

Memorandum

To: Rep. Kimberly Jessup, House Appropriations
From: Ken Schatz, DCF Commissioner
Re: CIS/CDD Follow Up Responses
Date: January 10, 2020

CIS PAYMENT REFORM OVERVIEW

Background

- Children's Integrated Services (CIS) serves vulnerable children and their families, prenatally through age five including those with disabilities or developmental delays, through contracts to regional providers.
- CIS' monthly case rates have been based on historical allocations and have varied significantly between regions (range of \$471 - \$646). This range of rates has prompted the Centers for Medicare and Medicaid Services (CMS) to require the State to move to more data-driven and equitable rates.

Reform Outcomes and Impacts

- Payment Reform identified a statewide monthly case rate of \$633 which is reflective of the cost of service delivery.
- CIS' annual budget of \$9.2M does not allow for full implementation of this identified case rate.
- To remain within budget, a statewide monthly case rate of \$501.66 will be implemented in July 2020.
- Regional contract totals will reflect the new rate and regions' anticipated caseloads.
- This will result in contract increases in four regions and decreases in five regions.
- The State will provide some transition funding (\$106,174) for the upcoming contract period (July 1 - Dec 31, 2020) to regions experiencing contract reductions. This will be distributed as follows:

Barre	\$	86.45
Chittenden	\$	27,052.58
Northeast Kingdom	\$	56,200.96
Rutland	\$	18,650.72
Springfield	\$	4,182.85



Rationale for Contract/Rate Decisions

- The incorporation of anticipated regional caseloads into contract totals ensures the state is able to pay a consistent rate statewide for each CIS client served. Previous contracts were not grounded in strong data regarding caseload. The Child Development Division (CDD) will reevaluate caseload data to inform later contract cycles.
- Payment Reform indicates the cost of delivering CIS does not vary significantly by region, which justifies moving to a statewide rate.
- The State provided this information to contractors on 11/4/2019 to allow adequate time to prepare for regional impacts before the July 2020 implementation. Technical assistance will be offered to support regions in navigating these changes

SPECIAL ACCOMMODATION GRANTS OVERVIEW

Context

Special Accommodation Grants (SAGs) provide assistance to child care programs to maintain placements for children and families with specialized needs. The grants often fund individual aides to support the safety and inclusion of children with intensive medical or behavioral needs. They also fund supports such as assistive devices for those with disabilities. In FY19, SAGs served 95 children.

Funding Details

CDD has historically had a degree of flexibility in awarding SAGs due to the availability of child care funds in the budget; approximately \$350k in annual SAG awards were provided. As spending in the Child Care Financial Assistance Program (CCFAP) has increased in the past year, CDD faced limitations in our ability to continue to support SAGs as a discretionary use of funds in FY20. As a result, we provided approximately \$240K (66%) in SAG awards in FY20, however SAG funding ended early this fiscal year in order to ensure adequate funds for other CDD expenses including Specialized Child Care Coordination (SCC Coordinators) services. The Department included funding for SAGs in our application for the Pre-school Development (PDG) Implementation Grant, which we did not receive. The separate PDG Planning Grant, which DCF currently holds, includes a needs assessment which will in part examine the landscape and need for SAGs.

CDD prioritized funding for the SCC Coordinators because they provide on-going consultation and education to specialized child care programs to help them build capacity within their programs to care for children with special needs. They also serve families directly through eligibility determination, assistance in accessing child care placements and supports, and individualized service planning and collaboration with the Family Services Division and the CIS multidisciplinary team. These services are required by federal regulation and fulfill requirements for the federal child care block grant.



The SCC approach has been built and fine-tuned over the past 10 years in response to identified needs in the field. It ensures the individualized needs of all children and families with specialized child care needs are met, and that child care programs receive support in serving these families. The funding in the CIS bundle for these services was augmented through the Race to the Top federal grant; the supplemental grants continued that support and expanded it slightly to ensure equitable distribution across regions.

Additionally, without fully funded SCC Coordinators, SAGs would be less accessible and likely more costly to the State. SCC Coordinators work with families and programs to identify resources to maintain safe child care placements and reduce expulsions for children with specialized needs. When other options have been exhausted, they assist in completing the SAG application.

In terms of population impact, 61 children were served by FY19 SAGs, compared to the statewide SCC Coordinator caseload of 2,872 in the same period which does not include the SCC Coordinators' capacity building services that they provide to child care programs.

Next Steps

The current BAA request does not include a request for additional funding for SAG awards. However, DCF has met with providers to better understand the use and impacts of these grants to inform ongoing decision making. We intend to closely examine the need for these grants in the coming months, in collaboration with other State partners, to determine population need, appropriate funding sources, and available resources to meet the needs of children, families, and child care programs.

