Modeling the Cost of Early Intervention in Illinois: Recommendations

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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 recommendations respond to the challenges surfaced from research, data analysis, input from families and practitioners, and results from a cost survey and time use study. The recommendations focus on addressing some of the most pressing challenges currently facing the EI system: recruitment and retention of EI practitioners to adequately provide the services to which qualifying families are entitled, and inequitable delivery of those services. These challenges have contributed to service delays for families across the state, which have been especially severe for children of color and families in rural areas.

Recommendations Overview:

Alignment to Project Goals

1. **Make progress towards aligning base pay and grants to modeled cost**
    a. Improve standard direct service payment rates by making progress towards bringing compensation in line with the market and ensuring that rates cover the modeled cost and time required to provide services
    b. Modify CFC grants to reflect modeled costs and set minimum Service Coordinator salaries
    c. Partner across agencies to maximize federal revenues and Medicaid reimbursements

- Improve recruitment and retention
- Improve family experience and access to services

2. **Consider layering on additional incentives to reach under-served and multilingual communities**
    - Consider higher rates for services in under-served areas
    - Consider higher rates or additional compensation for multilingual providers

- Incentivize serving high-need areas and communities

3. **Pilot other structural changes that need further exploration**
    - Grow Your Own Programs,
    - Salaried employment structures,
    - Mentorship/coaching opportunities,
    - Benefits pools

- Improve recruitment and retention
- Incentivize activities that improve the family experience

1 Making progress towards aligning base pay and grants to modeled costs.

Current pay and grants do not adequately cover the modeled cost of providing services. To improve both recruitment and retention of EI practitioners and support staff, and ultimately improve families' access to services, rates for direct services and CFC grants should make progress toward the modeled cost of service delivery. Since increasing rates and grants to meet modeled cost will require a significant increase in EI funding, the state should use a multi-year approach to align pay with modeled costs.

a. Improve Direct Service Rates:

EI rates are currently not competitive with the market and often lower than reimbursement rates in other states with similar cost of living. Increasing rates was the top desired change from providers according to the EITP 2023 Workforce Survey,[1] and 90% of providers agreed the reimbursement rates were insufficient during focus groups.

To improve recruitment and retention, increased rates should make progress towards bringing compensation in line with the labor market. Reimbursement rates by provider discipline should be matched to BLS average salaries for professionals with the same credentials, providing a competitive rate for each discipline and encouraging more providers in the field to work and stay in EI.

Rates should also make progress towards providing competitive compensation to cover the modeled cost of delivering services. Based on the time use study, approximately 36% of providers' time is billable, with the other 64% being non-billable. This means that reimbursement rates for the time spent on direct services need to cover the cost of related activities that are necessary to provide the full service. For example, if each hour-long service takes approximately 1 hour and 45 minutes of additional preparation, documentation, and travel time, the rate should cover the full 2 hours and 45 minutes of time it takes to deliver the service. In addition, rates should account for an approximately 20% cancellation rate as part of the non-billable time.

Depending on the providers' discipline, this translates into a rate of between $127 and $199 for an hour of direct services, compared to current rates of $65 to $101 per hour of direct services. Overall, direct service rates would need to increase by an average of 95% over current rates to fully cover providers' costs and time. Statewide, this level of rate increase is estimated to cost approximately $150 million. While this would be a significant increase, it would bring Illinois' rates in line with EI rates in other states with a similar cost of living.

"I seem to average 9 to 12 billable hours of time while putting in about 35 to 40 total hours of EI work per week, this was enlightening and terrifying at the same time since my income is less than half of what my PT colleagues in other settings make."
- Physical Therapist, Kendall County, IL

b. Improve CFC Grants:

CFC grants should be based on the full staffing pattern of a CFC office. In the current system, CFC grants are based on service coordination, with supplemental amounts provided for a few part-time positions, but this does not align with true staffing patterns necessary to fulfill the role of a CFC. Most CFC offices have additional positions such as Assistant Managers or Intake Coordinators, but wages for these positions currently must come from the service coordination amount, which leaves Service Coordinator positions under-funded and under-staffed. In addition, to support the recruitment and retention of CFC staff, grants should provide sufficient funding to increase the number of Service Coordinator positions to meet recommended caseloads and account for turnover and paid time off.

> "We're funded so many dollars per Service Coordinator, which is based on our total active case rate, but there's nothing in there that really identifies [that] every CFC has to have a manager. You have to have one, but there is no separate funding for their salaries. We have to have secretaries. We have to have administrators. Yet there's no separate funding for that. So all of those salaries come out of the Service Coordinator dollars."
> – CFC Manager, Southern IL

> "Service Coordinators are salaried, but I live at home with my parents and would never be able to move out on my salary. It's not a forever career job."
> – Service Coordinator, CFC 7

To further support recruitment and retention, CFC grants should set minimum salaries for Service Coordinators. CFCs should be required to pay at least the minimum salary, but could differentiate pay for staff based on additional characteristics such as multilingual status or experience. Grants should provide sufficient funding to raise salaries.

These changes would require the average grant size for a CFC to increase from approximately $2.3 million to approximately $3 million per year. The statewide cost of this increase is estimated at approximately $18.4 million.

