System of Payments in Part C

Use of Public & Private Insurance

Produced by NICHCY, 2013
What was... The price of 1 gallon of gas in 1962?

31 cents!
What was... Tuition at Harvard in 1962?

$1,520!

And now?
In this module, you’ll learn:

About the use of funds in Part C, including:

When Part C funds may be used (§ when they may not)

Who pays for Part C services

What information must be included in a State’s written policies

When a family’s public benefits or insurance may be used

When a family’s private insurance may be used
$ 419.7 million?
What must a State’s written policies include related to Part C fiscal requirements?

Each State must have written policies that describe:

- how Part C funds will be used in the State, and
- how other sources of funding will be involved in paying for and/or providing Part C services

If State establishes a system of payments for EI services, including use of—

- public insurance or benefits
- private insurance
- family costs or fees

That system must be described in its policies, too
For what activities or expenses may the lead agency use Part C funds?

For activities or expenses that are reasonable & necessary for implementing the State’s EI program:

- Providing direct EI services not funded through other public or private sources
- Expanding & improving services that are otherwise available
- Providing FAPE to children with disabilities from their 3rd birthday to the beginning of the next school year
Q: When may Part C funds be used?

Part C funds may be used *only* as the *payor of last resort* for EI services

This means that

Part C funds may be used *only* for EI services that an infant or toddler with a disability *needs*  

*but* is not currently entitled to receive or have paid for by another public or private source*

* Subject to the State’s system of payments, where appropriate
If there’s a **dispute** as to which agency is ultimately responsible for payment

Part C funds *may* be used to prevent a delay in the provision of EI services

*Expectation* | That Part C funds will be reimbursed once the responsible agency is identified
How does the State determine who has financial responsibility for providing EI services?

Interagency Coordination!

Between Part C’s lead agency...

§ each State public agency

By State law or regulation

Through interagency or intra-agency agreements

Via other appropriate methods
Q: When must a State develop a **system of payments** and have **policies on file with OSEP**?

If a State funds services or functions under Part C by accessing...

- Public benefits or insurance
- Private insurance
- Parent fees

The State must have **written policies** for its system of payments.
Q: What Part C functions may not be subject to fees?

- Conducting child find
- Evaluation & assessment of child & family
- Service coordination services
- Activities related to: development, review, & evaluation of IFSPs & interim IFSPs
- Use of procedural safeguards
- All Part C services for a child & family if parents are determined “unable to pay”

Must be carried out at public expense

Parents may not be charged
A State’s written policies must specify—

What services or functions are subject to the system of payments

Any fees charged to the family as a result of accessing family’s benefits or insurance

Basis & amount of fees that may be charged to the family

Any sliding or cost-participation fees that may be charged to parents
A State’s written policies must also specify how the State defines “ability to pay”

- definition of income & family expenses

“**In**ability to pay”

When & how the State makes its determination of “ability or inability to pay”
Policies must also include these **assurances**--

<table>
<thead>
<tr>
<th>Parents will <em>not</em> be charged for services child is entitled to receive <strong>at no cost</strong></th>
<th>Parents’ <em>inability</em> to pay will <em>not</em> result in delay or denial of services</th>
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<tbody>
<tr>
<td>Families will <em>not</em> be charged <em>more than the actual cost</em> of a Part C service</td>
<td>Families with <em>insurance</em> will <em>not</em> be charged disproportionately more than families without insurance</td>
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Stretch.
Use of Parent’s Public Insurance & Benefits

Ready to dive in?
For a child or parent *not* already enrolled in a public benefits or insurance program

The State may *not* require a parent to enroll in the public program as a condition for receiving Part C services
Q: Is parental consent needed for the State to access a family’s public benefits or insurance?

Yes, parental consent is needed

if using funds from the public program imposes certain types of costs on the parent

Costs?
- Any decrease in available lifetime coverage or any other insured benefit of the child or parent under the program

- Parents paying for services that would otherwise be covered by the public program

- Loss of eligibility for home & community-based waivers

- Discontinuation of public benefits or insurance for the child or parent

- Any increase in premiums
If the State requires that parents pay the costs incurred when their public insurance or benefits are accessed to pay for EI services

Other costs of accessing a family’s public insurance or benefits

- co-payments
- deductibles
- premiums
- required use of private insurance as the primary insurance

Those costs must be identified in State’s policies

If not, the State may not charge those costs to the parent
To ensure that parents are fully informed, the State must—

- provide parents with written notice
- state in the notice the costs the parent will incur
- explain the no-cost protections in the notice
Q: What happens if a parent does not consent to access of public insurance or benefits?

The State must still make available the Part C services on the child’s IFSP for which parents have provided consent.
Guess what time it is.
Back in the pool...

Use of Parent’s Private Insurance

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When may *private* insurance be accessed to pay for Part C services?

*Only* with the parent’s consent*

Parent consent is required before accessing private insurance to pay for:

- initial provision of an EI service in the IFSP
- increased service provision

*Exceptions apply*
Use of private health insurance to pay for Part C services

- *cannot* negatively affect availability of health insurance to child, parent, or covered family members
- *cannot* result in discontinuation of insurance for child, parent, or covered family members
- *cannot* count towards or result in loss of benefits due to annual or lifetime health insurance coverage caps
- *cannot* be basis for any increase in premiums
If a State allows or mandates use of private insurance to pay for EI services a child & family receive

The State’s policies must:

- be in writing
- be included in State’s system of payments
- identify potential costs parent may incur & if parent is required to pay those costs
- be given to parents at specific times

Otherwise, State may *not* charge those costs to parents
Final Points

- **How** does a family contest a fee or the determination of its ability to pay?

- **How** are fees & costs collected from families categorized & used?
How does a family contest a fee or the determination of its ability to pay?

The State’s system of payments must include written policies telling parents how they may contest the imposition of a fee or the State’s determination of ability to pay, including:

- mediation
- due process
- State complaint
- another procedure set up by the State to resolve financial claims
Q: How are fees or costs collected from families categorized & used?

Fees & costs collected from families are categorized as “program income”.

Must be used for the purposes of Part C.
Roundup Time!

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