

MAINE STATE LEGISLATURE

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Maine Early Childhood Special Education Services Cost Study Report

A Subcomponent of the Maine Independent Review
of Early Childhood Special Education Services

September 25, 2020



PUBLIC
CONSULTING GROUP

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EXECUTIVE SUMMARY

Public Consulting Group, Inc. (PCG) is pleased to present the following report on the results of our work to conduct a cost study of early childhood special education services (ECSE) and Early Intervention (EI) in the State of Maine under Child Development Services (CDS). This report is a component of an independent review of early intervention Part C services and Part B Section 619 preschool special education services of the Individuals with Disabilities Education Act (IDEA) in Maine. The analysis and opportunities identified in this cost report will be used to inform recommendations PCG will make in the full Phase I Independent Review report.

Data in this cost report is for state fiscal year 2019 (July 1, 2018 – June 30, 2019), which is the most current complete year available for all data sources collected.

The structure of this report is focused on the various data sources PCG reviewed from different departments, programs, and partners across Maine that are involved in funding or providing Part C and Part B-619, and other early childhood services, to young children and their families. The report separates EI Part C and ECSE Part B-619 data, analysis, and opportunities within each section of the report. These sections focus on the following data sources:

- ❖ **Child Development Services (CDS) Fiscal Analysis.** We examine the revenues and expenditures of the lead agency providing Part C and Part B-619 services in the state, using a mix of program budgets, service log and payment data, and other specific payment data, such as Early Childhood Education Tuition Agreement (ECETA) information.
- ❖ **Special Purpose Preschool (SPP) and CDS Preschool Site Cost Report Analysis.** We present the results of PCG's cost reporting process that we engaged in with SPPs and CDS-operated preschools throughout the state, ultimately discussing their reported expenditures per child. We use this data to help estimate the split between IEP (Individualized Education Program) and ITP (Individual Treatment Plan) MaineCare revenues later in the report.
- ❖ **Personnel Roster and Market Salary Analysis.** Another component of our cost reporting process with SPPs and CDS sites, where PCG requested programs complete a detailed personnel roster to record wages of all staff working in these programs. We used this data to measure salaries of different staff types in comparison with national and peer state average wages.
- ❖ **MaineCare Data Analysis.** We detail our work with MaineCare to identify claims and payments made for children receiving Part C and Part B-619 services. These data are crucial to help estimate the true cost of rendering these services in Maine.
- ❖ **Other Funding Sources.** We review current and potential future other funding sources for these services. Private health insurance, Maine's Pre-Kindergarten (Pre-K), and other services like Head Start and child care are also examined.
- ❖ **Analysis Across Funding Sources.** Finally, we present the data we were able to gather and examine what can be estimated as the total costs – at a program and child level – of rendering these services in Maine.

Throughout the report, PCG highlights potential opportunities to reduce costs or maximize revenue for IDEA Part C and Part B-619 services in Maine based on the analysis of the data collected.

PCG appreciates the opportunity to work with so many stakeholders in Maine who believe in the vital nature of these IDEA programs to young children with developmental delays and disabilities and their families. These stakeholders are truly invested in the success of these services and programs. Specifically, we want to acknowledge the work of staff at CDS, MaineCare, the Maine Department of Education, and multiple School Administrative Units (SAUs) across the state. We especially want to thank the Special Purpose Preschools (SPPs) who worked with us to collect and review highly detailed budget information regarding services they provide to young children under EI Part C and ECSE Part B-619.

GLOSSARY OF TERMS AND ACRONYMS

The following table includes a listing of terms and acronyms that are commonly used in this report.

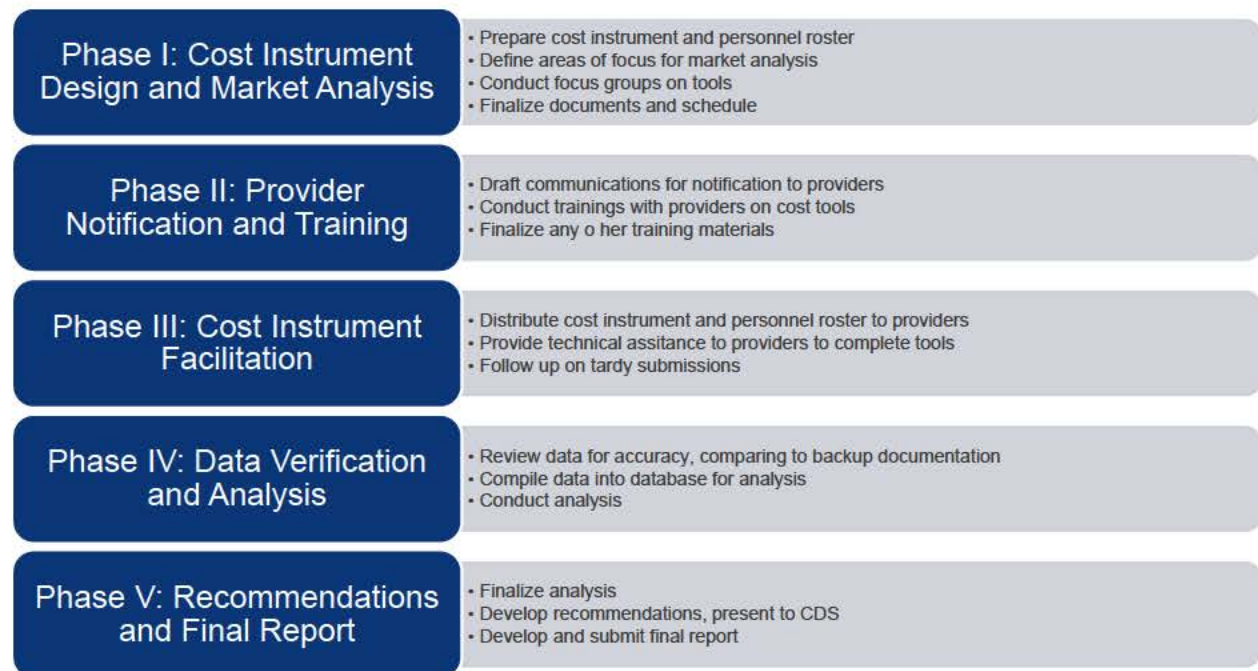
TABLE 1: GLOSSARY OF TERMS AND ACRONYMS

Term or Acronym	Explanation
ACA	The Affordable Care Act
CCDBG	Child Care and Development Block Grant
CDS	Child Development Services (Designated agency for administration of IDEA Part C and IDEA Part B-619)
CFR	Code of Federal Regulations
Chapter 676	Maine Public Law Chapter 676, which allows a child who reaches 5 years of age between September 1 to October 15 who is already receiving CDS services to continue doing so if the parent does not enroll the child in kindergarten
DoE	Maine Department of Education
EI	Early Intervention (under IDEA Part C)
ECSE	Early Childhood Special Education (under IDEA Part B-619)
ESSA – Title 1	Every Student Succeeds Act – Title 1 Improving Basic Education Operated by State and Local Educational Agencies
FAPE	Free Appropriate Public Education
FMAP	Federal Medical Assistance Percentage
Head Start	Federal preschool program with direct funding to local grantees
IDEA	The Federal Individuals with Disabilities Education Act
IDEA Part B Section 619	Part B Section 619 of the Individuals with Disabilities Education Act (IDEA) for Early Childhood Special Education services of children ages 3 to 5 with developmental delays and disabilities
IDEA Part B Section 611	Part B Section 611 of IDEA which provides grants to states for special education of school age children
IDEA Part C	Part C of the Federal Individuals with Disabilities Education Act (IDEA) for Early Intervention services to infants and toddler birth to age with developmental delays and disabilities and their families.
IEP	Individual Education Plan (for children under Part B-619)
IFSP	Individualized Family Service Plan (for children under IDEA Part C)
ITP	Individual Treatment Plan (required by MaineCare for some services)
MaineCare	Maine's state-level Medicaid agency
Pre-K	Pre-Kindergarten
QRIS	Quality Rating and Improvement System
SAU	School Administrative Unit (Local Education Agencies - LEAs or School Districts in Federal regulations and in other states)
SPP	Special Purpose Preschool

PROJECT OVERVIEW

Public Consulting Group, Inc. (PCG) was contracted with the Maine State Legislature to conduct a cost study of Child Development Services (CDS) services (early intervention IDEA Part C and early childhood special education IDEA Part B – 619) statewide. This cost study is part of a broader programmatic evaluation of early childhood special education services in Maine and will feed into the Phase I recommendations report due for submission in October 2020. For this project, PCG followed the task-based methodology below:

FIGURE 1: COST STUDY METHODOLOGY



To complete this project, PCG utilized the following process and timeline to gather and analyze the data collected:

TABLE 2: COST STUDY WORK PLAN

Cost Study Work Plan		Project Plan/ Dates	
Phase I: Cost Instrument Design and Market Analysis			
# of days	Description of Task:	Start Date:	End Date:
5	Prepare first draft of market analysis approach, cost report, instructions, and description of methodology	4/1/2020	4/7/2020
2	PCG internal review & revisions	4/8/2020	4/9/2020
0	Submit draft to client project leadership	4/10/2020	
3	Obtain feedback from client and make necessary revisions	4/13/2020	4/15/2020
6	Prepare for focus groups, prep materials, schedule call	4/16/2020	4/24/2020
	Conduct focus group with selected providers to vet data collection tools, schedule, and description of methodology		
	Debrief conference call with project leadership		

Cost Study Work Plan		Project Plan/ Dates	
Phase I: Cost Instrument Design and Market Analysis			
# of days	Description of Task:	Start Date:	End Date:
2	Prepare final draft of market analysis approach, cost report, and training/data collection schedule	4/27/2020	4/28/2020
1	PCG internal review	4/29/2020	
0	Submit to client contact for review & approval	4/30/2020	
Phase II: Provider Notification and Training			
5	Draft additional written communication notifying providers of upcoming cost report and training dates	5/1/2020	5/7/2020
0	Submit draft communication to client contact for review & approval	5/8/2020	
3	Obtain feedback from client and make necessary revisions	5/11/2020	5/13/2020
1	Send notification to providers	5/14/2020	
6	Conduct follow up calls with providers to confirm training attendance and answer questions	5/15/2020	5/22/2020
	Draft provider training materials		
5	Submit draft training materials to client contact for review & approval	5/26/2020	6/1/2020
5	Obtain feedback from client contact and make necessary revisions	6/2/2020	6/8/2020
5	Conduct live webinars to train providers regarding cost report and time survey	6/2/2020	6/8/2020
1	Record one webinar to be available to providers throughout process	6/4/2020	
Phase III: Cost Instrument Facilitation			
1	Distribute cost report data collection tools to providers	6/9/2020	
20	Provide technical assistance throughout survey period	6/9/2020	7/7/2020
	Prepare designated phone line and email address for provider technical assistance		
	Catalog submission of cost reports and personnel rosters		
10	Follow up via phone and/or email providers with tardy submissions	7/8/2020	7/21/2020
Phase IV: Data Verification and Analysis			
10	Conduct data verification activities	7/22/2020	8/4/2020
	Review cost reports and time surveys for internal consistency		
	Compare cost reports to submitted backup documentation		
	Communicate with providers via phone and/or email to finalize cost reports and time studies		
1	Compile provider responses into database for analysis	8/5/2020	
Phase V: Recommendations and Final Report			
10	Analyze costs corresponding to data collected	8/6/2020	8/19/2020
	Analyze cost differences among providers with different attributes		
	Analyze success rates/outcomes for providers' fiscal outcomes		
0	Present initial findings to project leadership	8/20/2020	
10	Develop recommendations for cost implications, specific to this sub-scope of work.	8/21/2020	9/3/2020
1	Present initial recommendations to project leadership	9/4/2020	

