



Early Intervention Cost Modeling & Payment Reform



Agenda

- Context for the EI Cost Model
- Overview of model components and key inputs
- Demo of Excel model
- Q & A
- Next Steps

Context for This Cost Model Study

- In 2019-2021, Early Childhood Education and Care Funding Commission found existing EI funding mechanisms may contribute to major EI challenges.
- In February 2023, Governor Pritzker launched Smart Start Illinois, the next step to make Illinois the best place in the country for families raising young children
- IDHS-DEC commissioned this cost model study to better understand the decline of EI providers in IL and quantify what it will take to expand the supply of providers
- The model has given us a stronger sense of direction, but it is just a tool based on a snapshot in time and we know additional work remains
- We share this cost model in the spirit of transparent, honest dialogue with families, providers, advocates, and others in the field
- IDHS and IDEC are collaborating on the shared priority of equitable access to EI services

WHAT GOOD LOOKS LIKE | EQUITABLY & EFFICIENTLY SERVING ALL ELIGIBLE CHILDREN REQUIRES STRONG OPERATING INFRASTRUCTURE



Internal agency infrastructure

Operating model

Agency has clear governance, transparent decision-making, manages vendors to maintain performance standards and guided by data on effective practices

Org., people, and culture

Structure promotes ownership, has capacity for day to day and strategic work, and fosters a values-driven and transparent culture that contributes to consistent, high-quality service delivery

Data

Data is sufficient, available, and high-quality, and is used to inform the agency's ways of working and decision-making structures

Technology

Use of technology streamlines processes, reduces administrative work, and enhances customer experiences

Funding

Funding models are well-structured, distribution mechanisms support program needs, and available funds are sufficient to run programs and the agency



Systemic EI program components

Accessible information and outreach

Families and workforce can access information that is relevant to their needs

Available and affordable services

Families access services in a timely manner, and family fees for services adequately align with families' ability to pay for them

Nurturing environments

Services are offered to children in natural environments as much as possible, and adequately supports children with exiting or transitioning into ECSE

Thriving workforce

There are sufficient providers and service coordinators to support families. They are appropriately compensated, retained in their role, and supported

Outcomes

Illinois' Early Intervention program is in compliance and contributes to IDEC's North Star of being the best state in the nation to raise a family with young children

Before and After the Cost Model Study

Before the cost model study:

- Limited visibility into cost factors that drive service delivery
- Limited basis for understanding cost increases over time
- Limited understanding of labor market differences across provider types
- Limited understanding of time required to deliver an EI service



With the cost model, we can:

- Understand more of the cost factors that drive service delivery
- Adjust to reflect cost increases over time
- Reflect labor markets for each provider type
- Adjust time required to deliver an EI service in our current system

Going forward, the cost model tool can be updated as costs and the system changes over time

What is a cost model?

- A flexible tool that can be used to estimate the costs of services under different circumstances
- An Excel spreadsheet
- Can inform a strategy for providing transparent funding that reflects the real cost of delivering services
- Based on most recent data collected from providers (2023-24)
- Can be updated over time to reflect changes in costs, policy, and practice

What is a cost model *not*?

- *Not* a replacement for the judgment, values, and insights of people in the field
- *Not* a replacement for engagement with the field; it is only as good as the data and input it is based on
- *Not* a funding formula or funding approach. This is a tool used alongside other inputs
- *Not* a reflection of any single program's costs or circumstances
 - Tool represents a “typical” or “average” program to inform statewide costs, but each real program is unique

Additional limitation to this Cost Model Study

The cost model cannot or did not reflect:

- The cost of seamless operations
- The cost of simplifying the administrative burden on intermediaries and providers
- How to expand access to services and supports across current access barrier

Cost Model Walkthrough



DIVISION OF
EARLY CHILDHOOD

More than **1,300 engagements** with families and EI practitioners informed the data and design of the cost model.

EI Focus Groups

- Practitioner focus groups were held in November and December 2023, engaging **310 EI practitioners**.
- Family focus groups were held in January and February 2024, engaging **107 EI parents and caregivers**.

Cost Survey

- **707 EI practitioners** responded to the EI Cost Survey in February and March, providing input on payment reform priorities and sharing their cost data if applicable.

