

### ADMINISTRATIVE RULES – FISCAL ESTIMATE

1. **Fiscal Estimate Version**

Original    Updated    Corrected

2. Administrative Rule Chapter Title and Number

HFS 1, Uniform Fee System and HFS 90, Early Intervention Services for Children From Birth to Age 3 With Developmental Needs

3. Subject

Determining parental payment limits for early intervention services

4. **State Fiscal Effect:**

<input checked="" type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No   May be possible to absorb within agency's budget.
		<input type="checkbox"/> Decrease Costs

5. Fund Sources Affected:

GPR    FED    PRO    PRS    SEG    SEG-S

6. Affected Ch. 20, Stats. Appropriations:

7. **Local Government Fiscal Effect:**

<input type="checkbox"/> No Fiscal Effect	Increase Revenues	<input type="checkbox"/> Increase Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Decrease Costs

8. Local Government Units Affected:

Towns    Villages    Cities    Counties    School Districts    WTCS Districts    Others:

9. **Private Sector Fiscal Effect (small businesses only):**

<input checked="" type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input type="checkbox"/> Increase Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No   May have significant economic impact on a substantial number of small businesses
	<input type="checkbox"/> Yes <input type="checkbox"/> No   May have significant economic impact on a substantial number of small businesses	<input type="checkbox"/> Decrease Costs

10. Types of Small Businesses Affected:

The proposed rules do not affect businesses.

11. **Fiscal Analysis Summary**

Families with children who have functional needs receive services from a number of programs implemented by county human and social services agencies. These programs include early intervention services for children from birth to 3 with developmental needs; the family support program; the community options program; the children's home and community based services waivers; various locally funded services such as respite care and community inclusion activities for children; and other children's long term support programs.

Federal, state, and county funds pay a portion of the costs for these services. Parents of children who receive these services also pay a portion of these costs. Parents of children who receive early intervention services are required s. under s. 51.44 (5) (a), Stats., and s. HFS 90.06 (2) (i) to pay a portion of these costs as assessed by the county providing services. Counties have determined that implementing the early intervention services and other children’s long-term support services under three different payment systems, used by the various programs listed in the above paragraph, is administratively and fiscally burdensome. In addition, the Department has determined that the current system for calculating the parental payment limits for early intervention services results in families not paying a fee in proportion to their incomes and services received.

To decrease the burden on county agencies in implementing the various services for children who have functional needs, and to ensure that families, in proportion to their incomes, share in the costs of their child’s services, the Department proposes to permit counties to use the schedule established under s. HFS 1.03 (13m) to assess parental payments limits for early intervention program services. Except for early intervention core services, such as service coordination and evaluation, the proposed consolidation and change may result in an increase in costs to families receiving early intervention services due to the change in the process for calculating the parents’ share of costs. The current parental payment limits for early intervention services range between \$300 to \$1,800 per year based on family annual income and family size relative to federal poverty guidelines. The new calculation will continue to be based on family annual income and family size relative to federal poverty guidelines, but the parental payment limits will also be a percentage of actual costs for services based on the family’s income and size instead of a flat fee. Under the proposed schedule, parental payments will be assessed for families at or above 330% of the federal poverty level, beginning at 1% of service costs and can progress up to 41% of service costs for families at 1580% or greater of the federal poverty level. Parental payments would not be collected from families who have annual incomes below 330% of the federal poverty level.

The parental payment limits would be determined by counties after calculating the parent’s annual gross income, adjusted by a standard allowance; or actual medical or dental expenses claimed on the parent’s federal income tax form Schedule A, whichever is higher, the family’s poverty level for the family size, and the child’s individual family service plan costs. Families continue to have the option of allowing their private insurance companies to be billed for the payment of therapy services provided.

The amount of the annualized payments collected by counties under the proposed rule is indeterminate due to a number of variables that are difficult to quantify. Under the proposed rules, counties could collect higher parental payments from families who have incomes at or above 330% of the FPL, because the payment limits would be determined in proportion to the costs of the child’s service plan, family size, and income level, instead of being capped at \$1,800 per year regardless of plan costs and family income. At the same time, counties would collect no payments from families whose incomes are below 330% of the FPL. Parental payments for early intervention services are currently collected beginning at 250% of the FPL.

Counties would not incur additional costs associated with implementing the proposed change, since counties already have the staff expertise and appropriate calculation tables from the Department needed to determine parental payment limits. The proposed order, in general, would provide a unified system for counties calculating parental payments for services to children with functional needs, which should help to reduce counties’ administrative costs. The proposed rules would not have a fiscal effect on the Department. The proposed rules do not affect businesses. The proposed rules would not result in a loss of services nor any changes to services to families.

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**12. Long-Range Fiscal Implications**

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None known.

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Signature – DHFS Secretary or Designee	Telephone Number	Date
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