Modeling the Cost of Early Intervention in Illinois: Cost Model Summary

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A word from IDHS Secretary Dulce M. Quintero: The Illinois Department of Human Services (IDHS) Division of Early Childhood commissioned this cost model study to better understand the decline of Early Intervention (EI) providers in Illinois and to quantify what it will take to expand the supply of providers. This model has given us a stronger sense of direction, and we acknowledge there is always more work to do. IDHS, in collaboration with the new Illinois Department of Early Childhood, is moving into a new development and design phase to find an equitable approach to improving the accessibility and timeliness of EI services. We share this cost model in the spirit of transparent, honest dialogue with families, providers, advocates, and others in the field, acknowledging the work that remains.

Click the links to read the full letter from the secretary and full report.

Over the past year, the Illinois Department of Human Services (IDHS) partnered with Afton Partners to develop a cost model to understand the cost of the Early Intervention (EI) system and propose recommendations for payment reform to improve the family experience. The following summary describes the Illinois' Early Intervention Cost Model and highlights key findings from the existing model.

What is the Early Intervention Cost Model?

The EI cost model is a flexible tool designed to estimate the financial requirements of delivering EI services in Illinois. It is the basis for a strategy that provides transparent and predictable funding, accurately reflecting the cost of delivering services. By adjusting various inputs, such as provider compensation, staffing patterns, and potential policy changes, the model helps policymakers make informed decisions.

Key Features:

- **Flexible Adjustments:** Allows changes to inputs, such as practitioners' wages and children served, to see their impact on overall costs.
- **Policy Support:** Informs policy decisions by estimating statewide costs.
- **Data Driven:** Uses data collected from hundreds of EI practitioners through cost and time use surveys, grant reporting, and public data sources.

A successful cost model relies on ongoing engagement with practitioners to ensure inputs are based on data that accurately reflects the costs faced by the EI field. While this tool can inform policy decisions, it is not a replacement for the judgment, insight, and values of policymakers.

What does the Cost Model tell us about Illinois EI system?

The modeled cost of providing Early Intervention (EI) direct services is significantly higher than current spending levels.

- The modeled cost of delivering EI services is approximately 95% higher than current rates, suggesting that spending needs to roughly double to match the modeled cost. The gap between current and needed spending is estimated at approximately $150 million, factoring in a 5% increase in children served.

Increased funding is necessary to enable Child and Family Connections (CFC) offices to effectively manage operations and service coordination.

- The average cost to operate a CFC at appropriate salary levels is about $3 million, compared to the current average grant of $2.3 million. To bridge this gap, an additional $18.4 million in grants is needed statewide.

Ongoing cost adjustments are essential to align rate setting and investment with the modeled costs of delivering Early Intervention services.

- Cost estimates are subject to change based on evolving policies and field input. Continuous updates are necessary to reflect these variations and maintain accurate budgeting and resource allocation.

How is the Early Intervention Cost Model structured?

The EI cost model estimates costs for different types of practitioners, each with its unique cost structure. These include agencies, self-employed practitioners, and Child and Family Connections (CFC) offices.

Examples of Included Costs:

- Personnel Costs: Salaries, wages, payroll taxes, and benefits.
- Non-Personnel Costs: Supplies, insurance, facilities, licensing fees, and travel expenses.

Data on these costs were collected through two surveys: a **cost survey** that asked about providers' direct costs (such as facilities, supplies, travel, taxes, and benefits), and a **time use study** that asked providers to track the time they spent on all activities related to delivering EI services for ten working days. Analysis of over 2,300 days tracked by providers showed that, on average, 36% of their time is billable, meaning that they spend nearly two hours preparing for, traveling to, and documenting appointments for each hour spent with the child or in IFSP development. Approximately 20% of appointments are cancelled and not rescheduled. The rate per service needs to be sufficient to account for this non-billable time.

How are the costs of providing services calculated?

The most critical cost in providing services is provider compensation. These costs are calculated through the following process:

1. **Identifying Competitive Wage Data & Benefits:** Uses Bureau of Labor Statistics (BLS) data to determine wages for various roles; similar roles are used as proxies if data is unavailable. The user also has the option to enter different benchmark wages instead.

2. **Inclusion of Additional & Overhead Costs:** Adds expenses such as travel, supplies, and administrative support.

3. **Translating Total Costs Into Rates Per Service:** Converts costs into rates for an hour of direct service considering both billable (direct service) and non-billable time (preparation, travel).
   - For example, if 36% of a provider's time is billable, then it takes approximately 2.8 hours of work to provide 1 hour of billable service, so the rate for each service must be sufficient to cover 2.8 times the hourly rate.

The table below shows the modeled cost of providing each service, using a blended average of the costs at an agency and the costs for a self-employed provider:

Service	Current Rate Per Hour of Direct Service	Modeled Cost of Hour of Direct Service	Percentage Difference
Audiologist	$53.51*	$166.06	210%
Developmental Therapist	$66.80	$145.56	118%
Occupational Therapist	$84.64	$176.18	108%
Physical Therapist	$84.64	$188.85	123%
Psychologist	$100.72	$198.78	97%
Social Worker	$65.12	$127.57	96%
Speech Language Pathologist	$84.64	$163.89	94%
Nutritionist	$122.64	$128.75	5%
Interpreter / Translator	$63.04	$89.30	42%

**Audiologist rate is an average across all types of claims billed by audiologists*

How are CFC and service coordination costs determined?

CFC costs are estimated using average grant reporting information. The model considers:

1. **Salary and Benefits:** Calculates costs based on median wages, and adjusts salaries for leadership positions relative to Service Coordinators to prevent wage compression. The model allows the user to use current wages (as collected in grant reporting), the Massachusetts Institute of Technology (MIT) Living Wage, or average wages in Illinois for each position's required education level.

2. **Staffing Levels:** Current staffing levels were used to determine the necessary ratios of staff based on CFC caseloads. Input from CFC managers indicated that additional positions beyond those currently funded may be needed to adequately support children and families.

3. **Non-Personnel Costs:** Non-personnel costs, including facilities and supplies, are included in the cost model to reflect typical grant practices.

The Early Intervention Cost Model is a dynamic tool that must be continually refined and updated. Regular updates will enable policymakers to make informed decisions that support the sustainability and effectiveness of the EI program in Illinois.