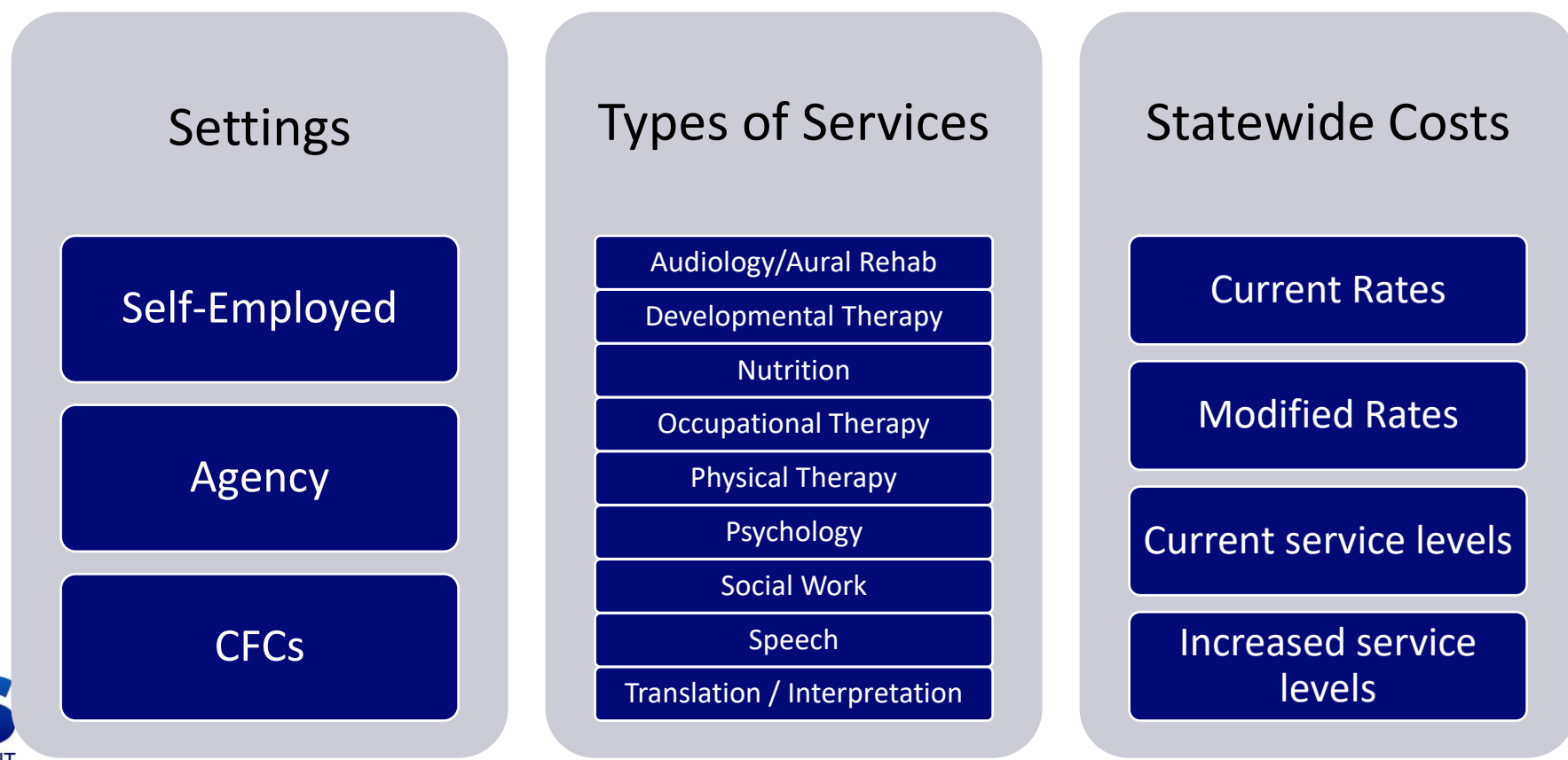
Time Use Study

- **237 EI providers** participated in the EI Time Use Study in February and March to track their daily time use and provide data on billable time for EI providers.
- Providers also had the opportunity to attend a reflection session for continuing education credit.

