

# Puerto Rico Part C

March 15-17, 2017

**DMS Area: Fiscal**

**DMS Designation: Intensive**

## **Background:**

On October 19, 2016, OSEP issued Puerto Rico Department of Health (PRDH) a Differentiated Monitoring and Support (DMS) decisions document that specified engagement activities that OSEP would conduct with the State across five areas: results, compliance, State Systemic Improvement Plan (SSIP), child find, and fiscal. Under the fiscal area, OSEP gave PRDH a designation of intensive engagement for the following factors:

- Conditional approval of FY 2016 grant award
- Change in leadership
- Ongoing fiscal conditions/crisis throughout the Commonwealth
- Zika implications for service provision
- Questions on Medicaid reimbursement to support program

## **Visit Summary**

OSEP engaged with representatives of the Commonwealth to discuss factors from its DMS notice. The PRDH officials that responded to questions from OSEP included staff from PRDH Early Intervention Services Program Child and Family Services Division (PRDH-EI). In addition, staff from the Early Childhood Technical Assistance Center (ECTA TA) and National Center for Systemic Improvement (NCSI) participated in the visit. The major discussion items included the following topics:

### **Topics Discussed – Fiscal Management Systems**

- *Overview of system/structure*

During the onsite DMS visit, PRDH provided an overview of its organizational structure, and fiscal accountability and management systems to facilitate OSEP's understanding of the program.

Part C services are the responsibility of the Puerto Rico Department of Early Intervention (PRDH-EI) housed in the office of Maternal and Child Health (MCH), within the office of the Assistant Secretary of Family Health and Integrated Services. Service coordination and oversight is provided by seven health regional offices throughout Puerto Rico with a varied number of municipalities. Each regional office contains an early intervention supervisor, nurse and a data entry staff. There are 80 intake and service coordinators and 23 service providers (individual contractors). In addition, there are seven corporate service providers (contractors) that serve as "specialty therapists."

- *Fiscal overview:*

PRDH-EI's biggest challenge is the current limitation on funding sources. PRDH-EI provides, at no cost, to all eligible infants and toddlers and their families, early intervention services designed to meet the developmental needs of the child and the child's family in accordance with an Individualized Family Services Plan (IFSP). The Commonwealth does have an OSEP approved System of Payments for early intervention services that meets the requirements under 34 CFR §§ 303.13(a)(3) and 303.203(b) of the Individuals with Disabilities Education Act (IDEA), Part C. However, it is limited to assistive technology (AT) devices. The financial capacity of a family to pay for AT devices is based on a schedule of sliding fees according to the number of family members and income, including expenses such as extraordinary medical expenses. Local organizations such as the Lions' Club and others provide support to families, and the central office pays the balance of expenses not covered. Because no other Commonwealth agency provide or pay for Part C services, the PRDH does not have a written method to establish the financial responsibility for provision of Part C services. PRDH does not currently access Medicaid or other health insurances; however the program is considering additional funding options.

- *Options for expanding Systems of Payment*

During the visit, OSEP and PRDH-EI held a discussion with the PR Medicaid office to explore the possibility of accessing Medicaid funds for Part C services. While Medicaid was open to the idea in theory, funds are very limited and may not be enough to provide additional funds.

OSEP and PRDH-EI further discussed other possible revenue sources, including private insurance and a family fee structure.

OSEP and PRDH-EI also met with PRDH staff working on identifying children and families affected by the Zika virus, tracking their progress and providing services. PRDH received \$70 million to address the impact of the Zika virus on Puerto Rico. During the meeting, PRDH-EI staff provided a briefing on its current and planned activities and we discussed current and potential collaboration with PRDH-EI to ensure both child find and appropriate services.

- *Invoice Certification protocol/processes*

PRDH-EI relies on a manual system for fiscal oversight and invoice control that is very labor intensive. There are three levels of review prior to PRDH-EI submitting a request for payment to Treasury:

1. Within ten days of the provision of services to an infant/toddler, a service provider sends an invoice to the regional agency. The regional supervisors review the invoices for completion, consistency with the Individualized Family Service Plan and service logs. Once a supervisor certifies an invoice, it is submitted to the Central Office for further processing.

