Legislative Fiscal Bureau

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Birth to 3 Program (Health Services -- Elder and Disability Services)

[LFB 2021-23 Budget Summary: Page 289, #1 and #2]

CURRENT LAW

Birth to 3 is an early intervention program authorized under Part C of the Individuals with Disabilities Education Act (IDEA). The program offers early intervention services to children, ages birth to three, who are identified with, or determined to be at risk for developmental delays. The program's goals are to enhance the development of children with developmental disabilities, minimize the need for special education, and decrease rates of institutionalization.

Currently, a child is eligible for services if he or she: (a) has a developmental delay of at least 25% in one area of development; (b) has atypical development that adversely affects child development; or (c) is diagnosed by a physician as having a high probability of developmental delay. As it pertains to blood lead levels, at-risk children with lead exposure levels at or above 10 micrograms per deciliter (μg/dL) are currently eligible for Birth to 3 program services. An early intervention team evaluates children referred to the program.

Once a child's eligibility is determined, the team conducts an assessment to further identify the needs of the child and the family. The results of the assessment are used by a team of professionals, the service coordinator, the parents, other family members, and an advocate (if requested by the parent), to develop the individualized family service plan (IFSP).

The IFSP includes: (a) information about the child's developmental status; (b) a summary of the family's strengths, resources, concerns, and priorities related to enhancing the development of the child; (c) a statement of the expected outcomes; (d) early intervention services necessary to achieve the expected outcomes including how those outcomes will be achieved, a timeline for the provision of services, the manner in which services will be provided, and the sources of payment for the services; (e) the service coordinator who will be responsible for implementation of the IFSP; (f) a written plan for the steps to be taken to support the child and family through transitions,

including the transition upon reaching the age of 3 to a preschool program or other appropriate services; (g) provision for ongoing review, evaluation and, as necessary, revision of the plan; and (h) the projected dates for the periodic review and annual evaluation of the plan.

The services Birth to 3 participants frequently use include service coordination, communication services, special instruction, occupational therapy, and physical therapy. Children in the program may also receive audiology services, assistive technology services, family training, counseling and home visit services, nursing services, certain medical services, nutrition services, psychological services, sign language and cued language services, social work services, transportation, and vision services.

In calendar year 2019, the most recent year for which complete data is available, 12,725 children were served by the Birth to 3 program. The following table shows program expenditures for 2019, by fund source.

Birth to 3 Program Expenditures, by Source, 2019

Funding Type	Amount
Federal Part C Allocation	$5,836,046
State GPR Allocation	5,789,000
Medicaid (estimated)	6,961,636
Community Aids (BCA)	4,692,521
County Funding	14,781,466
Parental Cost Share	543,517
Private Insurance	2,414,776
Other	1,807,952
Total	$42,826,914

DISCUSSION POINTS

1. According to the Centers for Disease Control and Prevention (CDC), early intervention services, such as those provided through the Birth to 3 program in Wisconsin, are likely to be more effective when provided earlier in life rather than later. This is because the connections in a baby's brain are most adaptable in the first three years of life. These connections, also called neural circuits, are the foundation for learning, behavior, and health. Over time, these connections become harder to change.

2. Further, the CDC notes that early intervention services can change a child's developmental path and improve outcomes for children, families, and their communities. In its 2020 report, the Early Childhood Technical Assistance Center, indicated that nationally for federal fiscal year 2018, 91% of families reported that early intervention services helped them know their rights and communicate their children's needs. Additionally, 93% reported that early intervention services helped their children learn and develop.

Federal Maintenance of Effort Requirement

3. Wisconsin's Birth to 3 program is funded from several sources, including federal IDEA Part C funds, parental cost sharing, state GPR, county funds, community aids, Medicaid, and private insurance reimbursement.

4. Counties are responsible for administering the program, based on state and federal guidelines and must establish a comprehensive system to identify, locate, and evaluate children who may be eligible for the program. Counties may not maintain waiting lists for the Birth to 3 program.

5. DHS provides counties with an annual fixed allocation for the Birth to 3 program. Counties are required to fund all Birth to 3 program costs over and above costs that can be supported by their annual Birth to 3 allocation, the Medicaid program, private insurance, or parental fees. Based on calendar year 2019 expenditures, counties cover approximately 46% of all current program costs through a combination of county levy and basic community aids (BCA) expenditures.

6. 2019 Act 9 increased state GPR funding for the Birth to 3 program by $1,125,000 in each year of the 2019-21 biennium, using one-time carry-over funding, so that GPR funding to support the program totaled $6,914,000 in 2019-20 and 2020-21.

7. DHS indicates that the additional $2,250,000 one-time funding from 2019 Act 9 was distributed across each of the county agencies based on a three-year evaluation of each agency’s average percent of statewide Birth to 3 program enrollment and average percent of statewide population under age three. As a result of the one-time funding provided in Act 9, in the 2021-23 biennium, Wisconsin’s maintenance of effort (MOE) funding obligation for the program is expected to increase by $1,125,000 annually.