Cost Study Work Plan		Project Plan/ Dates	
Phase I: Cost Instrument Design and Market Analysis			
# of days	Description of Task:	Start Date:	End Date:
5	Prepare first draft of final cost study report	9/7/2020	9/11/2020
0	Submit to client contact for review	9/14/2020	
5	Obtain feedback from client and make necessary revisions	9/14/2020	9/18/2020
1	Meeting to discuss report	TBD	
2	Make final revisions to report	TBD	TBD
0	Submit final report	9/25/2020	

METHODOLOGY

Data Collection

PCG engaged with several parties to collect a broad range of data and information to complete this cost study. Parties involved included, but were not limited to:

- Maine Child Development Services (CDS)
- MaineCare
- Maine Department of Education
- Maine's Special Purpose Preschools (SPPs) and CDS-operated provider sites
- Maine School Administrative Units (SAUs) that may provide preschool services for children eligible for IEP-authorized services

Cost Report and Personnel Roster Submissions

PCG distributed cost reports and personnel rosters directly to providers of early childhood special education services, to collect information regarding the cost of services and care. Participants included SPPs and CDS operated sites. More information on the data collected from these sources is detailed in the sections of this report specific for the cost reports and personnel rosters. To promote the most accurate cost reports and personnel rosters possible, PCG utilized the following quality assurance controls throughout the preparation, distribution, and analysis of the tools:

TABLE 3: QUALITY ASSURANCE CONTROL TOOLS

Quality Assurance Control	Purpose
Stakeholder Group	<ul style="list-style-type: none"> • Provide CDS and PCG with opportunity to test tools and their assumptions with agencies. • Solicit feedback from the provider community.
Tool Edits and Testing	<ul style="list-style-type: none"> • Agree on and make changes to the tools. • Test the final tools by entering test data to every field.
Tool and Instructions Distribution	<ul style="list-style-type: none"> • Allow providers to review the tools and instructions prior to trainings.
Technical Assistance <ul style="list-style-type: none"> • Email account • Office Hours • Live and recorded webinars • Word instructions 	<ul style="list-style-type: none"> • Provide agencies with several resources to answer any questions related to the tool process. • Log correspondence summaries in tracking database.

Quality Assurance Control	Purpose
Tool Trainings	<ul style="list-style-type: none"> Provide three live training webinars to orient agencies to the tools, timeline, and resources available.
Submission Due Date	<ul style="list-style-type: none"> Give agencies six weeks to complete the tools and return to PCG.
Follow-Up with Agencies	<ul style="list-style-type: none"> Reach out to agencies that have not submitted tools.
Quality Assurance Checklist Review	<ul style="list-style-type: none"> PCG employees review each tool submission and its accompanying backup documentation for accuracy and completeness. Provide a record of each review.
Quality Assurance Q&A with Agencies	<ul style="list-style-type: none"> Email a summary of quality assurance (QA) findings to agencies to acquire additional information/clarification.
Adjustments to Tools	<ul style="list-style-type: none"> Provider resubmissions were used instead of original submissions.
Import of Data to Database	<ul style="list-style-type: none"> Agency tool data was not imported into a database until all submissions were reviewed and agencies were contacted as needed.
Flag Unreasonable Submissions	<ul style="list-style-type: none"> For instance: initial analysis flagged several providers that still had unreasonable discrepancies between their CDS and non-CDS revenue and expense totals.
Reach out to Flagged Submissions	<ul style="list-style-type: none"> Acquire clarification (or in some cases resubmissions) for flagged submissions.
Final Adjustments to Tools	<ul style="list-style-type: none"> Make final adjustments to tools based on clarification / information provided by flagged providers.
Final Edits to Database	<ul style="list-style-type: none"> Ensure database is updated with information from flagged providers.
Test Individual Provider Data	<ul style="list-style-type: none"> Check totals in database against final submissions.

Limitations and Considerations

Due to the volume and fragmented nature of the data collected, we note the following limitations and considerations regarding this cost study report:

- All data reviewed is specific to Fiscal Year 2019 (July 01, 2018 – June 30, 2019) to be as consistent as possible in our reporting process and to allow cross analysis of the data.
- Data were not consistent across all sources as they are stored in different formats and data systems, many required several iterations of detailed manipulation to provide results. Not every agency's data perfectly aligned with others; even data provided within the same agency or program. Much of the data are not directly tied to a per-child level.
- We used these various data sources to make assumptions about and estimations on other data collected to piece together the full cost of service and care for these programs.
- The completion of cost reports and personnel rosters were challenging for several programs, as revenues and expenditures are not generally recorded on a per-child basis or revenue type (especially regarding the mix of funding from MaineCare for IEP/IFSP vs. ITP services as we discuss later in this report).

CDS FISCAL ANALYSIS

IDEA PART C EARLY INTERVENTION

Current Status and Analysis

CDS Revenue – Part C

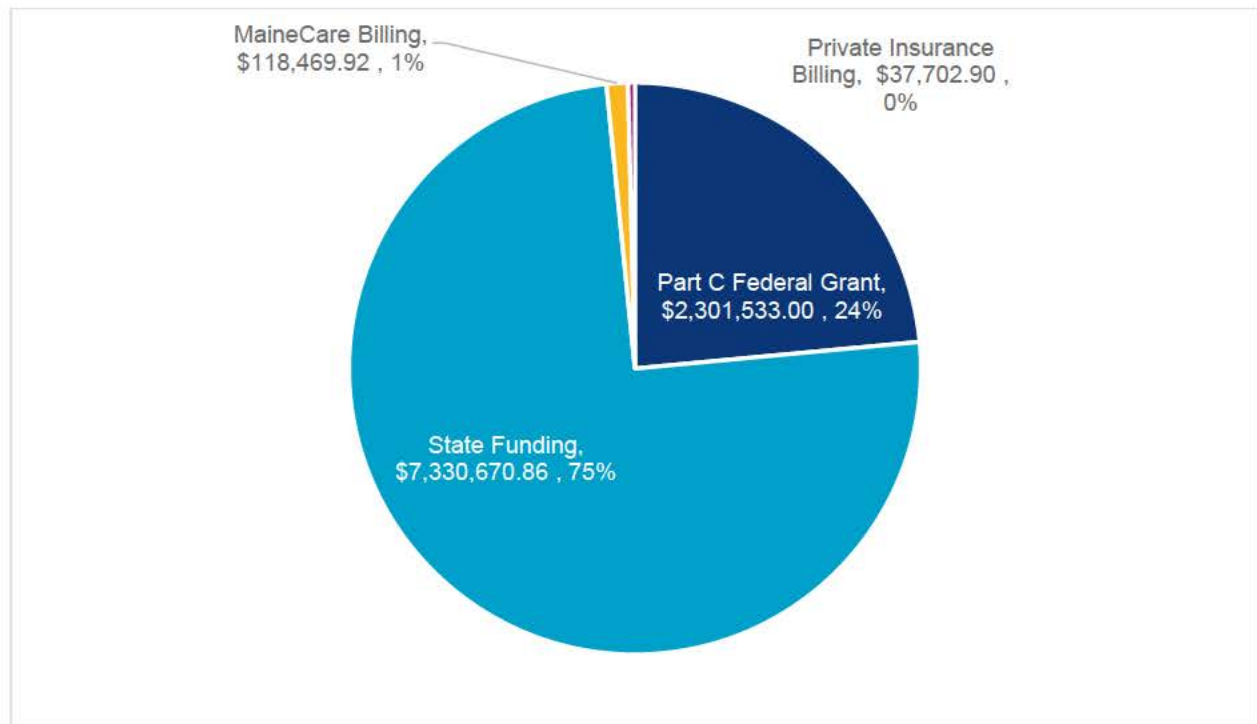
Maine Child Development Services (CDS) is the designated lead agency for IDEA Part C Early Intervention services and authorizes services on the child's Individualized Family Service Plan (IFSP). Please note that all CDS data presented here represent Fiscal Year 2019 and includes only a portion of the MaineCare billing, which is addressed later in the report.

CDS has a mixed delivery structure for early intervention services, utilizing contracted providers and CDS staff to deliver services. CDS processes the majority of 3rd party billing for IDEA Part C providers, including both MaineCare and private health insurance, with exceptions for psychological evaluations, audiology, and the services for children with autism provided by one contracted provider.

CDS also conducts MaineCare and private health insurance billing for the services provided by their staff, but these only account for a small portion of total CDS-specific revenue for Part C services. We should note, however, that developmental therapy/special instruction services, which comprise a large number of services rendered in the Part C program, are not reimbursed by MaineCare.

Below, we illustrate that the federal IDEA Part C grant and state appropriation currently account for the vast majority of CDS revenues for Part C services:

FIGURE 2: CDS REVENUE - PART C (FY19)



CDS Contracted EI Service Costs

CDS contracts several early intervention services in addition to those services provided by CDS staff directly. CDS-contracted early intervention services totaled \$1,426,768 in FY19, which represents just 14.5% of the overall CDS budget of \$9,822,565 (not including MaineCare provider billing).

Table 4 below shows the amount of services and funding by the contracted providers paid by CDS and the analysis of the average, median, minimum, maximum, and standard deviation per child.

TABLE 4: CDS INDEPENDENT CONTRACTOR EXPENSES PER CHILD - PART C

Type	Count of Services	Total Hours	Total Amount Paid per child by CDS	Average Amount Paid Per Service
Total	61,417.00	59,777.25	\$1,426,767.96	\$23.23
Average	18.30	17.98	\$652.92	\$26.92
Median	11.00	10.00	\$282.80	\$21.06
Min	1.00	0.25	\$3.85	N/A
Max	175.00	277.50	\$10,136.68	N/A
Std Dev	20.71	25.23	\$1,009.54	\$21.68

CDS Expenditures for Services and Administration

Table 5 below shows the expenditures for both services provided by CDS staff and administrative costs to operate the statewide EI Part C program was \$8,398,038.21, with the costs associated with contracts with providers \$1,424,526.40 (14.5%).

TABLE 5: CDS SERVICE AND ADMINISTRATIVE COSTS - PART C

Service Type	Total Cost
Service Coordination Salaries	\$1,778,210.15
Social Work/Psyche/Nursing Salaries	\$162,820.79
Special Instruction Salaries	\$1,902,826.85
Physical Therapy Salaries	\$115,031.59
Speech Therapy Salaries	\$274,340.06
Occupational Therapy Salaries	\$611,183.58
Provider Transportation Salaries	\$693,351.35
Direct Service Travel	\$186,553.94
Site Directors Salaries	\$174,134.18
Admin Staff Salaries	\$548,155.83
Administrative and Support Costs	\$1,951,429.87
Total State Costs	\$8,398,038.21
Total Contracted Provider Costs	\$1,424,526.40
Total Part C CDS Costs	\$9,822,564.61

CDS Service Utilization – Part C

Table 6 below shows the utilization of the array of early intervention services required under IDEA Part C including both the number of children served and the number of services provided. Based on data received for CDS expenditures for contracted providers and CDS staff, along with service log data on the number of services provided and number of children served, we can calculate:

- average cost per instance (a single event of rendering service, which may take different amounts of time) of service; and,
- average cost per hour of service.