In addition to increasing funding, the State should continue to guarantee CFC funding for the full year. Setting funding levels annually, instead of varying amounts based on caseloads and incentive payments, allows CFC offices to hire and plan for their entire year. The State should also consider how to adjust for differences in caseload based on forward-looking rather than backward-looking measures. Currently, caseload calculations are based on previous months' caseload levels, but this may not account for population changes or changes in eligibility status.

c. Maximize Federal Revenue & Medicaid Reimbursement

To support increases in direct service rates and CFC grants, the State should partner across agencies to maximize federal revenues and Medicaid reimbursements for EI, now and as EI transitions to the new Illinois Department of Early Childhood. Further investigation, including peer state analysis, assistance needed to support any potential changes to billing, and development of a plan to strengthen that capacity is needed to understand how Illinois can better leverage Medicaid and other sources of funding to support sustainable investments in its EI system. This work should be done in partnership with other state agencies and alongside efforts to strengthen Medicaid billing practices in other services.

2 Consider layering on additional incentives to reach under-served communities and multilingual families.

The EI system should consider layering additional incentives on top of increased baseline compensation rates to address equity challenges in the EI system, including disproportionate service delays and the need for multilingual providers.

Under-Served Communities:

While improving direct service rates and CFC grants can address field-wide problems with recruitment, retention, and families' access to services, providers will still have an incentive to serve families who are closest to their own location as long as they receive the same rate for all services. Payment is one tool available to the EI system to address the higher investment of time needed to reach under-served communities – for example, through increased travel time to a rural area. Payment changes should be coupled with training and support, such as reflective supervision, to support providers in meeting families where they are.

To incentivize equitable access, the EI Bureau should consider providing higher rates for services in under-served areas. Service delay and waitlist data, along with other measures, can be used to pinpoint persistently under-served geographic areas. Enhanced rates can encourage travel and other investments of providers' time when serving children and families that the State has historically struggled to adequately serve. Rate enhancements should be based on stable characteristics to avoid continual fluctuations and reduce administrative complexity. Any characteristics that lead to a rate enhancement should be simple to measure and track, and must be recorded on service authorizations. In designing enhanced rates, the State should seek additional family and provider input to identify any unintended consequences.

Multilingual Families:

The State should also consider higher rates or additional compensation for multilingual providers. Families prefer services in their home language, and providers in the current system are often unable to meet that need. Supporting the recruitment and retention of additional multilingual providers and Service Coordinators through higher rates limits the need for two practitioners at visits (the service provider and the interpreter). To encourage home-language services, the EI system could offer a higher rate for services provided by a multilingual provider in a non-English language. To support recruitment, the State could consider sign-on bonuses or other stipend-based compensation to build the pool of multilingual providers and Service Coordinators in the EI system.

"Because of where we live, EI is the only option, we'd have to drive an hour and a half away to get any private services. Those are the only options. We are eagerly awaiting preschool so he can get services."
-EI Waitlist Parent, Stephenson County, IL

"We had a physical therapist... she was Colombian. And I did notice that she clicked more with my son and achieved more, because she was speaking in his language... I feel like it made him much more cooperative.."
– EI Parent, Chicago, IL

3 Pilot other structural changes that need further exploration.

While the changes above respond to immediate concerns in the EI field, there are additional system challenges that are not addressed through those changes. These challenges would require structural changes to the EI system, which have unknown consequences for providers and families. In some cases, implementation could be complex. Pilot programs are therefore an appropriate first step to understand the benefits, unintended consequences, and implementation needs involved.

Grow Your Own Program: Consider piloting a "Grow Your Own" program for direct service providers and Service Coordinators. Families were clear that they valued having practitioners who shared their backgrounds and experiences, and this program would help create a pathway to bring practitioners with similar backgrounds into the system. Having more providers within a community could both support access to services, especially for families in areas with a lack of providers, and improve the quality of services, as families would be more likely to have providers with similar backgrounds. A Grow Your Own program should include scholarships for continuing education, funded internships, and stipends or salaries for qualified mentors.

Salaried Employment Option for New EI providers: The State could offer grants for EI teams that pair new providers with experienced providers in full-time salaried roles. Since pay in the fee-for-service model is tied to providing individual services, getting started in EI can mean unstable and insufficient pay due to lower caseloads, making it difficult for new providers to join the field. Providing an opportunity for new EI providers to enter the field through salaried employment, with support from an experienced provider, would resolve the challenge of unstable pay while also providing support in understanding the system. This pilot would give the State an opportunity to test a different employment structure in the EI system. If successful, it could encourage the growth of more models for EI providers' work structures beyond the current independent contractor model.

Mentoring and Coaching Program for Experienced Providers: In this pilot, the State would offer stipends to experienced providers to serve as mentors and coaches. This would allow the field to benefit from their expertise and increase collaboration among providers. It would also provide career growth opportunities for EI providers.

Provider Benefits Pool: Many providers identified difficulty accessing health insurance and retirement benefits as a major barrier to remaining in the EI system. Some professional organizations offer pooled insurance plans to their members, known as Association Health Plans.[2] Illinois could also explore a partnership with GetCoveredIllinois, its health insurance marketplace, to support EI providers in finding and affording appropriate plans. Additionally, the State or EI professional organizations could provide navigation support to help providers find and set up retirement plans designed for self-employed or small business workers.

In addition to the suggested pilots, as EI services transition to the Illinois Department of Early Childhood, the State should consider improvements to billing that would simplify the process for providers, including through technological innovations.

1. "2023 Illinois Early Intervention Workforce FY23 Survey." Early Intervention Training Program, 2023. https://providerconnections.org/wp-content/uploads/2024/04/IL-EI-Workforce-Survey2023_Report.pdf.
2. "The Past and Future of Association Health Plans." The Commonwealth Fund, May 14, 2019. https://www.commonwealthfund.org/blog/2019/past-future-association-health-plans.