Legislative Fiscal Bureau
One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: http://legis.wisconsin.gov/lfb

---

May, 2019 Joint Committee on Finance Paper #391

Birth to 3 Program Expansion (Health Services -- Public Health)

[LFB 2019-21 Budget Summary: Page 196, #2]

CURRENT LAW

Birth to 3 is a federally mandated 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 (mg/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.

GOVERNOR

Provide $1,550,000 GPR in 2019-20 and $7,600,000 GPR in 2020-21 to increase funding for the Birth to 3 Program. Although not specified in the bill, DHS indicates that it would modify the program's current eligibility criteria to include all at-risk children with lead exposure levels at or above five mg/dL. As mentioned, Wisconsin's current eligibility standard for the Birth to 3 program, as it pertains to lead exposure, is 10 mg/dL.

This item would reduce GPR funding for the children's community options program (CCOP) by $2,250,000 in 2018-19 but would replace this funding with the same amount of funding budgeted, but not expended, for CCOP that DHS will carry over from 2018-19 to 2019-20. Additionally, this item would increase funding for the Birth to 3 Program by $3,800,000 GPR in 2019-20 and $7,600,000 GPR in 2020-21. The following table summarizes the amounts that would be budgeted for both CCOP and the Birth to 3 Program in the 2019-21 biennium under the bill.

Birth to 3 and CCOP Funding (GPR)

	2019-20		2020-21	
	CCOP	Birth to 3	CCOP	Birth to 3
Base	$11,200,000	$5,789,000	$11,200,000	$5,789,000
Carryover from 2018-19	2,250,000	0	0	0
Total Available	$13,450,000	$5,789,000	$11,200,000	$5,789,000
Funding Change in This Item	-2,250,000	3,800,000	0	7,600,000
Total Available for Services (Governor's Bill)	$11,200,000	$9,589,000	$11,200,000	$13,389,000
Change in Available Funding	$0	$3,800,000	$0	$7,600,000

DISCUSSION POINTS

1. Early intervention programs are operated at the state level and program design differs considerably among states. States have flexibility in some areas, including the ability to define what constitutes a developmental delay and in establishing eligibility criteria.

2. Early intervention programs typically focus on children between birth and three years of age as the CDC reports that 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, and over time become harder to change.

3. Early intervention programs have found to provide benefits to the participating child and family, as well as economic advantages for society. The National Early Childhood Technical Assistance Center (NECTAC) reports that, based on 2009-10 data, 71 to 76% of the children receiving early intervention services demonstrated greater than expected growth across the following domains: social relationships, use of knowledge and skills, and taking action to meet needs (for example dressing, feeding, and following rules related to health and safety). NECTAC further reports that between 54 and 62% of the children receiving early intervention services exited the program functioning within age expectations in these three domains.

4. Further, a clinical report from the American Academy of Pediatrics notes that children with low birth weight and preterm infants who received early intervention services showed improvements in verbal abilities, receptive language scores, and overall cognitive performance at the age of eight. By age 18, these children showed improvements in academic performance, and endorsement of less risky behaviors, fewer arrests, and a lower dropout rate.

5. NECTAC reports that additional benefits to society include reducing state and federal spending through a decreased need for special education and DHS reports that participation in early education programs improves child developmental outcomes, helping families avoid the need for long-term supports for their child later in life. Investment in early intervention services also benefits state Medicaid programs by reducing the need for expensive ongoing long-term support services among children who receive early intervention services.

6. The Center for Disease Control and Prevention (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.

7. In 2012, the CDC updated its recommendations on children's blood lead levels. Since the change, experts use a reference level of five mg/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 1-5 years who are in the highest 2.5% of children when tested for lead in their blood.

8. Until 2012, children were identified as having a blood lead level of concern if the test result is 10 or more micrograms per deciliter of lead in blood. The new lower value means that more children will likely be identified as having lead exposure allowing parents, doctors, public health officials, and communities to take action earlier to reduce the child's future exposure to lead and to mitigate the damage done by lead exposure.

9. The administration indicates that it would modify the Birth to 3 program's current eligibility criteria to include all at-risk children with lead exposure levels at or above five micrograms per deciliter (mg/dL). Wisconsin's current eligibility standard for the Birth to 3 program, as it pertains to lead exposure, is 10 mg/dL.

10. The program is funded from several sources, including the federal IDEA grant, parental cost sharing, state GPR, county funds, community aids, Medicaid, and private insurance reimbursement. 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.