8. Federal law requires that the total amount of state and local funds budgeted for expenditures in the current fiscal year for early intervention services must be at least equal to the total amount of state and local funds actually expended for early intervention services for eligible children and their families in the most recent preceding fiscal year for which the information is available. Meeting the MOE requirement is necessary in order to continue to receive federal IDEA funding.

9. Since the full annual amount allocated in the current biennium was expended on Birth to 3 program services, the Committee could increase funding for the Birth to 3 program in the 2021-23 biennium by $1,125,000 annually in order for the Department to meet its federal MOE requirement [Alternative A1].

10. In response to the COVID-19 pandemic, the American Rescue Plan Act (ARPA) provided additional funding for early intervention programs. According to the U.S. Department of Education, Wisconsin's Birth to 3 program is estimated to receive $3,387,129 in one-time funding. In addition to the individual state allocations, $37.5 million has been set aside nationally for state incentive grants. Guidance on allowable uses of the state allocated funding has not yet been issued and DHS indicates that the agency is still awaiting instructions from the federal Office of Special Education Programs (OSEP) regarding the permissible uses for this funding. However, DHS does not expect OSEP to allow states to use the additional ARPA funding to supplant other sources of funding.

11. If the Committee does not provide additional GPR to meet the federal MOE requirement, DHS must instead meet the requirement through increased county investment [Alternative A2].

Expanded Program Eligibility

12. In 2012, the federal Centers for Disease Control and Prevention (CDC) updated its recommendations regarding children's blood lead levels. Since the change, from the previous level of 10 micrograms per 100 milliliters (10 µg/dL), experts use a reference level of five µg/dL to identify children with blood lead levels that are much higher than most children’s levels. This new level is based on the U.S. population of children ages one to five years who are in the highest 2.5% of children when tested for lead in their blood.

13. The CDC notes that exposure to lead can cause a child to suffer damage to the brain and nervous system; slowed growth and development; learning and behavioral problems; and hearing and speech problems.

14. Based on the recommendations from the CDC, the Committee may wish to update eligibility for the Birth to 3 program as it relates to blood lead level. Currently, Wisconsin's eligibility standard for the program, as it pertains to lead exposure, is 10 µg/dL.

15. Under this alternative, as recommended by the administration, the Committee could expand eligibility for services provided under the Birth to 3 program by requiring DHS to ensure that any child with a level of lead in his or her blood that is five or more micrograms per 100 milliliters (5 µg/dL), as confirmed by one venous blood test, is eligible for services under the Birth to 3 program.

16. The Department indicates that based on a 2018 DHS report, there were 2,900 children aged 2 and under who had a blood lead level of five µg/dL or greater. Assuming approximately 75% of these children have a blood lead level under 10 µg/dL (based on 2014 data), approximately 2,175 children could be eligible under the administration's proposal.

17. As such, the Department estimates that expanding eligibility would result in an additional 2,000 children becoming eligible for Birth to 3 services annually, at an average cost per child of $3,300, based on the average annual cost of serving a child currently enrolled in the program.

18. Under this alternative, $3,300,000 could be provided in 2021-22 and $6,600,000 in 2022-23 to fully support the additional estimated costs of this program eligibility expansion, assuming the eligibility change would take effect on January 1, 2022 [Alternative B1]. By delaying the effective date to January 1, 2023, funding necessary would be $3,300,000 in 2022-23 [Alternative B2].

19. Alternatively, the Committee could choose to maintain current eligibility standards for the Birth to 3 program and take no action on this item [Alternative B3].

ALTERNATIVES

A. Maintenance of Effort

1. Provide $1,125,000 GPR annually to use state funding to cover the federal MOE requirement in the 2021-23 biennium.

ALT A1	Change to Base
GPR	$2,250,000

2. Take no action.

B. Expanded Program Eligibility

1. Expand eligibility for services provided under the Birth to 3 program, effective January 1, 2022, by requiring DHS to ensure that any child with a level of lead in his or her blood that is five or more micrograms per 100 milliliters, as confirmed by one venous blood test, is eligible for services under the Birth to 3 program. Provide $3,300,000 GPR in 2021-22 and $6,600,000 GPR in 2022-23 to fund services for newly eligible children.

ALT B1	Change to Base
GPR	$9,900,000

2. Expand eligibility for services provided under the Birth to 3 program, effective January 1, 2023, by requiring DHS to ensure that any child with a level of lead in his or her blood that is five or more micrograms per 100 milliliters, as confirmed by one venous blood test, is eligible for services under the Birth to 3 program. Provide $3,300,000 GPR in 2022-23 to fund services for newly eligible children.

ALT B2	Change to Base
GPR	$3,300,000

3. Take no action.

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