

UTAH DEPARTMENT OF HEALTH AND HUMAN SERVICES POLICY AND PROCEDURES		
Baby Watch Early Intervention Program Policy: 1.C.2	Page 1 of 7	
FISCAL CONTROL AND ACCOUNTABILITY		
<p>RATIONALE: To manage the income that Baby Watch receives from federal funds, state appropriation, and other sources including family fees in alignment with applicable regulations</p> <p><i>Related Policies, Applicable Standards, Statutes:</i></p> <p>34 CFR § 76.560: General indirect cost rates; exceptions 34 CFR § 303.7: Consent 34 CFR § 303.120 Lead agency role in supervision, monitoring, funding, interagency coordination 34 CFR § 303.121 Policy for contracting or otherwise arranges for services 34 CFR § 303.122 Reimbursement procedures 34 CFR § 303.203 Statewide system and description of services 34 CFR § 303.224 Reports and records 34 CFR § 303.225 Prohibition against supplanting; indirect costs 34 CFR § 303.226 Fiscal Control 34 CFR § 303.500 System of payments 34 CFR § 303.501 Permissive use of funds 34 CFR § 303.510 Payor of last resort 34 CFR § 303.511 Methods to ensure the provision of, and financial responsibility for, Part C 34 CFR § 303.520 Policies related to use of public benefits or private insurance to pay for Part C services Baby Watch Policy 1.B.4: Procedural Safeguards Baby Watch Policy 1.C.1: System of Payments and Fees</p>		
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I. DESCRIPTION

How the Baby Watch Early Intervention Program will implement a system of payments for Part C services

This policy supersedes any previous department policy governing this subject matter. It does not supplant any existing federal, state, or department laws/policies to which the department shall adhere.

II. DEFINITIONS

Children’s Health Insurance Program (CHIP): A program that provides low-cost health coverage to children in families that earn too much money to qualify for Medicaid.

DHHS or department: Utah Department of Health and Human Services and collectively all its operational units.

Early Intervention (EI): Programs or services which are selected in collaboration with parents, and are designed to meet the developmental needs of a child and the needs of the family to assist in the child's development.

Family Fee: The specified dollar amount that a family is expected to pay monthly for EI services, as determined by the Sliding Fee Scale.

Medicaid: First authorized by Title XIX of the Social Security Act Amendments of 1965 (Public Law 89-97), a joint federal and state program that provides health coverage to children, pregnant women, parents, seniors and individuals with disabilities.

OU: Operational units within DHHS, including divisions, offices, or standalone operations whose director reports to the executive director, a deputy director, an assistant deputy director, or a division director.

Parent: A biological or adoptive parent of a child, a foster parent, a guardian generally authorized to act as the child's parent or authorized to make EI, educational, health, or developmental decisions for the child, an individual acting in the place of a biological or adoptive parent with whom the child lives or an individual who is legally responsible for the child's welfare, or a surrogate parent as assigned by Baby Watch.

Sliding Fee Scale: As required by Utah Administrative Code R398-20-3, the table that determines the monthly family fee based on family size and modified annual income.

III. POLICY

- A. Baby Watch administers all funds received for the delivery of EI services. Funding is received from various sources, thus creating a system of payments. The State has in place interagency agreements, contracts, and grants establishing financial responsibility and funding sources for Baby Watch services. Funding sources that support Baby Watch are:
 - 1. State Appropriation (General Fund)
 - 2. Part C Funds
 - 3. Medicaid
 - 4. Children's Health Insurance Program (CHIP)
 - 5. Family Fees

IV. PROCEDURE

- A. Use of Part C Funds
 - 1. Utah ensures that federal funds made available to the State under Part C are implemented and distributed in accordance with the provisions of Part C.

2. Baby Watch may use funds under Part C for activities or expenses that are reasonable and necessary for implementing the State's EI program for infants and toddlers with disabilities, to include funds:
 - a) For direct EI services for infants and toddlers with disabilities and their families under Part C that are not otherwise funded through other public or private sources
 - b) To expand and improve services for infants and toddlers with disabilities under this part that are otherwise available
 - c) To strengthen the statewide system by initiating, expanding, or improving collaborative efforts related to at-risk infants and toddlers, including establishing linkages with appropriate public and private community-based organizations, services, and personnel for the purposes of:
 - 1) Identifying and evaluating at-risk infants and toddlers
 - 2) Making referrals for the infants and toddlers identified and evaluated
 - 3) Conducting periodic follow-up on each referral, to determine if the status of the infant or toddler involved has changed with respect to the eligibility of the infant or toddler for services under this part

