

# Policy Manual

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### Chapter 4: Fiscal

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## 4-1

### General

#### 1. Responsibility

The lead agency, Office of Early Childhood (OEC), is responsible for the identification and coordination of all available resources for early intervention services within the State, including those from Federal, State, local, and private sources, consistent with subpart F of Part C of the Individuals with Disabilities Education Act (IDEA).

#### 2. Payor of Last Resort

- a. Except as provided in section (b) below, funds under Part C of IDEA may not be used to satisfy a financial commitment for services that would otherwise have been paid for from another public or private source, including any medical program administered by the Department of Defense, but for the enactment of Part C of IDEA.
- b. Therefore, funds under Part C may be used only for early intervention services that an infant or toddler with a disability needs but is not currently entitled to receive or have payment made from any other Federal, Connecticut, local, or private source, subject to 34 CFR §§303.520 and 303.521.
- c. If necessary to prevent a delay in the timely provision of appropriate early intervention services to a child or the child's family, funds under Part C of IDEA may be used to pay the provider of services, for services and functions authorized under Part C of IDEA, including health services, as defined in §303.16, but not medical services, functions of the child find system described in §§303.115 through 303.117 and §§303.301 through 303.320, and evaluations and assessments in §303.321, pending reimbursement from the agency or entity that has ultimate responsibility for the payment.
- d. Nothing in Part C of IDEA may be construed to permit any Connecticut state agency to reduce medical or other assistance available in the state or to alter eligibility under Title V of the Social Security Act (SSA), 42 U.S.C. 701, et seq. relating to maternal and child health; or Title XIX of the SSA, 42 U.S.C. 1396, relating to Medicaid, including section 1903(a) of the SSA regarding medical assistance for services furnished to an infant or toddler with a disability when those services are included in the child's Individualized Family Service Plan (IFSP) adopted pursuant to Part C of IDEA.

#### 3. Use of Funds

Connecticut ensures that Federal funds made available to the state under section 643 of IDEA are expended in accordance with the provisions of Part C of IDEA, including §§303.500 and 303.501.

#### 4. Reestablishing baseline

Connecticut has enacted a state statute that meets the requirements in paragraph §303.520 (b)(2), regarding the use of private health insurance coverage to pay for early intervention services under Part C of the Act. The revised statute was effective July 1, 2012. As a result, Connecticut reestablished a new baseline of state and local expenditures under §303.225(b) in the Federal fiscal year following the statutes effective date.

## 4-2

### Use of public benefits or public insurance

1. Connecticut may not use the public benefits or public insurance of a child or parent to pay for Part C services unless the lead agency provides written notification, consistent with §303.520(a)(3), to the child's parents, and Connecticut meets the no-cost protections identified in 4-4 below. In accordance with §303.520(a)(3), parents will receive a copy of the State's system of payments policies prior to initial use of their public benefits or public insurance.
2. The System of Payments policy will notify parents that with regard to using the public benefits or insurance of a child or parent to pay for Part C services, and furthermore Connecticut will ensure that it:
  - a. Does not require a parent to sign up for or enroll in public benefits or insurance programs as a condition of receiving Part C services and obtains consent prior to using the public benefits or insurance of a child or parent if that child or parent is not already enrolled in such a program;
  - b. Obtains consent, consistent with §§303.7 and 303.420(a)(4), to use a child's or parent's public benefits or insurance to pay for Part C services if that use would:
    - I. Decrease available lifetime coverage or any other insured benefit for that child or parent under that program;
    - II. Result in the child's parents paying for services that would otherwise be covered by the public benefits or insurance program;
    - III. Result in any increase in premiums or discontinuation of public benefits or insurance for that child or that child's parents; or
    - IV. Risk loss of eligibility for the child or that child's parents for home and community-based waivers based on aggregate health-related expenditures.
3. Connecticut will obtain consent prior to using the public benefits or insurance of a child or parent if that child or parent is not already enrolled in such a program; If the parent does not provide consent under (2) above, the lead agency still makes available those Part C services on the IFSP to which the parent has provided consent.
4. Parents will receive a copy of the State's system of payments policies prior to initial use of parent's public benefits or public insurance. The Connecticut system of payments policy includes:
  - a. A statement that parental consent is obtained under §303.414, if that provision applies, before the lead agency or the Birth to Three provider discloses, for billing purposes, a child's personally identifiable information to the Connecticut public agency responsible for the administration of the Connecticut public benefits or public insurance program (e.g., Medicaid);
  - b. A statement of the no-cost protection provisions in §303.520(a)(2) and that if the parent does not provide the consent under §303.520(a)(2), the lead agency still makes available those Part C services on the IFSP for which the parent has provided consent;
  - c. A statement that the parents have the right under §303.414, if that provision applies, to withdraw their consent to disclosure of personally identifiable information to the Connecticut public agency responsible for the administration of the Connecticut public benefits or public insurance program (e.g., Medicaid) at any time; and
  - d. A statement of the general categories of costs, if any, that the parent would incur as a result of participating in a public benefits or public insurance program. Connecticut does not