11. 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. Counties cover approximately 40% of all current program costs through a combination of county levy and Basic Community Aids (BCA) expenditures. Counties may not maintain waiting lists for the Birth to 3 program.

12. In 2017, the most recent year for which data is available, counties reported spending approximately $32.9 million (all funds) for Birth to 3 services. In addition, the state's MA program funded approximately $7.7 million in services, so that total program costs were approximately $40.6 million in that year.

13. In calendar year 2018, the Birth to 3 program served 22,501 children, which included new and ongoing participants, children determined to be eligible but who did not enroll in the program, and children referred to the program who were determined to be ineligible to participate through the screening or assessment process. Total enrollment in 2018 was 12,864 children, of which 7,002 were new enrollments and 5,862 were ongoing. On average, children participated in the program for approximately 10 months.

14. The administration estimates that changing the eligibility criteria as it pertains to blood lead levels would result in an additional 2,000 children becoming eligible for Birth to 3 services. The average annual cost of serving a child enrolled in the Birth to 3 program is $3,800 per year.

15. Funding for the Birth to 3 eligibility expansion would be partially offset by a one-time $2,250,000 GPR reduction in funding that would be budgeted to support the children's community options program (CCOP) in 2019-20. However, DHS would use a corresponding amount of funding for the program carried over from the Community Options Program (COP), from the current biennium, to maintain funding for CCOP in each year of the 2019-21 biennium at its current budgeted level ($11.2 million per year).

16. CCOP provides supports and services to children (under 22 years of age) living at home or in the community who have one or more of the following long-term disabilities: developmental disabilities, physical disabilities, or severe emotional disturbances. The child’s disability is characterized by a substantial limitation on the ability to function in at least two of the following areas: (a) self-care, (b) receptive and expressive language, (c) learning, (d) mobility, and (e) self-direction.

Additionally, eligible children must require a level of care typically provided at an intermediate care facility for individuals with intellectual disabilities, a nursing home, or a hospital.

17. Available funding in the first year is half of the available funding in the second year, with the administration estimating that an additional 1,000 children would be eligible for and receive services in 2019-20, and an additional 2,000 in 2020-21.

18. The administration based the increased number of eligible children on a 2016 DHS report, which found that there were 3,125 children aged 2 and under who had a blood lead level of 5mg/dL or greater. Subsequently, the administration assumed that approximately 75% of these children have a blood lead level under 10mg/dL (as estimated based on 2014 data). As a result approximately 2,344 children could be eligible under the proposal, of which approximately 1,847 would be newly identified. This assumption regarding newly eligible and enrolled children seems reasonable.

19. Funding in the 2019-21 biennium is offset by one-time carryover funds. However, these funds would not be available in the future and so the ongoing annual GPR funding increase to the Birth to 3 program would be $7,600,000 GPR.

20. In light of the health risks associated with heightened blood lead levels in young children and the recommendations from the CDC, the Committee could choose to approve the Governor's recommendation [Alternative 1].

21. Alternatively, the Committee may be concerned about the impact of the Birth to 3 program on counties since there is no limit on the amount of annual funding counties may be required to invest in the program beyond the funds provided by other payor sources. As such the Committee could choose to retain the current eligibility requirement for Birth to 3 as it pertains to blood lead levels. Additionally, the Committee could still require the one-time transfer of $2,250,000 GPR that would otherwise be budgeted to support CCOP in 2019-20, and the subsequent transfer of carry over funding to maintain funding for CCOP in each year of the 2019-21 biennium at its current budgeted level ($11.2 million per year). This would have the effect of creating a one-time funding increase for counties to help offset Birth to 3 program costs [Alternative 2].

22. Finally, in light of competing interests for state funding and the numerous other policy and funding changes made in the Governor's budget to address heightened lead levels in young children, the Committee could choose to delete the provision [Alternative 3].

ALTERNATIVES

1. Approve the Governor's recommendation.

ALT 1	**Change to**	
	Base	**Bill**
GPR	$9,150,000	$0

2. Delete the Governor's recommendation. However, require that DHS transfer $2,250,000 on a one-time basis from CCOP in 2019-20 and subsequently transfer carry over funding from COP to maintain funding for CCOP in each year of the 2019-21 biennium at its current budgeted level ($11.2 million per year).

ALT 2	**Change to**	
	Base	**Bill**
GPR	$0	- $9,150,000

3. Take no action.

ALT 3	**Change to**	
	Base	**Bill**
GPR	$0	- $9,150,000

Prepared by: Alexandra Bentzen