EI Workforce Workgroup

Structure of the El Cost Model

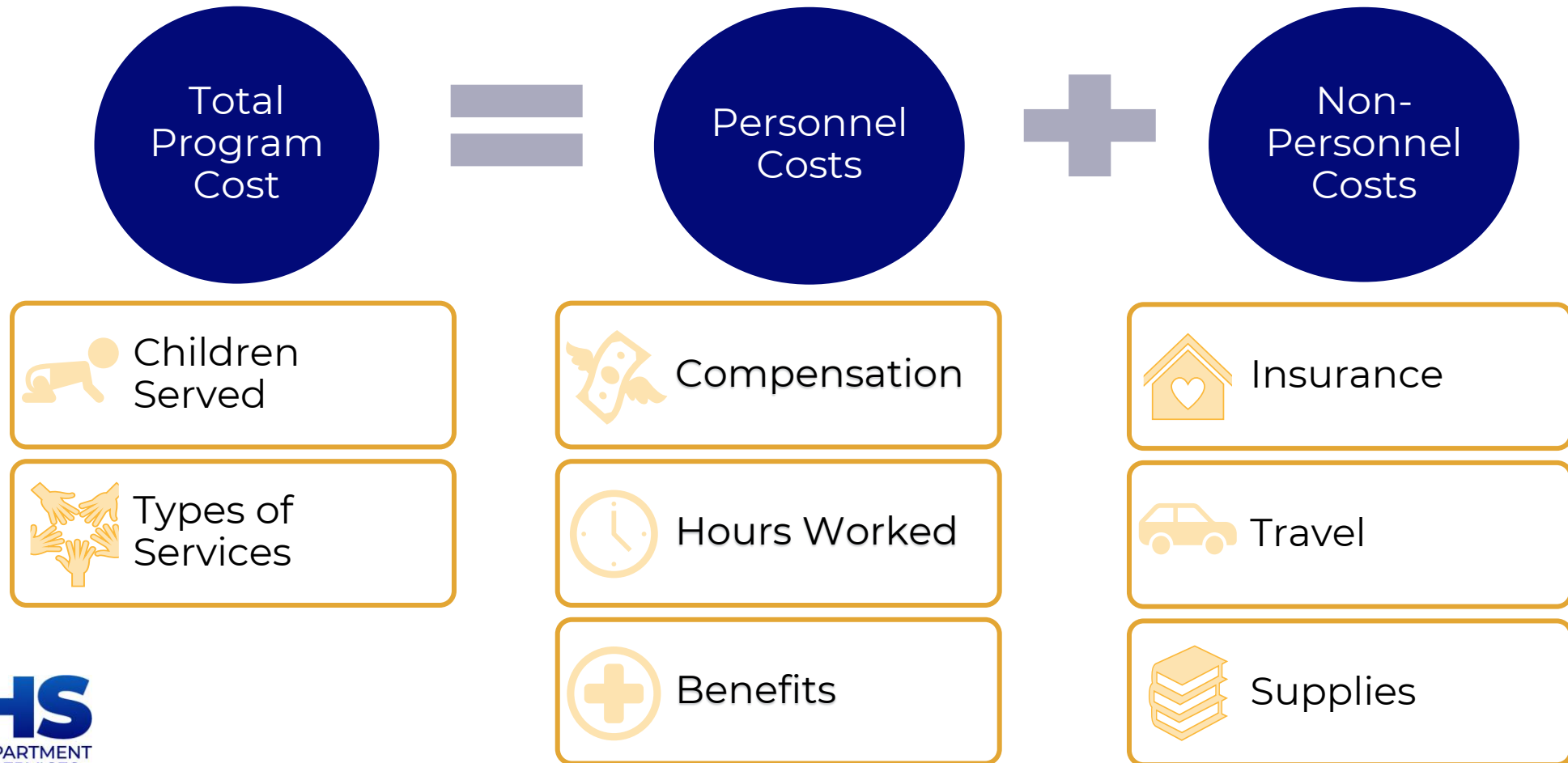
Estimates costs in different settings and for different types of services:



Cost models **estimate the cost** of implementing, maintaining, or expanding a program or service for children in various settings



Cost models are **dynamic**, and are driven by **inputs**



Key Inputs: Direct Services

- **Wages:** Using BLS wages by occupation to reflect competitive labor markets:

DT: Elementary SPED Teacher	Interpreter	Occupational Therapist	Physical Therapist	Speech Language Pathologist	Psychologist	Social Work
\$75,640	\$55,120	\$96,158	\$104,645	\$87,922	\$111,301	\$63,586

- **Billable Percentage of Time**
 - Currently higher at agencies than for self-employed providers
 - The lower the billable time, the higher the rate needed to cover all activities
 - Higher billable time means that providers are able to spend more time serving children and families
- **Non-Personnel Costs**
 - Not a large driver of cost differences

Key Inputs: CFCs

- **Wages**

- The user has multiple options for pay for Service Coordinators
- Other roles adjust in proportion to Service Coordinator Pay

- **Staffing Pattern**

- Includes administrative and supervisory roles that reflect current practice
- User has an option to choose an enhanced staffing pattern based on needs identified by CFC managers

- **Non-Personnel Costs**

- Not a large driver of cost differences

Future enhancements to the cost model may include:

- Differentiated rates by region and/or for underserved areas
- Adjustments to staffing at CFCs and infrastructure organizations to reflect recommendations from families during B-3 Design Sprint
- Adjustments to rates for virtual services based on input from families and the field
- Refinement of EI infrastructure services (EITP, CBO, Provider Connections, etc.)
- Updates to wages based on labor market changes
- Updates to other inputs (billable rates, non-personnel costs, CFC staffing) based on policy changes and future data collection

Model Walkthrough



DIVISION OF
EARLY CHILDHOOD

EI Cost Model Walkthrough

Tab	User Can Edit
Wage Assumptions	Wage benchmarks for direct service providers and service coordinators at CFCs
Rate Calculators: <ul style="list-style-type: none">• Self-employed• Agency• CFCs	<ul style="list-style-type: none">• Retirement contributions and health care costs• Billable rate percentages• Agency number of staff• CFC caseload• Bonuses and indirect cost percentage for CFCs
Billable Rate Summary	N/A – shows outputs of rate calculator tabs
Statewide Cost Summary	<ul style="list-style-type: none">• Increase in number of services provided• CFC staffing pattern (current or desired)• Percentage of modeled cost



Next Steps

- Recording and public version of the cost model will be posted
- Reach out with questions to DHS.ElQuestions@illinois.gov
- Next ICEI council meeting: January 8, 2026, 9:30 am – 1:00 pm