TABLE 6: SERVICE UTILIZATION AND EXPENSES - PART C

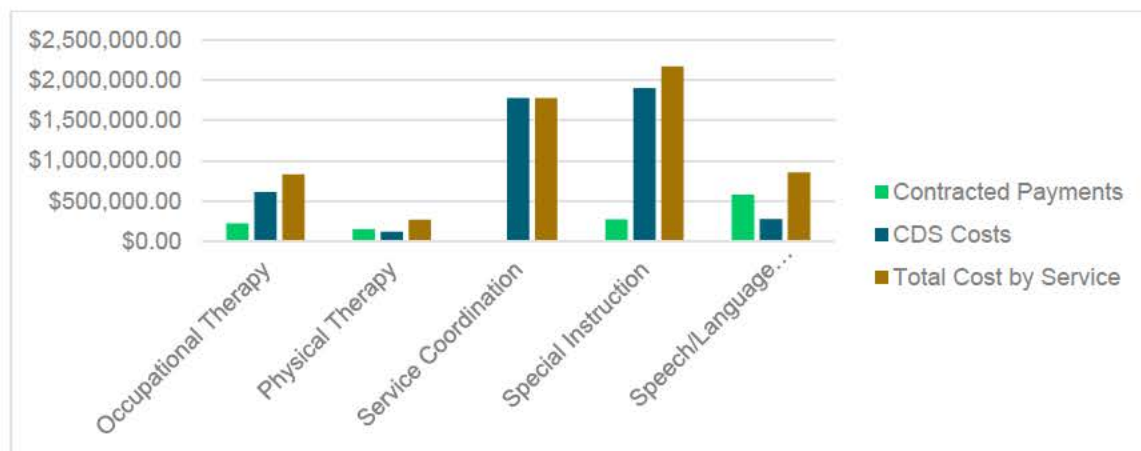
Service Type	# of Children	# Services	Contracted Payments	CDS Costs (Salaries)	Total Cost by Service Type	Avg /Instance	Avg /Hr
All Other Therapies	38	469	\$34,609.24	\$0.00	\$34,609.24	\$73.79	\$61.17
Assistive Technology	93	291	\$2,241.57	\$0.00	\$2,241.57	\$7.70	\$6.85
Audiology	182	258	\$24,184.24	\$0.00	\$24,184.24	\$93.74	\$97.52
Occupational Therapy	1,388	7,594	\$218,578.79	\$611,183.58	\$829,762.38	\$109.27	\$97.66
Physical Therapy	423	2,499	\$150,262.42	\$115,031.59	\$265,294.01	\$106.16	\$101.73
Psychology	136	298	\$97,051.82	\$115,031.59	\$212,083.41	\$711.69	\$267.02
Service Coordination*	3,188	21,889	\$0.00	\$1,778,210.15	\$1,778,210.15	\$81.24	\$129.99
Social Work	329	1428	\$50,505.75	\$162,820.79	\$213,326.54	\$149.39	\$122.83
Special Instruction	1,776	20112	\$271,778.27	\$1,902,826.85	\$2,174,605.12	\$108.12	\$89.27
Speech/Language Therapy	1,140	6579	\$577,555.86	\$274,340.06	\$851,895.92	\$129.49	\$122.39
Total	2,430**	61,417	\$1,426,767.96	\$4,959,444.62	\$6,386,212.59	\$103.98	\$106.83

* The number of children who received service coordination includes children who did not become eligible for services.

**This is the unduplicated count of children served in FY19.

Figure 3 below shows the expenditures for the top five services provided between CDS and contracted providers. Speech / language therapy and physical therapy are provided more by contractors, whereas occupational therapy and special instruction are provided more by CDS staff. Service Coordination is provided solely by CDS staff.

FIGURE 3: TOTAL CDS EXPENDITURES BY SERVICE TYPE (TOP FIVE) - PART C



Service Coordination

Service Coordination is provided by salaried CDS staff. Most Service Coordination activities are logged; however, these activities are currently not used for billing purposes, therefore calculation of the number of the total hours of service coordination was not possible. We should note that CDS recently raised the wages of salaried staff for FY20, so these service coordination costs are likely to be slightly higher in coming years.

To calculate the cost of service coordination, we utilized the total salary cost for the 29 staff (FTE) divided by the number of children served.

TABLE 7: SERVICE COORDINATION COSTS - PART C

Type	Amount
Total Service Coordinator Salaries	\$1,778,210.15
Total Service Coordinators (FTE)	29
Total Child Count (FY19)	2,430
Average Annual Cost of Service Coordination per Child	\$731.77

CDS Administration Costs:

The following table includes all administrative costs, including travel and transportation, administrative staff salaries and all other admin and support costs (including facility costs) that are expenditures CDS incurs to run the statewide IDEA Part C program. Administrative costs \$2,673,720 are 27.2% (without travel and transportation that are tied to service delivery) the overall of the EI Part C budget of \$9,822,565.

TABLE 8: CDS ADMINISTRATIVE COSTS - PART C

Service Type	Total Cost
Provider Transportation	\$ 693,351.35
Direct Service Travel	\$ 186,553.94
Site Directors Salaries	\$ 174,134.18
Admin Staff Salaries	\$ 548,155.83
Administrative and Support Costs	\$ 1,951,429.87
Total CDS Part C Administrative costs	\$ 3,553,625.18

Costs Per Child – EI Part C

Table 9 below includes the average cost per child by service (including CDS staff and contracted provider services) as well as the overall average cost per child, which is \$4,042.

Note: This calculation does not include services billed to MaineCare or Commercial insurance by providers directly. The overall cost per child is analyzed in the 'Analysis Across Funding Sources' section of this report.

TABLE 9: TOTAL CDS COSTS PER CHILD - PART C

Service Type	# Children Served	Total Cost by Service Type	Average Annual Cost Per Child
All Other Therapies	38	\$34,609.24	\$910.77
Assistive Technology	93	\$2,241.57	\$24.10
Audiology	182	\$24,184.24	\$132.88
Occupational Therapy	1388	\$829,762.38	\$597.81
Physical Therapy	423	\$265,294.01	\$627.17
Psychology	136	\$212,083.41	\$1,559.44
Social Work	329	\$213,326.54	\$648.41
Special Instruction	1776	\$2,174,605.12	\$1,224.44
Speech/Language Therapy	1140	\$851,895.92	\$747.28
Service Coordination	2430	\$1,778,210.15	\$731.77
Provider Transportation	2430	\$693,351.35	\$285.33
Direct Service Travel	2430	\$186,553.94	\$76.77
Site Directors	2430	\$174,134.18	\$71.66
Admin Salaries	2430	\$548,155.83	\$225.58
Administrative and Support Costs	2430	\$1,951,429.87	\$803.06
Total State Costs	2430	\$8,398,038.21	\$3,455.98
Independent Providers/Contractors	2430	\$1,426,767.96	\$587.15
Total Part C CDS Costs	2430	\$9,822,564.61	\$4,042.21

Opportunities

Private Health Insurance

Private insurance and MaineCare billing both occur at a minimal level for IDEA Part C services under CDS. The same can be said for the independent contractors who render approximately \$1.4 million of Part C services in the system; unfortunately, there are no reliable data to measure to what degree commercial insurance is billed for the contractors. However, based on the minimal amount billed under CDS-provided services, the assumption can be made that it occurs at a similar level. There is significant opportunity to increase commercial insurance billing overall for Part C, which would increase total revenues for the program.

Note: See the 'Other Funding Sources' section for more information on private health insurance.

Service Coordination

CDS has begun discussions with MaineCare regarding billing for service coordination under 'Targeted Case Management', which has the potential to generate significant revenue for the Part C program. Note: See 'MaineCare' section for more information.

CDS is aware the service coordination logs with detailed time reporting will be needed to bill MaineCare.

Rate Setting:

The rates paid for Part C services vary from region to region and contractor to contractor as well as between CDS and MaineCare for the same early intervention service. CDS does work to align its rates

with MaineCare; and, in FY19, CDS underwent a process to make these varied rates better aligned, and ultimately made it so that no provider can receive a rate higher than 20% above the MaineCare rate, with the exception of Speech and Language Therapy. MaineCare recently raised this rate substantially and CDS is not paying any different for this service than MaineCare. Conducting a rate study will help to ensure that MaineCare is paying for the full cost of services, in addition to beginning to pay for developmental therapy/special instruction for IDEA Part C services.

A rate study can also be used to evaluate the costs of serving children and families in rural areas of the state, where driving time and associated costs can be significant. Data from a rate study, that includes a detailed time study, can help determine whether a rural modifier should be applied.

Typically, rate setting includes a detailed time study (staff documents all work conducted, including; travel, preparation, service provision, report writing, team meetings, etc.) which enables a calculation of 'billable time' (i.e. direct services with the child and family) and 'non-billable time' (i.e. all other time).