require a parent to pay deductibles or co-pays that the parent would incur as a result of Connecticut using a child's or parent's public benefits or public insurance to pay for Part C services (such as co-payments or deductibles, or the required use of private insurance as the primary insurance). Connecticut does not pay for family's public or private insurance premiums, therefore the parent is responsible for these costs.

## Use of Private Insurance

1. In accordance with §303.520(b)(1)(iii), all parents will receive a copy of the State's system of payments policies prior to initial use of a child's or parent's private insurance. Parents whose private insurance does not conform to Connecticut laws 38a-516a and 38a-490a will receive a copy of the system of payments initially and each time consent is required under §303.420(a)(3) due to an increase in the provision of services in the child's IFSP. The Connecticut system of payments includes:
  - a. A statement that parental consent is obtained under §303.414, if that provision applies, before the lead agency or the Birth to Three provider discloses, for billing purposes, a child's personally identifiable information to the contracted agency responsible for billing private insurance on behalf of Birth to Three programs;
  - b. A statement that the parents have the right under §303.414, if that provision applies, to withdraw their consent to disclosure of personally identifiable information to the contracted agency responsible for billing private insurance on behalf of Birth to Three programs; and
  - c. A statement of the general categories of costs, if any, that the parent would incur as a result of participating in a private insurance program. Connecticut does not require a parent to pay deductibles or co-pays that the parent would incur as a result of Connecticut using a child's or parent's private insurance to pay for Part C services (such as co-payments or deductibles, or the required use of private insurance as the primary insurance). Connecticut does not pay for family's private insurance premiums, therefore the parent is responsible for these costs.
2. For families whose private insurance is not subject to state insurance mandates, Connecticut does not use the private insurance of such parent of an infant or toddler with a disability to pay for Part C services unless the parent provides parental consent, consistent with §§303.7 and 303.420(a)(4), to use private insurance to pay for Part C services for his or her child. Parental consent is obtained--
  - a. When the lead agency or Birth to Three program seeks to use the parent's private insurance or benefits to pay for the initial provision of an early intervention service in the IFSP; and
  - b. Each time consent for services is required under §303.420(a)(3) due to an increase (in frequency, length, duration, or intensity) in the provision of services in the child's IFSP).
3. For families whose private insurance is subject to state insurance mandates the parental consent requirements of this chapter do not apply. Connecticut has enacted state statutes (38a-490a and 38-516a of the Connecticut General Statutes) regarding private health insurance coverage for early intervention services under Part C of IDEA that expressly provide that:
  - a. The use of private health insurance to pay for Part C services cannot count towards or result in a loss of benefits due to the annual or lifetime health insurance coverage caps for the infant or toddler with a disability, the parent, or the child's family members who are covered under that health insurance policy;
  - b. The use of private health insurance to pay for Part C services cannot negatively affect the availability of health insurance to the infant or toddler with a disability, the parent, or the child's family members who are covered under that health insurance policy, and health insurance coverage may not be discontinued for these individuals due to the use of the health insurance to pay for services under Part C of the Act; and

- c. The use of private health insurance to pay for Part C services cannot be the basis for increasing the health insurance premiums of the infant or toddler with a disability, the parent, or the child's family members covered under that health insurance policy.

