not ask any service area to participate in more than two of the listed activities. Details of the study are below:

The results of this study will allow us to see clearly the funding and cost of Early On. Without this step, we cannot make informed decisions about the system and its contribution to the vision that every child in Michigan is safe, healthy and eager to succeed in school and in life. The Early Childhood Investment Corporation (ECIC), as the public/private partnership formed to realize the vision, will utilize the results of this work with the help of the Great Start Collaboratives to further the work of a comprehensive system for young children and their families.

Early On is Michigan's response to the federal requirements for Part C of the Individuals with Disabilities Education Act (IDEA) providing resources, supports and services for eligible children, birth to age three, and their families. This unique entitlement is an interagency, public and private system designed to coordinate a variety of funding streams at the local, state and federal level. The Michigan Department of Education is the lead agency for Early On with grants funding each of the 57 Intermediate School Districts (ISD). Each ISD partners with a variety of agencies and programs in their service area to coordinate the Part C system.

The State Interagency Coordinating Council (SICC) guides Early On. The governor appoints the members from various stakeholder groups including state agencies, providers, and parents. The SICC began the process of redesigning Early On in November 2004. The Interagency Team recommended a redesign process approved by the SICC in February 2005. The details of the eight step process are at www.earlyonredesign.com. One vital step in the redesign effort is the Michigan Early On Cost/Revenue Study and Utilization Review addressing finance related questions fundamental to enhancing the Early On system in Michigan.

This study of the Michigan Early On system will involve representatives from various agencies and organizations that provide Part C early intervention services. The primary focus of the study will be with organizations directly involved in Michigan Early On through grants with the Intermediate School Districts (ISDs). Early On efforts implemented through contracts between the ISD and other agencies will be asking for voluntary participation of the sub-contractors in the study activities. In addition, some activity will include those partners in the broad early intervention system who assist children and families. These partners will include state and local departments of public health, mental health and human services, among others.

Priority outcomes of the study include:

1. To identify the costs of the current Michigan Early On system;
2. To identify all local, state and federal revenues that are currently used to support Early On enrolled children with Individualized Family Service Plans (IFSPs)
3. To identify all local, state and federal revenues that are currently used to support children who may be potentially eligible for Early On but who do not have IFSPs; and
4. To review service patterns for children with IFSPs.

To assist with answering these questions, the Michigan Department of Education has contracted with Solutions Consulting Group, LLC (Solutions) of Augusta, Maine to conduct a Cost/Revenue Study and Utilization Review. Solutions has a demonstrated record of accomplishment in analyzing cost, including specific experience with Part C of the Individuals with Disabilities Education Act and its requirements. Karleen Goldhammer of Solutions will serve as the principal investigator for the project. Ms. Goldhammer has been the Principal Investigator for similar projects in ten other states.

The state leadership team commissioned a Fiscal Task Force as part of the redesign process. Members of the task force representing Early On service areas, state agencies, parents, and other stakeholders met on August 22, 2005. The purpose of the meeting was to:

- Develop the context of the study and define study questions;
- Review survey instruments used in other states; and
- Identify important elements necessary for success.

To prepare for the survey activity, Solutions conducted investigatory discussions with members of the three departments of state government involved with Early On. These interviews assisted with identification of those at both the state and local levels that should participate in the various aspects of study activity. Solutions presented the detailed plan for the study to the Fiscal Task Force for input in late February.

Components of the Study

- **Utilization Study:** A key component of the study will be to review both the planned and actual services delivered for each child and/or a family participating in Michigan Early On. Service Coordinators will provide detail regarding the planned levels of services on the Education Program (IEP). A combined IFSP and IEP will be the basis for quantifying services. Practitioners will provide daily encounter information for a period of 4-5 weeks. Furthermore, Solutions is reviewing the local forms, both paper and electronic, for ease of use and estimates of time needed for completion.

- **Cost, Salary and Revenue Surveys:** At least 30 of the 57 local service areas, chosen by random sample, will participate in a set of financial surveys including Cost, Salary and Revenue. Solutions will release these surveys in late March for completion by early to mid May. Solutions will provide technical assistance on an individual basis, via individually scheduled conference calls with telephone and e-mail follow-up support for completion of the documents.

Solutions will finalize and distribute various survey activities designed to meet the needs of the cost study and tailored to the Michigan system. The contractors will keep all source documents submitted by survey participants confidential. All data will remain anonymous. MDE will not use data collected through this study for monitoring purposes. Where possible and practical, the surveys will use already existing data. The contractor will respond to questions and communication about the surveys. If selected to participate, Solutions will communicate directly with you.

The Cost/Revenue Study and Utilization Review will provide important information about Michigan's Early On System and opportunities for improvement. If you have any questions regarding this study, please contact Michele McManus, Education Consultant for Early On, Michigan Department of Education at (517) 241-4520 or Dawn Ritter, Departmental Analyst for Michigan Department of Human Services at (517) 335-0650. Thank you in advance for your participation in this important step of the Early On redesign!

Number and Status of Previous L-Letters Issued on the Same Subject: None

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