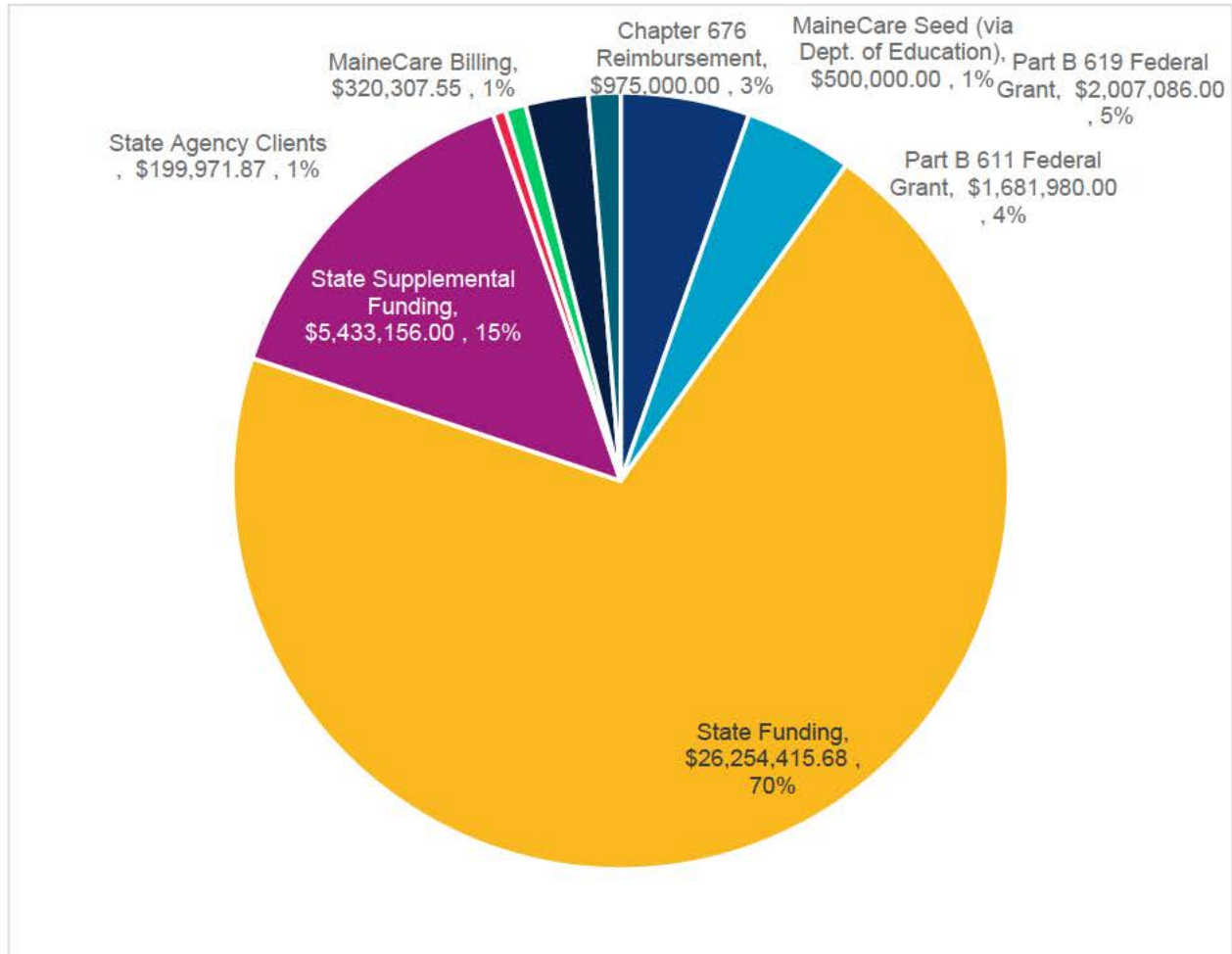
IDEA PART B SEC. 619

Current Status & Analysis

CDS Revenue

CDS revenues for IDEA Part B-619 have a far greater mix of funding sources than Part C as illustrated in figure 4 below. However, state funds and the federal IDEA Part B-619 grant and Part B 611 grant make up the majority of the revenue.

FIGURE 4: CDS REVENUE - PART B-619



Due to the greater mix of funding sources for ECSE Part B-619 services in Maine, we have further elaborated the sources and funding amounts in Table 10 below:

TABLE 10: CDS REVENUE - PART B-619

Funding Source	Funding Amount
Part B-619 Federal Grant	\$2,007,086.00
Part B 611 Federal Grant	\$1,681,980.00
State Funding	\$26,254,415.68
State Supplemental Funding	\$5,433,156.00
State Agency Clients	\$199,971.87

Funding Source	Funding Amount
MaineCare Billing	\$320,307.55
Chapter 676 Reimbursement	\$975,000.00
MaineCare Seed (via Dept. of Education)	\$500,000.00
Total	\$37,371,917.10

MaineCare billing in this chart is only for services provided by CDS staff and billing that CDS does on behalf of a few 619 contracted providers. It does not include billing by private providers directly to MaineCare (which is addressed in the MaineCare section). Still, the MaineCare amount \$320K (1%) is smaller than would be expected.

CDS Contracted ECSE Part B-619c Service Costs

CDS both provides direct ECSE Part B-619 services through CDS staff, as well as contracts for some services. CDS-contracted ECSE Part B-619 was \$11,459,574.51, which is just 40.3% of the overall CDS budget of \$28,436,014.16 (not including MaineCare provider billing).

Table 11 below shows the amount of services and funding by contracted providers paid by CDS and the analysis of the average, median, minimum, maximum, and standard deviation per child.

TABLE 11: CDS EXPENDITURES FOR CONTRACTED PROVIDERS - PART B-619

Type	Count of Services	Total Hours	Total Amount Paid by CDS	Average Amount Paid Per Service
Total	372251	546536.5	\$11,459,574.51	\$48.88
Average	65.12	96.10	\$2,853.44	\$72.90
Median	15	13.5	\$757.98	\$49.59
Min	1	0.25	\$14.30	\$0.39
Max	1,000	1,485.00	\$60,118.19	\$840.00
Std Dev	112.49	190.49	\$5,545.93	\$85.92

CDS Contracts with School Administrative Units

Over the past several years CDS has increased the number of contracts it has with School Administrative Units (SAU). Currently CDS has contracts with 33 (17%) of SAUs statewide. These contracts generally include therapy services including occupational, physical and speech and language therapies, as well as the costs of educational technicians to support the child in the classroom. Some contracts with SAUs include the costs of special education teachers and transportation costs. Reimbursement for these services under these contracts is generally fee-for-service, although some include the cost of an FTE (e.g. the salary and fringe for an education technician), and at least one SAU is funded quarterly with a reconciliation of costs at the end of the year. Only one of the SAUs bills MaineCare directly, the others being billed by CDS to MaineCare on their behalf.

In PCGs interviews and correspondence with SAUs they reported that are not billing the DOE for special education services in addition to the funding received under their contract with CDS. In all cases CDS was responsible for developing the IEP and providing all case management activities. SAUs are generally serving the children who are eligible for Part B-619 in inclusive Pre-K classrooms at their elementary schools and some at community partner settings (Head Start or community preschool / child care) through itinerant services where SAU staff serve the child at that setting.

CDS Expenditures for Services and Administration – Part B-619

Table 12 below shows the expenditures for both services provided by CDS staff and administrative cost to run the statewide ECSE Part B-619 program. Administrative costs are 15.3% of the ECSE 619 budget.

TABLE 12: CDS EXPENDITURES FOR SERVICES AND ADMINISTRATION - PART B-619

Service Type	Total Cost
Case Management	\$3,327,344.33
Social Work/Psych/Nursing	\$150,057.43
Special Designed Instruction	\$3,603,307.46
Physical Therapy	\$122,257.66
Speech Therapy	\$792,357.46
Occupational Therapy	\$554,455.94
Provider Transportation	\$997,527.77
Child Transportation	\$2,594,150.28
ECETA (Tuition to Community EC providers)	\$485,009.04
Site Directors	\$426,328.52
Admin Salaries	\$1,342,036.69
Administrative and Support Costs	\$2,581,607.09
Total State-Managed Costs	\$16,976,439.66
Total Contracted Payments	\$11,459,574.51
Total Part B CDS Costs	\$28,436,014.16

CDS Service Utilization – Part B-619

Table 13 below shows the utilization of the array of special education and related services required under IDEA Part B-619, including both the number of children served and the number of services provided. Based on data received for CDS expenditures for contracted providers and CDS staff, along with service log data on the number of services provided and number of children served, we are able to calculate the average cost per instance (a single event of rendering service, which may take different amounts of time) of service; and average cost per hour of service.

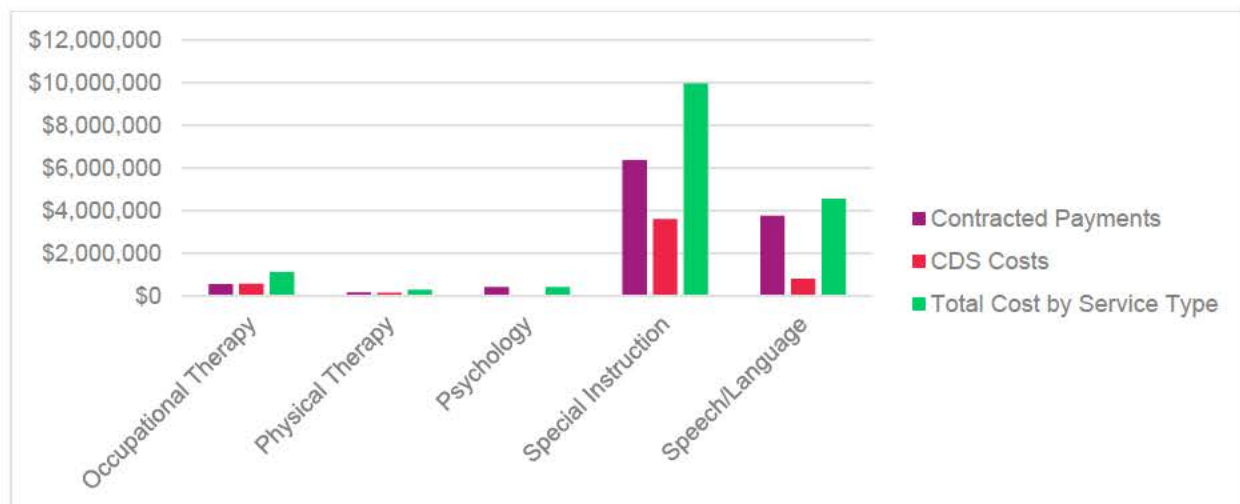
TABLE 13: SERVICE UTILIZATION - PART B-619

Service Type	# of Children	# Services	Hours/Event	Contracted Payments	CDS Costs	Total Cost by Service Type	Avg/Instance	Avg/Hr.
Assistive Technology	254	1,066	841.75	\$29,361.80	\$0.00	\$29,361.80	\$27.54	\$34.88
Audiology	206	245	227.25	\$25,105.24	\$0.00	\$25,105.24	\$102.47	\$110.47
Occupational Therapy	1,771	34,063	24330.25	\$544,557.77	\$554,455.94	\$1,099,013.70	\$32.26	\$45.17
Physical Therapy	375	5,236	4316.25	\$150,747.81	\$122,257.66	\$273,005.47	\$52.14	\$63.25
Psychology	812	1,485	4827.5	\$404,611.02	\$0.00	\$404,611.02	\$272.47	\$83.81
Social Work	102	1,264	1052.75	\$28,105.10	\$150,057.43	\$178,162.53	\$140.95	\$169.24
Specially Designed Instruction	3,162	153,286	440788	\$6,374,480.39	\$3,603,307.46	\$9,977,787.85	\$65.09	\$22.64

Service Type	# of Children	# Services	Hours/Event	Contracted Payments	CDS Costs	Total Cost by Service Type	Avg/Instance	Avg/Hr.
Speech/ Language	4,430	108,962	62887.75	\$3,752,117.74	\$792,357.46	\$4,544,475.20	\$41.71	\$72.26
All Other Services	142	2,090	4667.25	\$150,487.64	\$0.00	\$150,487.64	\$72.00	\$32.24
Total	6,060	307,697	543938.75	\$11,459,574.51	\$5,222,435.94	\$16,682,010.45	\$54.22	\$30.67

Figure 5 below shows the expenditures for the top 5 services between CDS and contracted providers. Occupational and physical therapy are the only services that CDS staff provide at a similar level to contracted providers. Specially Designed Instruction is the service most frequently provided. Payments to contracted Special Purpose Preschools is 63.9% of the \$10 million in expenditures for this service. Speech therapy also is primarily conducted by contracted providers at \$3.7 million and includes an out-of-state provider that utilizes tele-intervention (prior to tele-intervention being used widely due to the COVID-19 pandemic).

FIGURE 5: TOTAL COST BY SERVICE TYPE (TOP FIVE) - PART B-619



Case Management

Case Management is provided by CDS salaried staff. Case Management activities are recorded; however, they currently are not used for billing purposes. Therefore, calculation of the number of total hours of case management was not possible.

To calculate the cost of case management, we utilized the case management salaries for the 79 FTE by the number of children served to get the average cost per child.

TABLE 14: CASE MANAGEMENT COSTS PER CHILD - PART B-619

Type	Amount
Total Case Manager Salaries	\$3,327,344.33
Total Case Manager FTEs	79
Total Child Count (FY19)	6,060
Average Cost of Case Management costs per Child	\$549.07

Early Childhood Education Tuition Agreement (ECETA).