3. In its annual application for Part C funds, Baby Watch includes the required description of use of funds, to include:
 - a) The amount of funds retained by Baby Watch for administration purposes, including the number of full-time equivalent administrative positions to be used to implement Part C, and the total amount of salaries (including benefits) for those positions
 - b) A description of the nature and scope of each major activity to be carried out under this part and the approximate amount of funds to be spent for each activity
 - c) A description of any direct services that the state expects to provide to infants and toddlers with disabilities and their families with funds under this part and the approximate amount of funds to be used for the provision of each direct service
 - d) If other public agencies are to receive funds under this part:
 - 1) The name of each agency expected to receive funds
 - 2) The approximate amount of funds each agency will receive
 - 3) A summary of the purposes for which the funds will be used

B. Grants

1. Baby Watch provides grants to agencies in the state to support and carry out the purposes and requirements of Part C and state regulations.
2. Copies of applications for Baby Watch grants and the conditions of grants are available from Baby Watch.
3. Grants are awarded yearly to EI agencies providing services throughout the state by way of an annual application process. If the need arises to identify a new EI

provider agency, Baby Watch develops and disseminates a Request for Application to any interested party in the state. Prospective agencies submit a response to the Request for Application for approval through a competitive review process conducted by Baby Watch. A grant is developed with an agency who has received an approved application through the competitive review process.

4. The General and Special Provisions of each EI grant include specifications that cover:
 - a) Submission of reports and payment
 - b) Recordkeeping, audits, and inspections
 - c) Federal Office of Management & Budget (OMB) cost principles and accounting procedures
 - d) Requirements to abide by all pertinent state and federal regulations including Part C of IDEA, and in 34 CFR Part 300: Assistance to States for Children with Disabilities Program and the Education Department General Administrative Regulations (EDGAR)
 - e) Requirement to maintain and make all records necessary and reasonable for a full and complete audit, inspection, and monitoring of services by state auditors
 - f) Termination of the grant by either party
5. Baby Watch is required to ensure that only individuals or organizations with a legal status recognized by the State of Utah may provide EI services.

C. Timely Reimbursement of Funds

1. Baby Watch is allowed to access other responsible sources for payment for specific EI services such as Medicaid, CHIP and family fees.
2. To ensure that Baby Watch provides timely provision of specific EI services in exceptional circumstances, Part C funds may be used to provide interim payments.
3. Baby Watch will seek reimbursement from the responsible parties through use of existing State of Utah accounts receivable protocols.
4. Each local EI program's corresponding reimbursement procedures are implemented to recover interim payments for direct services.

D. Payor of Last Resort

1. Non-substitution of Funds: Part C funds may not be used to satisfy a financial commitment for services that would otherwise have been paid for from another public or private source, including any medical program administered by the Department of Defense. Therefore, funds under this part may be used only for EI services that a child needs, but is not currently entitled to receive or have payment made from any other federal, state, local, or private source.
2. Interim Payments, Reimbursement: If necessary to prevent a delay in the timely provision of appropriate EI services to a child or the child's family, Part C funds may be used to pay the provider of services (for services and functions authorized under Part C, including health services, but not medical services, functions of the child find

system, and evaluations and assessments), pending reimbursement from the agency or entity that has ultimate responsibility for the payment.

3. Use of Part C Funds: Baby Watch is permitted but not required to use Part C or other funds to pay for costs such as the premiums, deductibles, or copayments.
4. Non-Reduction of Benefits: Nothing in Part C may be construed to permit Baby Watch to reduce medical or other assistance available in the State or to alter eligibility under Title V of the Social Security Act, (relating to maternal and child health) or Title XIX of the Act (relating to Medicaid), regarding medical assistance for services furnished to a child when those services are included in the child's IFSP adopted pursuant to Part C.
5. Baby Watch's methods for state interagency coordination to ensure payor of last resort include interagency and intra-agency agreements that ensure the provision of and financial responsibility for EI services provided under Part C.
 - a) Baby Watch is housed within the Utah Department of Health & Human Services, which is responsible for entering into formal interagency agreements with other public agencies involved in the state's EI system.
 - b) Each agreement defines the financial responsibility of each agency for paying for EI services.
 - c) Resolution of Disputes:
 - 1) Each agreement includes procedures for achieving a timely resolution of intra-agency and interagency disputes about payments for a given service, or disputes about other matters related to the state's EI service program. Those agreements include a mechanism for resolution of disputes within agencies and for the Governor, Governor's designee, or Baby Watch to make a final determination for interagency disputes, which determination must be binding upon the agencies involved.
 - 2) Baby Watch may resolve its own internal disputes (based on Baby Watch's procedures that are included in the agreement), as long as the agency acts in a timely manner.
 - 3) Intra-agency agreements include the process that Baby Watch will follow in achieving resolution of intra-agency disputes, if it is unable to resolve its own internal disputes in a timely manner.
 - 4) If, during Baby Watch's resolution of the dispute, the Governor, Governor's designee, or Baby Watch itself determines that the assignment of financial responsibility under this section was inappropriately made: a) The Governor, Governor's designee, or Baby Watch shall reassign the financial responsibility to the appropriate agency; and b) Baby Watch shall make arrangements for reimbursement of any expenditure incurred by the agency originally assigned financial responsibility.
 - d) Delivery of Services in a Timely Manner:
 - 1) Baby Watch's interagency agreements include a mechanism to ensure that no services that a child is entitled to receive under Part C are delayed or denied because of disputes between agencies regarding financial or other responsibilities
 - 2) Baby Watch's interagency agreements are consistent with Baby Watch policy

