

Early On® Fiscal Study: Background

Early On is Michigan's response to the federal requirements for Part C of the Individuals with Disabilities Education Act (IDEA) to provide resources, supports and services for eligible children, birth to age three, and their families. This unique entitlement is an interagency, public and private system that is 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* and grants funds to each of the 57 Intermediate School Districts to coordinate the Part C system, which consists of a variety of agencies and programs in each service area.

Early On is guided, as required by IDEA Part C regulations 34 CFR 303.600, by the State Interagency Coordinating Council (SICC) which is made up of governor-appointed members from various stakeholder groups including state agencies, providers, and parents. In November 2004, the SICC proposed a process of redesigning *Early On*. The *Early On* Interagency Team recommended a redesign process and the SICC supported it at the February 2005 SICC meeting. The details of the eight-step process can be found at www.earlyonredesign.com. One vital step toward progress with our redesign effort is to bring forward answers to important finance related questions fundamental to enhancing the *Early On* system in Michigan. The Michigan *Early On* Cost/Revenue Study and Utilization Review is that effort.

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 is with organizations directly involved in Michigan *Early On* through grants with the ISDs. Where the *Early On* effort is conducted through contracts between the ISD and other agencies, we will be asking for voluntary participation of the sub-contractors in the study activities. In addition, some activity will extend beyond that, to 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 track record 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 redesign process is guided by a state leadership team comprised of interagency representatives. The leadership team recommended that MDE commission 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* has 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 who should participate in the various aspects of study activity. The detailed plan for the study was then presented to the Fiscal Task Force for input in late February. The Directors of the state departments approved the plan at their meeting in 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 family participating in Michigan *Early On*. Service Coordinators will provide detail regarding the planned levels of services on the Individualized Family Service Plan (IFSP) and in some cases on the Individualized Education Program (IEP). In some cases, the IFSP and IEP are combined and that document will be the basis for quantifying services. Practitioners will provide daily encounter information for a period of 4–5 weeks. Forms, both paper and electronic, are being reviewed locally 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 be asked to participate in a set of financial surveys which include Cost, Salary and Revenue. These surveys will be released in late March with completion by early to mid May. Technical assistance will be provided on an individual basis, via individually scheduled conference calls with telephone and e-mail follow-up support for completion of the documents.