Early Childhood Education Tuition Agreements (ECETA) are payments made to community early childhood education providers to serve young children with developmental delays and disabilities eligible under IDEA Part B-619. This includes Head Start, child care and other community settings, where a child may attend full or part time.

Table 15 below represents the data collected in this study and the average cost per child under ECETAs.

TABLE 15: AVERAGE ECETA PAYMENTS PER CHILD

Item	Amount
Total ECETA Payments	\$485,009.04
Number of Children Served	235
Average Cost per Child	\$2,063.87

CDS is in the process of revisiting the contracts with ECETA providers to move to a system built on per-hour payment structure, which will ultimately lower total costs for ECETA in the future.

CDS Administrative Cost – Part B-619

The following table includes all administrative costs, including travel and transportation, administrative staff salaries and all other administrative and support costs (including facility costs) that are expenditures CDS incurs to run the statewide IDEA Part B-619 program.

TABLE 16: CDS ADMINISTRATIVE COSTS - PART B-619

Service Type	Total Cost
Provider Transportation	\$997,527.77
Child Transportation	\$2,594,150.28
ECETA (Tuition)	\$485,009.04
Site Directors	\$426,328.52
Admin Salaries	\$1,342,036.69
Administrative and Support Costs	\$2,581,607.09
Total Other Admin Part B-619 Costs	\$8,436,014.16

Cost Per Child – ECSE Part B-619

Table 17 below includes the average cost per child by service (including CDS staff and contracted provider services) as well as the overall average cost per child, which is \$4,962.41.

Note: This does not include services billed to MaineCare by providers directly. The overall cost per child is analyzed in the 'Analysis Across Funding Sources' section of this report.

TABLE 17: CDS COSTS PER CHILD - PART B-619

Item or Service Type	# Children Served	Total Cost by Type	Average Annual Cost Per Child
Assistive Technology	254	\$29,361.80	\$115.60
Audiology	206	\$25,105.24	\$121.87
Occupational Therapy	1,771	\$1,099,013.70	\$620.56
Physical Therapy	375	\$273,005.47	\$728.01

Item or Service Type	# Children Served	Total Cost by Type	Average Annual Cost Per Child
Psychology	812	\$404,611.02	\$498.29
Social Work	102	\$178,162.53	\$1,746.69
Specially Designed Instruction	3,162	\$9,977,787.85	\$3,155.53
Speech/Language	4,430	\$4,544,475.20	\$1,025.84
All Other Services	142	\$150,487.64	\$1,059.77
Case Management	6,060	\$3,327,344.33	\$549.07
Provider Transportation*	6,060	\$997,527.77	\$164.61
Child Transportation*	6,060	\$2,594,150.28	\$428.08
ECETA (Tuition)	235	\$485,009.04	\$2,063.87
Site Directors*	6,060	\$426,328.52	\$70.35
Admin Salaries*	6,060	\$1,342,036.69	\$221.46
Administrative and Support Costs	6,060	\$2,581,607.09	\$426.01
Total Program Average Costs	6,060	\$28,436,014.17	\$4,692.41

*These services are not provided to all children.

Opportunities

Early Childhood Education Tuition Agreements (ECETA)

As mentioned above, these are payments made to community early childhood providers including Head Start grantees and child care. Opportunities exist to avoid these payments for children eligible for PreK, Head Start and state child care subsidy and to have their placement costs covered with ECSE Part B-619 itinerant services provided within those settings (See section on Pre-Kindergarten and other Early Childhood Programs.)

Maine Public Law Chapter 676

In FY19, 193 children (whose 5th birthday fell between July 01 - October 15) remained in CDS for an additional year under Chapter 676. Revenues for these children included \$975,000 in a specific appropriation; however, the cost under MaineCare is not known as they are not tracked separately. Cost savings would be realized if children transitioned to Kindergarten at age five (5) and were funded under the EPS funding formula and Part B 611 funds.

MaineCare Billing

The amount of CDS billing to MaineCare in FY19 was \$320,000, or 1% of the overall revenue. A central billing system (addressed in more detail in the 'MaineCare' section) would likely generate significant additional MaineCare revenue. For further clarification, contracted providers such as Special Purpose Preschools (SPPs) currently bill MaineCare at a much higher level, which we detail further in this report.

Rate Setting

As mentioned previously, cost studies typically also include rate setting. This scope focused solely on gathering cost data, which revealed the rates paid for ECSE Part B-619 services vary from region to region and contractor to contractor. Rates paid by CDS and MaineCare for the same ECSE service also vary, which has the potential to create a disincentive for contracted providers to provide services to one group of children over the other (e.g. if CDS pays more than MaineCare for Physical Therapy, a provider may be reluctant to serve MaineCare children). As we explained earlier, however, CDS has undergone a process to ensure no provider is being paid by CDS at a rate higher than 20% more than the rate paid by MaineCare. With regards to Specially Designed Instruction (SDI), CDS aligns its reimbursement rate to the rate paid by MaineCare for Section 28, 'community-based wrap around services.'

A rate study, including a detailed time study, will enable an evaluation of the costs of serving children and families in rural areas and determine whether a rural modifier should be applied.

Typically, a rate setting process includes a detailed time study (i.e. a two-week tracking of every activity conducted, including travel, preparation, service provision, report writing, team meeting, etc.) A time study enables the calculation of 'billable time' (i.e. direct services with the child) and 'non-billable time' (i.e. all other time).

SPECIAL PURPOSE PRESCHOOL AND CDS PRESCHOOL SITE COST REPORT ANALYSIS

Introduction

As part of this project, PCG engaged in a cost reporting process with Maine's Special Purpose Preschools (SPPs) and CDS-operated preschool locations to gather overall operating expense and revenue information for these programs. These programs generally serve children participating in ECSE Part B-619 services, though a few programs serve Part C children as well. For the purposes of this section, we are analyzing Part B-619 and Part C services together, as Part C expenses and revenues totaled only a small amount total child volume in these programs. Please note all data reported were for Fiscal Year 2019.

All SPPs and CDS sites were invited to participate in the cost reporting process. All CDS preschool sites participated, and 14 (67%) of the 21 SPPs participated. In FY19, 1,309 total children are served by the 21 eligible programs, and 875 children are served by participating programs. This equates to a +/- 1.91 confidence interval at a 95% level, which represents a high degree of certainty in the data. This allows us to make assumptions about the whole population of SPPs based on the information we have received.

One of the most important pieces of data we were able to learn from the cost reports was the breakdown of MaineCare revenue these programs receive for providing services to children, most prominently children receiving Part B-619 services, and to a much lesser extent Part C children. SPPs receive revenue from CDS based on the services on their children's Individual Education Plans (IEPs) and in addition, if a child is eligible for Medicaid, SPPs will often also receive additional MaineCare revenue based on the child's Individual Treatment Plan (ITP). SPPs can bill MaineCare under an ITP for services beyond what is listed on the IEP, typically up to 30 hours per week. ITP services are typically billed year-round as compared to IEP services which are billable during the school year, unless the IEP includes a provision for Extended School Year (ESY) services (allowable under IDEA if the IEP team can demonstrate that the requires services during the school break to maintain skills and not lose the progress made toward IEP goals). SPPs bill these services to MaineCare as many preschool children with the appropriate diagnosis are eligible under the Katie Beckett Medicaid waiver in Maine; as such, MaineCare pays for all services under both an IEP and ITP.

Analysis

Program Expenses

As part of the cost report, programs were asked to report on total expenses, including both personnel and other expenses (such as occupancy, transportation, training, etc.). Providers were asked to report on total program expenses, expenses specific to the rendering of services to both Part B-619 and Part C children. Below we have totaled these expenses and provided the proportion of costs to total operating expenses. As we would expect, salary expenses make up the bulk of total expenses for providing these services.

TABLE 18: TOTAL REPORTED PROGRAM EXPENSES

Line Item	Part B-619 Total	% of Total	Part C Total	% of Total
Direct Service Salaries	\$13,106,362.73	55%	\$370,701.17	46%
Administrative Salaries	\$1,909,563.69	8%	\$126,523.11	16%
Personnel Taxes	\$1,242,821.93	5%	\$40,247.81	5%
Workers' Compensation	\$207,736.62	1%	\$6,628.48	1%
Healthcare	\$1,156,123.05	5%	\$45,464.24	6%

Line Item	Part B-619 Total	% of Total	Part C Total	% of Total
Retirement	\$48,833.80	0%	\$3,633.37	0%
Other Fringe Benefits	\$1,068,636.02	4%	\$26,826.25	3%
Total Personnel Expenses	\$18,740,077.83	79%	\$620,024.43	77%
Mileage (\$)	\$43,344.70	0%	\$20,278.50	3%
Occupancy/Facility	\$1,543,474.09	6%	\$46,516.37	6%
Supplies	\$263,857.91	1%	\$6,185.71	1%
Equipment	\$208,462.42	1%	\$2,129.95	0%
Liability Insurance	\$65,527.23	0%	\$3,020.30	0%
Translation/Interpretation Services	\$327.00	0%	\$0.00	0%
Transportation	\$12,570.20	0%	\$0.00	0%
Assistive Technology	\$0.00	0%	\$0.00	0%
Direct Services Subcontractor	\$30,884.93	0%	\$26,987.79	3%
Administrative Subcontractor	\$36,852.00	0%	\$0.00	0%
Training Expenses	\$153,369.49	1%	\$8,060.90	1%
Other Operating Expenses	\$991,186.48	4%	\$32,210.26	4%
Indirect (from Parent Organization)	\$1,848,787.87	8%	\$43,816.81	5%
Total Other Expenses	\$5,198,644.33	22%	\$189,206.59	23%
Total Expenses	\$23,798,279.17	100%	\$809,231.02	100%

Revenue

Regarding revenues, we asked programs to provide total program revenues, as well as revenues specific to Part B-619 children and Part C children. Revenues were asked to be identified from Maine CDS, MaineCare (broken up by IEP/IFSP services and ITP), third parties (such as commercial insurance), and any other revenues sources. MaineCare was reported to make up the bulk of revenues for these programs, with CDS also contributing substantial revenue.

TABLE 19: TOTAL REPORTED PROGRAM REVENUES

Line Item	Part B-619 Total	Part C Total	Other Revenue (Remainder - Total Program)
Revenue from ME CDS	\$4,198,908.78	\$105,333.70	\$0.00
Revenue from MaineCare (IFSP or IEP Services Only)	\$9,785,908.23	\$165,890.97	\$0.00
Revenue from MaineCare (Treatment Plan Only)	\$7,831,288.08	\$331,456.17	\$1,940,969.55
Revenue from Third Parties	\$30,837.90	\$734.10	\$945,808.74
Other Revenue	\$1,194,869.60	\$2,936.40	\$2,863,446.32
Total Revenue	\$23,041,812.59	\$606,351.34	\$5,750,225.61
Total MaineCare Revenue	\$17,617,196.31	\$497,347.14	N/A
% MaineCare Revenue from IEP/IFSP Services	55.5%	33.4%	
% MaineCare Revenue from ITP Services	44.5%	66.6%	

Most importantly regarding program revenues, we were able to identify the proportion of revenue split from MaineCare for IFSP/IEP services versus ITP services, which as noted previously, go beyond the services approved on a child's IEP/IFSP. Later in this report, we will utilize the 55.5%/44.5% split calculated based on the data in Table 19 to help identify the true cost of services for a child (including both costs specific to an IEP and additional costs related to an ITP). As these data were provided only by SPPs and CDS sites, which serve a much smaller proportion of Part C children than Part B-619, we are less confident applying the IFSP/ITP split as vastly more independent contractors serve these children and are less likely to render services beyond what is authorized on the IFSP.