- E. Prohibition Against Supplanting and Indirect Costs. Baby Watch ensures that federal funds:
 - 1. Are not commingled with Baby Watch funds
 - 2. Are used to supplement the level of Baby Watch and local EI program funds expended for infants and toddlers with disabilities and their families and in no case to supplant those state and local funds. The total amount of Baby Watch and local EI program funds budgeted for expenditures in the current fiscal year for EI services for children eligible under this part shall be at least equal to the total amount of Baby Watch and local funds actually expended for EI services for these children in the most recent preceding fiscal year for which the information is available.
 - 3. The Utah Department of Health & Human Services charges indirect costs to the Part C grant as approved by a current indirect cost Negotiation Rate Agreement with the U.S. Department of Health and Human Services.
 - 4. The Utah Department of Health & Human Services does not charge rent, occupancy, or space maintenance costs directly to the Part C grant.

- F. System of Payments: Baby Watch shall utilize its established system of payments and fees for EI services under Part C, including a schedule of sliding fees and cost participation fees under State public insurance programs for which the child or family is enrolled.
 - 1. Monthly Family Fees shall be considered as program income.
 - a) Baby Watch counts this as program income to its Part C grant funds, rather than deducting the program income from the amount of Baby Watch's Part C grant.
 - b) Any family fees collected shall be used for the purposes of the Part C grant.
 - c) Family fees collected under Baby Watch's system of payments and fees are considered neither Baby Watch nor local EI program funds.
 - 2. Baby Watch shall include written policies to inform parents of their procedural safeguards and the right to contest the imposition of a fee through dispute resolution processes.
 - 3. Baby Watch shall provide parents with a copy of Baby Watch Policy 1.C.1: System of Payment and Fees at the time of obtaining consent for provision of EI services.

- G. Use of Public Benefits or Public Insurance
 - 1. Baby Watch, Medicaid, and CHIP are programs within the Utah Department of Health & Human Services; therefore parental consent is not required prior to submitting a child's Personally Identifiable Information (PII) for billing purposes.
 - 2. EI services, as specified in the child's IFSP and to which the parent has consented, cannot be denied due to a parent's refusal to allow public insurance (Medicaid and CHIP) to be billed for such services.

3. Parents have the right to withdraw their consent to disclose their child's PII at any time without affecting Baby Watch services their child is receiving as specified in their child's IFSP.
4. Baby Watch shall not require a parent to sign up for or enroll in public benefits or insurance programs as a condition of receiving Part C services.
5. Baby Watch does not enroll children and parents in public benefits and insurance.
6. Baby Watch will not use public insurance to pay for Part C services if the child is not already enrolled in such a program.
7. Baby Watch shall provide parents with written notice prior to billing public insurance.
8. Parents shall be informed of the no-cost protections in the use of public benefits to pay for Part C services.
9. Baby Watch shall obtain written consent from parents to use the child's or parent's public benefits or insurance if that use would:
 - a) Decrease available lifetime coverage or any other insured benefit for that child or parent under that program.
 - b) Result in the family paying for services that would otherwise be covered by the public benefits or insurance program.
 - c) Result in any increase in premiums or discontinuation of public benefits or insurance for that child or parent.
 - d) Risk eligibility for the child or parent for home and community-based waivers based on aggregate health-related expenditures
10. Baby Watch shall not require a parent to pay any costs that the parent would incur as a result of the state using a child's or parent's public benefits or insurance to pay for Part C services.
11. Baby Watch shall not use a family's private insurance to pay for Part C services.
12. Baby Watch shall not count proceeds or funds from public insurance or benefits or from private insurance as program income.
 - a) If the state receives reimbursements from federal funds (e.g., Medicaid reimbursements attributable directly to federal funds) for services under Part C, those funds are considered neither state nor local funds.

V. EXCEPTIONS

Baby Watch may make exceptions to this policy as necessary.