#### 4-4

### **Proceeds Obtained from either Public or Private Insurance or Families**

1. Proceeds or funds from public insurance or benefits or from private insurance are not treated as program income for purposes of 34 CFR 80.25.
2. When Connecticut receives reimbursements from Federal funds (e.g., Medicaid reimbursements attributable directly to Federal funds) for services under Part C of IDEA, those funds are considered neither state nor local funds under §303.225(b).
3. When Connecticut spends funds from private insurance for services under Part C of IDEA, those funds are considered neither state nor local funds under §303.225.
4. Funds received by Connecticut from a parent or family member under the Connecticut Birth to Three system of payments established under §303.521 are considered program income under 34 CFR 80.25. These funds:
  - a. Are not deducted from the total allowable costs charged under Part C of IDEA (as set forth in 34 CFR 80.25(g)(1));
  - b. Must be used for the State's Part C early intervention services program, consistent with 34 CFR 80.25(g)(2); and
  - c. Are considered neither state nor local funds under §303.225(b).

## 4-5

### System of Payments or Fees

1. Connecticut has adopted a system of payments in §303.500(b), the state's system of payments policies are in writing (17a-248-11 through 14 state regulations) and specify which functions or services, if any, are subject to the system of payments, including any fees charged to the family as a result of using one or more of the family's public insurance or benefits or private insurance, and include:
  - a. Under the Connecticut statewide policy, the state is not charging parents for out-of-pocket costs (i.e., copayments, coinsurance, or deductibles) for the use of public insurance/benefits or private insurance. Parents are responsible for paying any premiums for their insurance.
  - b. Connecticut's System of Payment Policy does not include a schedule of family fees as outlined in Connecticut Statute Section 17a-248g.
2. Currently, Connecticut does not charge family fees. If the family fees are reinstated, Connecticut is confirming that the System of Payment policy will provide the following assurances:
  - a. Fees will not be charged to parents for the services that a child is otherwise entitled to receive at no cost including those services identified in this section;
  - b. The inability of the parents of an infant or toddler with a disability to pay for services will not result in a delay or denial of services under Part C of IDEA to the child or the child's family such that, if the parent or family meets the Connecticut definition of inability to pay, the infant or toddler with a disability must be provided all Part C services at no cost.
  - c. Families will not be charged any more than the actual cost of the Part C service, factoring in any amount received from other sources for payment for that service; and
  - d. Families with public insurance or benefits or private insurance will not be charged disproportionately more than families who do not have public insurance or benefits or private insurance;
  - e. Provisions stating that the failure to provide the requisite income information and documentation may result in a charge of a fee on the fee schedule and specify the fee to be charged; and
  - f. Provisions that permit, but do not require, the lead agency to use Part C or other funds to pay for costs such as the premiums, deductibles, or copayments. Connecticut does not pay for families' private insurance premiums. Connecticut Part C does absorb the cost of any deductibles or copayments as a result of billing commercial insurance.
3. The following are required functions that must be carried out at public expense, and for which no fees may be charged to parents:
  - a. Implementing the child find requirements in §§303.301 through 303.303.
  - b. Evaluation and assessment, in accordance with §303.320, and the functions related to evaluation and assessment in §303.13(b).
  - c. Service coordination services, as defined in §§303.13(b)(11) and 303.33.
  - d. Administrative and coordinative activities related to:
    - i. The development, review, and evaluation of IFSPs and interim IFSPs in accordance with §§303.342 through 303.345; and
    - ii. Implementation of the procedural safeguards in subpart E of this Part C of IDEA and the other components of the statewide system of early intervention services in subpart D of Part C of IDEA and this subpart.



- e. Fees or costs collected from a parent or the child's family to pay for early intervention services under the Connecticut system of payments are program income under 34 CFR 80.25. Any fees collected are used for the purposes of the grant under Part C of IDEA.
4. Fees collected under a system of payments are considered neither state nor local funds under §303.225(b).
5. The Connecticut system of payments must include written policies to inform parents that a parent who wishes to contest the imposition of a fee, or the state's determination of the parent's ability to pay, may do one of the following:
  - a. Participate in mediation in accordance with §303.431.
  - b. Request a due process hearing under §303.436 or 303.441, whichever is applicable.
  - c. File a State complaint under §303.434.
  - d. Use any other procedure established by the State for speedy resolution of financial claims, provided that such use does not delay or deny the parent's procedural rights under Part C of IDEA, including the right to pursue, in a timely manner, the redress options described in this section.
6. The Connecticut Birth to Three System informs parents of these procedural safeguard options by including this information with the notice provided to parents under §303.421.