Profit Margins

When looking at program profit margins, we examined expenses and revenues by program tax status. We should note that CDS sites comprised the government status, and most programs were classified as nonprofit. Overall, for-profit programs reported taking the largest loss in operating expenses for ECSE services, while non-profit programs were able to generate enough revenues at a total program level to cover services for children. Please note that "Provider Total" includes expenses and revenues for programs and services not specific to Part B-619 and Part C services. In the case where programs are reporting a loss in rendering Part B-619 or Part C services, those programs are likely being subsidized by their larger parent organizations to continue operating the programs.

TABLE 20: PROGRAM-REPORTED PROFIT MARGINS

Line Item	Provider Total	Part B-619 Total	Part C Total
Total Expenses			
For-Profit	\$2,929,433.00	\$2,476,620.00	\$30,938.00
Government	\$1,105,179.00	\$1,105,179.00	\$0.00
Nonprofit	\$25,354,249.91	\$20,216,480.17	\$778,293.02
Total Revenue			
For-Profit	\$2,734,987.00	\$2,341,800.00	\$11,831.00
Government	\$1,097,623.00	\$1,097,623.00	\$0.00
Nonprofit	\$25,565,779.54	\$19,602,389.59	\$594,520.34
Profit			
<i>(Revenue - Expense) / Revenue</i>			
For-Profit	-7.11%	-5.76%	-161.50%
Government	-0.69%	-0.69%	
Nonprofit	0.83%	-3.13%	-30.91%

Average Cost Per Child

Finally, we examined average per child costs for serving Part B-619 and Part C children, using total child counts of children served who had either an active IEP or IFSP.

In Table 21 below we show that Part B-619 annual costs per child were approximately \$25,000 and Part C were \$13,000. In the case of Part B-619 children, many of those served are attending a program on a year-round basis, and potentially full-time, which drive average costs up.

TABLE 21: REPORTED AVERAGE EXPENSES PER CHILD

Line Item	Part B-619	Part C
	Avg Expense per child	Avg Expense per child
Direct Service Salaries	\$13,709.58	\$5,884.15
Administrative Salaries	\$1,997.45	\$2,008.30
Personnel Taxes	\$1,300.02	\$638.85
Workers' Compensation	\$217.30	\$105.21
Healthcare	\$1,209.33	\$721.65
Retirement	\$51.08	\$57.67
Other Fringe Benefits	\$1,117.82	\$425.81
Total Personnel Expenses	\$19,602.59	\$9,841.66
Mileage (\$)	\$45.34	\$321.88
Occupancy/Facility	\$1,614.51	\$738.36
Supplies	\$276.00	\$98.19
Equipment	\$218.06	\$33.81
Liability Insurance	\$68.54	\$47.94
Translation/Interpretation Services	\$0.34	\$0.00
Transportation	\$13.15	\$0.00
Assistive Technology	\$0.00	\$0.00
Direct Services Subcontractor	\$32.31	\$428.38
Administrative Subcontractor	\$38.55	\$0.00
Training Expenses	\$160.43	\$127.95
Other Operating Expenses	\$1,036.81	\$511.27
Indirect (from Parent Organization)	\$1,933.88	\$695.50
Total Other Expenses	\$5,437.91	\$3,003.28
Total Expenses	\$24,893.60	\$12,844.94

Opportunities

Review of IEPs

Potential cost savings could be made by reviewing the IEPs of children who receive high cost services (>\$20,000 per year*) to determine if they could receive effective Part B-619 services in inclusive settings (i.e. with >50% of the children served who are typically developing), and whether their current placement on their IEP would be considered the Least Restrictive Environment (LRE) under IDEA.

*In FY19 approximately 785 (13%) children have annual costs over \$20,000 (with 332 over \$50,000).

Note: the average cost of services for a Part B-619 eligible child at a Special Purpose Preschool is approximately \$25,000 as shown in Table 21 above.

PERSONNEL ROSTER AND MARKET SALARY ANALYSIS

Analysis

As part of our cost reporting process, PCG also asked programs to report on salaries for their direct service staff at an individual staff level in order for us to analyze current pay for this workforce and contextualize it in comparison to regional market salaries.

As previously mentioned, SPPs and CDS sites are caring primarily for IDEA Part B-619 children, and the majority of the workforce is made up of developmental therapists, special educators/teachers, and education technicians “Ed Techs” who support teachers in the classroom. Below are reported wages by primary title on an hourly basis.

TABLE 22: REPORTED WAGES BY PRIMARY TITLE

Primary Title	# of Staff	Median	Mean
Audiologist	5	\$29.81	\$32.74
Board Certified Behavioral Analysts (BCBAs)	14	\$32.06	\$33.22
Certified Teacher	41	\$21.25	\$20.94
Developmental Therapist	177	\$17.29	\$17.51
Nurse	2	\$28.26	\$28.26
Occupational Therapist	11	\$26.31	\$24.79
Other Personnel	305	\$14.65	\$15.58
Psychologist	3	\$57.77	\$54.49
Social Worker	11	\$21.71	\$24.47
Special Educator	79	\$16.65	\$18.55
Speech/Language Pathologist	17	\$25.57	\$33.12

Through our analysis, the majority of “other personnel” listed on the personnel rosters are Ed Techs and those serving similar roles supporting the classroom, and they tend to make the lowest median and mean wages of this workforce. We further analyzed total wages of this workforce (all staff) on a by-county level, as seen below.

TABLE 23: REPORTED WAGES BY COUNTY

By County	# of Staff	Median	Mean
Androscoggin	49	\$16.61	\$20.14
Aroostook	24	\$18.00	\$18.74
Cumberland	242	\$18.12	\$19.70
Hancock	24	\$12.66	\$16.57
Kennebec	42	\$17.36	\$18.57
Knox	12	\$22.35	\$22.70
Lincoln	23	\$14.54	\$15.07
Oxford	7	\$15.40	\$15.41
Penobscot	202	\$14.66	\$17.19

By County	# of Staff	Median	Mean
Somerset	12	\$16.12	\$22.08
Washington	0	---	---
York	31	\$14.34	\$16.39

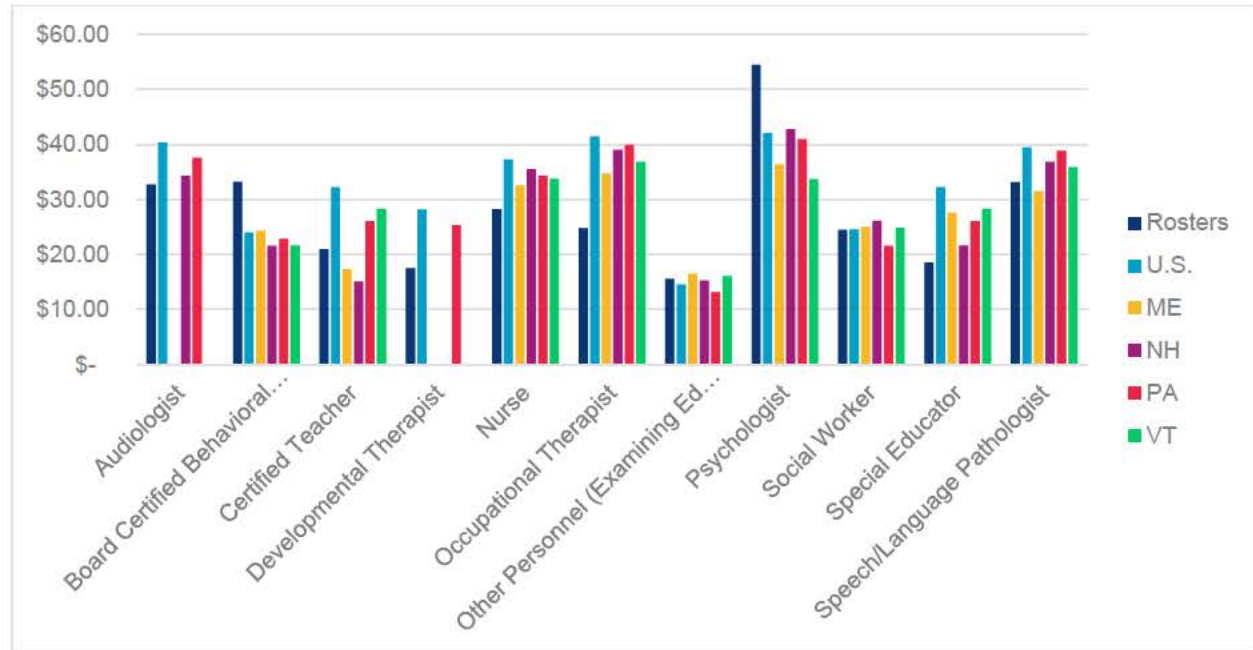
Here we examine the mean hourly wage reported to PCG through the personnel rosters compared to peer other states and the U.S national average. These data were obtained from the U.S. Bureau of Labor Statistics,¹ which reported on a national and state level for Maine, New Hampshire, Pennsylvania, and Vermont, amongst others. When examining other personnel, we referenced teaching assistants in general, and where available, for preschool or special education. The developmental therapist job type is not specifically referenced by the Bureau; therefore, “therapists, all others” were used to compare salaries.

TABLE 24: WAGE COMPARISON TO PEER STATES

Primary Title	Personnel Roster-Reported	U.S.	ME	NH	PA	VT
Audiologist	\$32.74	\$40.34	N/A	\$34.31	\$37.57	N/A
Board Certified Behavioral Analysts (BCBAs)	\$33.22	\$24.01	\$24.33	\$21.57	\$22.83	\$21.62
Certified Teacher	\$20.94	\$32.24	\$17.34	\$15.08	\$26.04	\$28.33
Developmental Therapist	\$17.51	\$28.17	N/A	N/A	\$25.38	N/A
Nurse	\$28.26	\$37.24	\$32.51	\$35.52	\$34.33	\$33.77
Occupational Therapist	\$24.79	\$41.45	\$34.69	\$39.01	\$39.96	\$36.82
Other Personnel (Examining Ed Tech equivalents, such as teaching assistants)	\$15.58	\$14.56	\$16.51	\$15.29	\$13.20	\$16.11
Psychologist	\$54.49	\$42.04	\$36.36	\$42.79	\$40.95	\$33.71
Social Worker	\$24.47	\$24.53	\$25.06	\$26.12	\$21.57	\$24.88
Special Educator	\$18.55	\$32.24	\$27.57	\$21.62	\$26.04	\$28.33
Speech/Language Pathologist	\$33.12	\$39.43	\$31.51	\$36.83	\$38.86	\$35.88

¹ https://www.bls.gov/oes/current/oes_nat.htm

FIGURE 6: COMPARISON OF AVERAGE HOURLY WAGES TO PEER STATES



Opportunities

The bulk of staff serving children in CDS sites and Special Purpose Preschools are developmental therapists, special educators/teachers, and teaching support staff such as Ed Techs. Based on the data reported to PCG, developmental therapists seem to be paid a lower wage than their national and state-level peers.