2. The PRDH EI fiscal unit reviews the invoices for completeness and consistency with other documentation.
3. The Part C Coordinator conducts a final review and certifies invoices for payment by the Treasury.

- *G5 drawdown*

PRDH reported that Part C funds are accessed on a reimbursement basis. Commonwealth funds are used to make initial payments to providers. The Treasury draws down the funds from G5 and reimburses PRDH. Although there have been delays in reimbursements during the fiscal crisis, PRDH-EI reported that the crisis had not caused a delay in payments to providers. Payments to providers are typically made within three weeks of the invoice.

### **Data Reviewed – PRDH Policies and Procedures**

#### **Challenges and Barriers –**

- *Limited funding sources and funding:* The Program received \$4 million in Part C funding and \$2 million in Commonwealth funding for FY 2016. There are currently no other sources of funding.
- *Child Find:* Currently there are approximately 3,000 infants/toddlers in the EI program. PRDH-EI reported that the majority of children come in at toddler age. PRDH-EI, with a limited budget, is seeking to reach families earlier (child find) to provide information regarding early intervention services.
- *Fiscal Crisis:* Puerto Rico's recent fiscal crisis has added to the challenge of limited funds. Currently, PRDH-EI program is almost wholly reliant upon IDEA Part C and Commonwealth funds.
- *Freeze of Commonwealth Funds:* Historically, PRDH-EI used Commonwealth funds to pay for data entry staff, and had access to funds for three years. However, as a result of the fiscal crisis, the program access has been limited to current fiscal year funding, further decreasing the amount of funds available to support the program. PRDH-EI is requesting an exception to the freeze. To justify its request, PRDH-EI is emphasizing that these funds are included to demonstrate that IDEA Part C funds are supplemental, as required under 34 CFR §303.225(b).
- *Service Providers:*
  - PRDH-EI indicated that there is a limited "inventory" of providers due to turnover. Historically there has been a shortage of providers in Puerto Rico. However, due to the fiscal crisis in the Commonwealth, this shortage has become more evident in the program's ability to contract and maintain service providers

- The Fiscal Control Board requires that contractors are cleared and approved through the Governor's office. PRDH-EI indicated that this process is a barrier to hiring personal and professional contractors and staff in a timely manner. The Control Board is also implementing a directive to cut the level of funding which will impact current contracted providers, including therapy providers who, as a result, may opt to discontinue work in the program due to more lucrative options outside of the Part C program.

**Outcome of Engagement Activity** – PRDH-EI provided OSEP with an overview of its fiscal system which enabled OSEP and the identify areas where continued guidance and technical assistance (TA) may be beneficial to PRDH-EI. Areas of identification include coordination and collaboration with Medicaid; infrastructure (size within the Department of Health and the organization of healthcare regions); developing protocol on SOP and Methods, and support on fiscal management.

**Use of TA and Professional Development Resources:** ECTA Center and NCSI work closely with PRDH-EI, and will help Puerto Rico examine its fiscal infrastructure to support initiatives being undertaken as part of the State Systemic Improvement Plan

### Next Steps

1. During FFY 2016, OSEP will continue to be available for TA calls with PRDH on issue(s) and factors as noted above. In addition, OSEP will share TA resources and materials with PRDH-EI that may be most helpful for addressing the issue(s)/factors.
2. OSEP will monitor the fiscal crisis, limitations on the availability of service providers and their impact on the ability of PRDH-EI to meet its responsibilities under IDEA
3. PRDH-EI, OSEP and the TA providers will continue discussion on the potential to expand the System of Payments
  - a. PRDH-EI will collect data to determine the percentage of Medicaid eligible children currently being serve by Part C and the number of infants and toddlers being served that have private insurance
  - b. The ECTA Center and PRDH-EI will review other States' plans to see if there are lessons learned that could be helpful to the Commonwealth.
  - c. PRDH-EI, the TA Centers and OSEP will explore the possibility of using Medicaid State math to cover administrative costs and targeted case management
  - d. OSEP will collaborate with PRDH-EI, with the support of the ECTA Center and DaSy/NCSI, to explore other potential sources of funding.

OSEP will continue to provide ongoing support and technical assistance in developing fiscal policies and procedures related to Medicaid reimbursement, systems of payment, and any other area of fiscal need as identified by PRDH-EI.