Other personnel, which we classified as the teaching support staff for this analysis, seem to be paid at a level on-par with national metrics and with peer states. However, both staff types are generally paid lower average amounts than other staff types while at the same time they are doing the bulk of service provision. SPPs commonly reported that the Ed Tech role and those related have the highest rate of turnover due to the lower rate of pay, while at the same time are required to have 90 hours of higher education credits (translating to a college degree, in the end) in order to bill for MaineCare-reimbursed services. Many of these staff ultimately transition on to the K-12 system, either in a special education environment or general education, in pursuit of higher wages. This is not dissimilar to the issue of high teacher turnover in child care programs in general across the country², and has been a major national discussion for decades. SPPs reported to us that turnover is likely even higher for the Ed Tech position in Maine.

In order to determine the cost of services and to ensure that the service rate reimbursement is sufficient to enable providers to hire and retain qualified staff, the state of Maine has the opportunity to conduct a rate setting process for all services, including a detailed time study (i.e. a two-week tracking of every activity conducted, including travel, preparation, service provision, report writing, team meeting, etc.). This time study could be used, along with this market salary analysis to set competitive rates that help recruit and retain qualified staff.

² Whitebook, M., Phillips, D., & Howes, C. (2014). *Worthy work, STILL unlivable wages: The early childhood workforce 25 years after the National Child Care Staffing Study*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley <https://cscce.berkeley.edu/files/2014/ReportFINAL.pdf>

MAINECARE DATA ANALYSIS

IDEA PART C EARLY INTERVENTION AND PART B SEC. 619

Current Status

Overview of MaineCare Billing

Currently, CDS bills MaineCare for eligible children birth through five served by CDS staff and at CDS preschool sites. CDS bills MaineCare on behalf of a select few Part C and Part B-619 providers; however, the majority of Special Purpose Preschools and Part B-619/Part C independent contractors rendering services bill MaineCare directly for the eligible children they serve.

Based on PCG's conversations with MaineCare, there are two rules within MaineCare policy under which CDS and contracted providers primarily bill services for Part C and Part B-619 children:

- *Section 28: Rehabilitative and Community Support Services for Children with Cognitive Impairments and Functional Limitations* -- This section includes 'Community-based Wrap Around Services' (1:1 and group rates).
- *Section 65: Behavioral Health Services**-- This section includes 'Children's Behavioral Health Day Treatment' services.

*This rule is used by providers if the children meet eligibility requirements and is reimbursed at a higher rate than Section 28 services.

Other sections under MaineCare rules apply to various therapy services, including physical therapy, occupational therapy, speech, and hearing services, etc.

In February 2020, MaineCare proposed a new rule, *Section 106: School-Based Services*, the goal of which was to create and clearly define school-based services under a new service, 'Center-Based Developmental Programs'. This new rule would consolidate children's education services billed currently under Section 28 'Community-based Wrap Around Services' and Section 65 'Children's Behavioral Health Day Treatment.' Section 106 would also establish clear rates and modifiers to be used to identify claims for school-based services to properly account for "Seed" payments that must be paid by the Department of Education. This proposed rule was rescinded due to stakeholder concerns regarding the impact on Special Purpose Preschools and Special Purpose Schools and the children served.

We should further note that, in Maine, the Katie Beckett waiver is utilized to make eligible a broad array of children with disabilities in order for them to receive MaineCare services.

Data Limitations and Considerations

MaineCare provided PCG with a large dataset of information at the per child, per claim level for FY19. At PCG's request, MaineCare filtered this data for children ages six and under and by procedure codes which are used to submit MaineCare reimbursement claims for special education and related services. Due to the way the MaineCare data system captures billing and claiming information, there are limitations to the data MaineCare was able to provide around Part C and Part B-619 MaineCare reimbursements.

The two primary data limitations are:

1. **MaineCare data does not distinguish between Part C and Part B-619 children or claims.**

MaineCare currently does not track within its data system whether a child is Part C or Part B-619. To mitigate this limitation for the purpose of our analysis, PCG requested that MaineCare include the age of each child to their claim level data. To distinguish claims paid to Part C and Part B-619 children, PCG grouped children birth through two years old into the Part C category and children three to six years old into the Part B-619 category. Six-year-olds are included in the Part B-619 category due to the Chapter 676 children who are allowed to continue receiving IDEA services prior to entering kindergarten.

2. **MaineCare data does not distinguish between IDEA services and services provided and reimbursed outside of IDEA.** When providers submit a claim under MaineCare Section 65, there is a place for them to include a modifier to indicate whether a claim is for an IDEA service which is written on a child's IFSP or IEP ("TL" for IFSP and "TM" for IEP); however, these modifiers are not consistently used by providers. Based on PCG's conversations with several Special Purpose Preschools, some providers are unaware these modifiers exist at all. When providers submit a claim under Section 28, there is not a place in the MaineCare system where a modifier could be entered by a provider at all. While modifiers do exist for select rules under MaineCare policy, they do not exist for all rules and are not utilized consistently where available. Therefore, PCG did not analyze MaineCare data based on the use of these modifiers. Due to this limitation, MaineCare data are not able to distinguish between claims paid for services on a child's IFSP or IEP and claims paid for services deemed medically necessary beyond those written on their IFSP or IEP. These additional services would be included in a child's Individualized Treatment Plan, or ITP. Based on PCG's analysis of the Cost Reports submitted by Special Purpose Preschools, many SPPs are serving children in excess of services on IFSPs and IEPs; however, most are not tracking whether a service provided is an IDEA service (on a child's IFSP or IEP) or an additional service deemed medically necessary on the child's ITP. The MaineCare data analyzed in this report includes all services which MaineCare funds, whether IDEA or ITP services. The lack of ability to distinguish IDEA services from ITP services poses a challenge to the state match (Seed) calculation as well, more of which will be discussed in the 'MaineCare Seed Match' section below.

MaineCare Seed Match

When MaineCare pays a school-based claim, approximately 64% of that claim is paid by the federal government and 36% is considered a state match, or Seed. The percentages of responsibility change each year according to the Federal Medical Assistance Percentage (FMAP).

For K-12, School Administrative Units (SAUs) are responsible to pay the Seed on all MaineCare services provided in accordance with a student's IEP. On behalf of SAUs, the Department of Education funds the anticipated Seed each year to the Department of Health and Human Services. Seed is then assessed quarterly based on actual services provided. DOE receives a quarterly report from MaineCare which is quality checked by DOE staff. The report review provides CDS and districts an opportunity to dispute any claims being assessed for seed. Any disputed claims are removed from the final seed report. Subsidy amounts are then reduced for each SAU based on the determined Seed responsibility of each unit.

OMS and DOE encourage all districts and CDS to utilize this process. This is the safeguard in place to prevent districts and CDS from being inappropriately assessed for claims not related to Health-related IDEA services.

Currently, the Maine Department of Education pays the Seed on behalf of CDS; however, recent conversations indicate that CDS may be held responsible for its portion of Seed in the upcoming fiscal year. MaineCare's inability to distinguish between IDEA services and ITP services presents a challenge for CDS and the Department of Education as the Seed report includes children and services that are not

on a student's IFSP or IEP. CDS believes that the Seed amount for young children under IDEA Part C and Part B-619 exceeds the amount that should be paid. Currently the state match (Seed) for children in preschool through grade 12 paid by DOE is unofficially capped at \$15 million per year; however, it is unable to be determined whether additional Seed would be needed for Part C and Part B-619 services.

Analysis – Part C Early Intervention

In the following section, PCG will present and analyze FY19 data received from MaineCare for Part C eligible children.

TABLE 25: FY19 PART C CHILDREN SERVED AND TOTAL MAINECARE FUNDING

FY 19 Part C Metrics	
Number of Children Served	819
Total Dollars of MaineCare Funding	\$1,393,208.26

Table 25 above shows that MaineCare funded \$1,393,208 for 819 children to receive Part C services in FY19. This funding represents approximately 3% of total MaineCare funding for Parts C and Part B-619 eligible children; whereas the 819 Part C children served represents 15% of total MaineCare children served. This indicates that MaineCare paid more funding per child for a Part B-619 child than a Part C child in FY19 that will be examined later.

TABLE 26: SUMMARY OF FY19 PART C MAINECARE DATA BY PROCEDURE GROUP

Procedure Group	Number of Children who Received Service	Sum of FY Net Payments for Procedure Group	Number of Instances of Service	Average Number of Instances per Child	Average Cost per Instance
Audiology	9	\$ 199.16	13	1	\$ 15.32
Occupational Therapy	141	\$ 7,653.81	208	1	\$ 36.80
Physical Therapy	483	\$ 219,348.17	17,845	37	\$ 12.29
Psychology	363	\$ 28,833.46	574	2	\$ 50.23
Care Coordination / Meetings	10	\$ 4,178.94	243	24	\$ 17.20
Special Instruction	105	\$ 958,861.31	72,759	693	\$ 13.18
Speech/Language	463	\$ 174,133.41	3,550	8	\$ 49.05

Table 26 above summarizes the FY19 Part C MaineCare data which will be analyzed in graphic form on the following pages. An instance of service is defined as one unit of service. The unit of measure for each service may differ; for example, a community-based wrap around service is often measured in 15-minute increments, whereas other services are 30 minutes to one hour in duration. It is important to be mindful of this differentiation when comparing costs per instance of service.

TABLE 27: FY19 PART C ANNUAL FUNDING PER CHILD

Data Metrics	Funding Per Child in Part C
Mean	\$ 1,701.11
Median	\$ 252.00
Minimum	\$ 12.60
Maximum	\$ 42,115.23
Standard Deviation	\$ 4,974.80

Table 27 above captures high-level data metrics around FY19 MaineCare funding for Part C children. The average amount per child funded by MaineCare in FY19 was \$1,701. It should be noted that funding per child in Part C will vary due to children being referred and determined eligible and transitioning from the program at age 3 at various times of the year. There is significant variability in funding per Part C from \$12.60 (likely a child just made eligible at the end of FY19) to a child whose funding was \$42,115.23, who received services at a Special Purpose Preschool).

TABLE 28: RANGES OF FY19 PART C MAINECARE FUNDING PER CHILD

Range	Count	Percentage
\$20,000 +	18	2%
\$10,000 - \$20,000	14	2%
\$6,000 - \$10,000	28	3%
\$3,000 - \$6,000	28	3%
\$500 - \$3,000	181	22%
< \$500	550	67%
Totals	819	100%

Table 28 above shows the ranges of MaineCare dollars funded per child in FY19. Whereas 89% of children in the lowest two ranges received less than \$3,000 of MaineCare funding, eighty-nine (89) children in the upper ranges received over \$3,000.

PCG further analyzed the thirty-two (32) children who received over \$10,000 of MaineCare funded services and found that all of them were two years old and that most of these children were receiving services at Special Purpose Preschools. Given the variability of funding per child, the average cost for most Part C children is lower than the calculated average of \$1,701 per year.

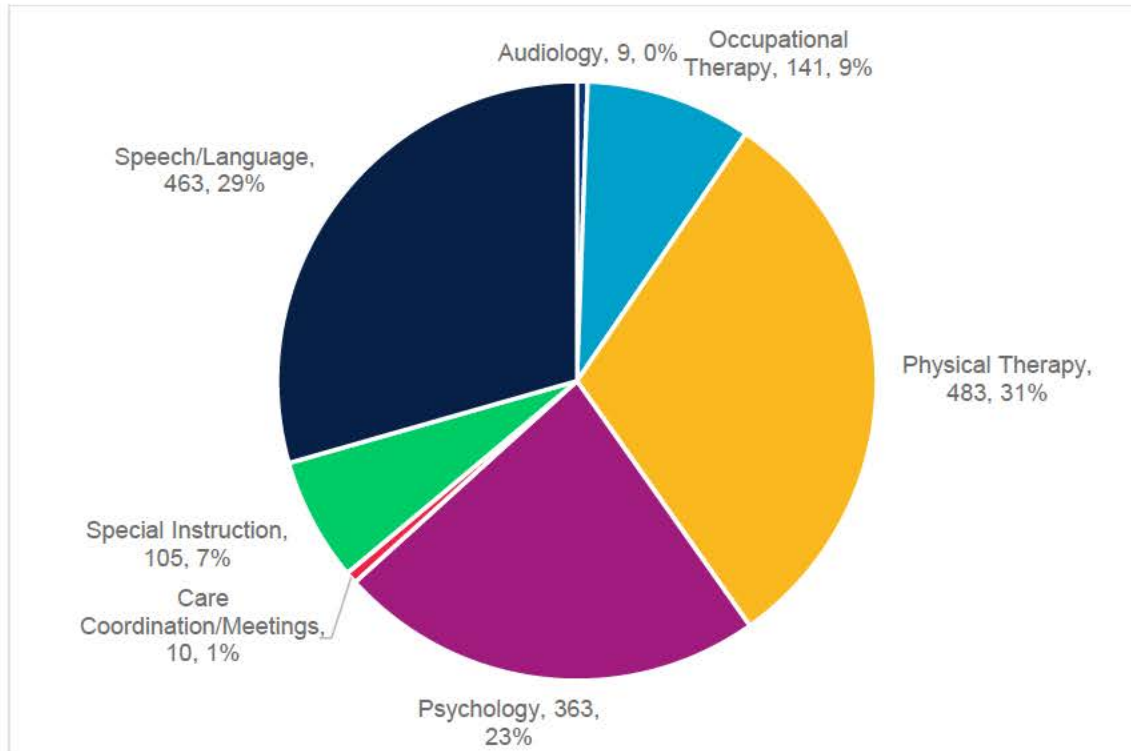
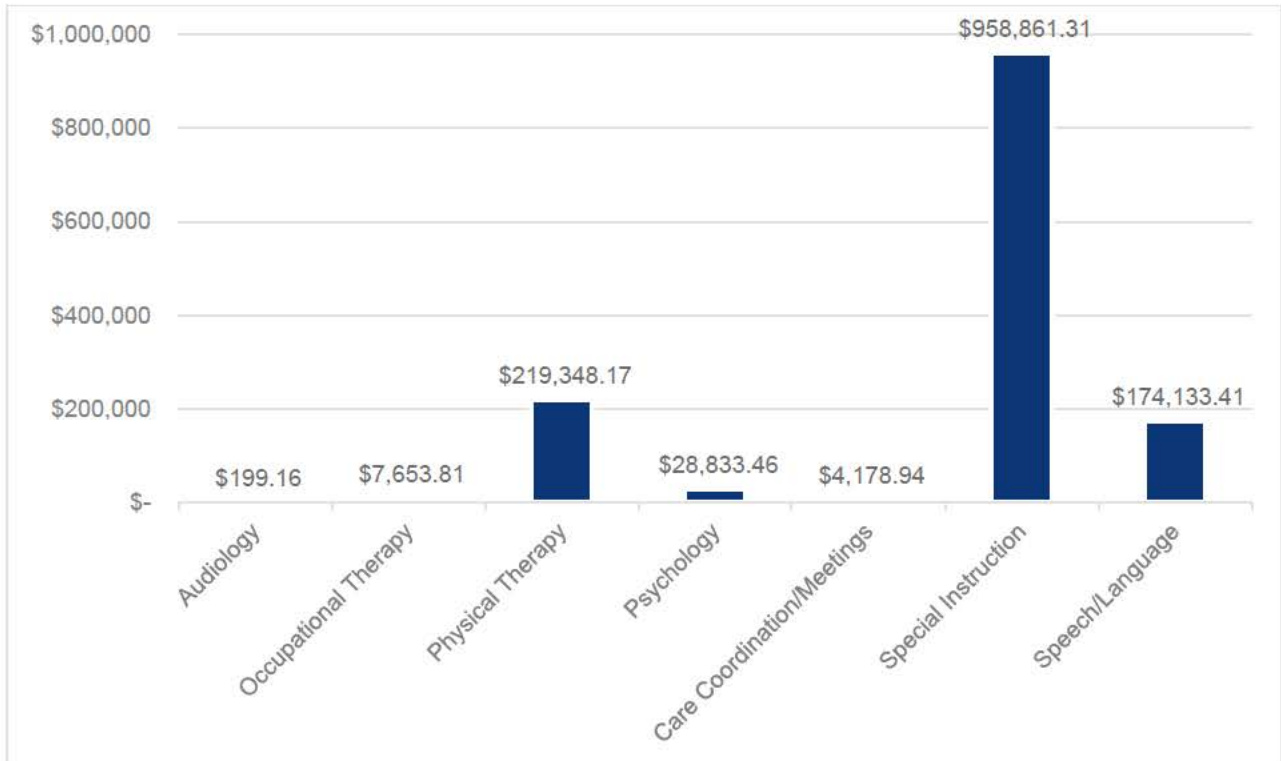
FIGURE 7: SERVICES RECEIVED BY PART C ELIGIBLE CHILDREN

Figure 7 above shows the number of children who received each type of service in FY19. The total number of children represented in the graph above exceeds the 819 Part C child count, as many children received multiple types of services. Physical Therapy was received by 483 (31%) children and was the service most commonly received. Speech/Language services followed closely behind with 29% of Part C children receiving these services. Psychology services were also widely received by 363 (23%) Part C children. It was surprising to see that only 105 (7%) children receive special instruction as CDS promotes a 'routines-based approach' that is well suited to be provided through special instruction in the family home by developmental specialists. Note: For the purposes of this report 'special instruction' (which is the service name under IDEA Part C) includes both 'Community-based Wrap Around Services' and 'Children's Behavioral Health Day Treatment.'

FIGURE 8: FY19 MAINECARE FUNDING FOR EARLY INTERVENTION PART C SERVICES



In Figure 8 above, MaineCare spends the most funding on special instruction services ('Community-based Wrap Around Services' and 'Children's Behavioral Health Day Treatments') for Part C children, representing around 69% of total Part C MaineCare funding. This is surprising given that special instruction services represent only 7% of services received by Part C children and shows that the 105 children receive a significant number of hours at special purpose preschools.

FIGURE 9: FY19 MAINECARE FUNDING BY PROVIDER TYPE IN PART C

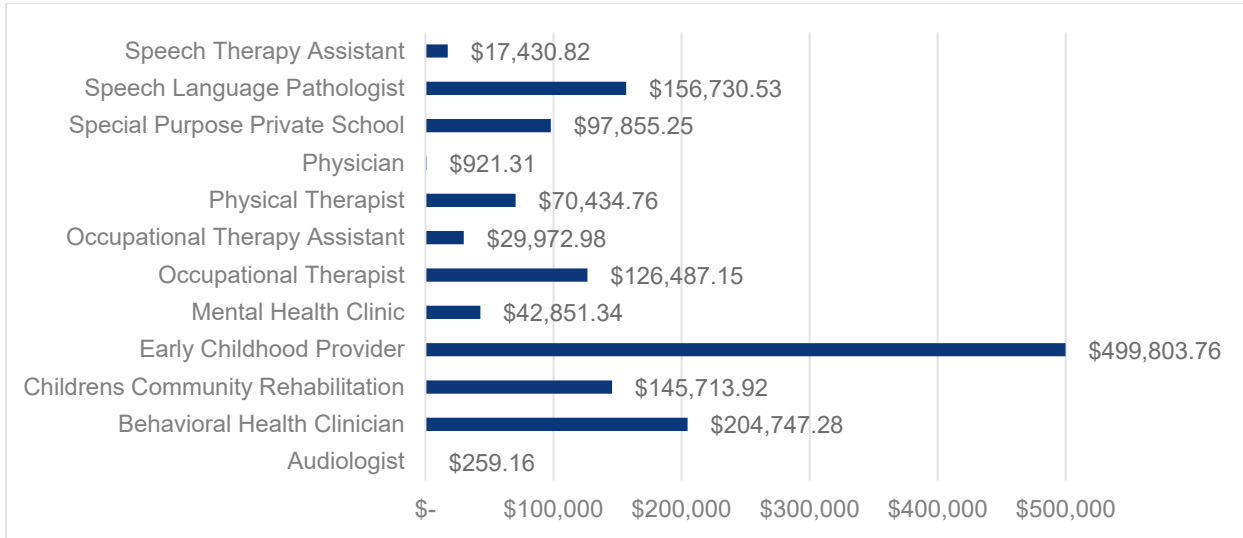


Figure 9 above details MaineCare funding amounts by provider type. Based on the data reflected above, early childhood providers³ received the most MaineCare funding at approximately \$500,000, or 36% of Part C funding. These early childhood providers primarily provided community-based wrap around services for children. Behavioral Health Clinicians followed, receiving approximately \$200,000, or 15% of funding in FY19. Of the funding received by these clinicians, 43% was for behavioral health day treatments, 42% for community-based wrap around services, and 14% for psychological services.

FIGURE 10: FY19 PART C AVERAGE COST PER INSTANCE OF SERVICE

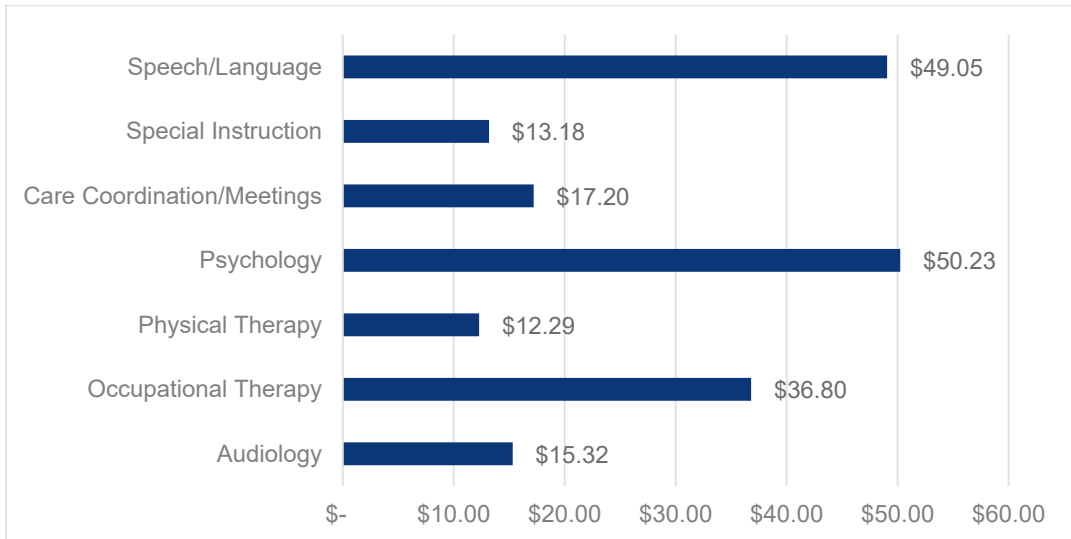


Figure 10 above shows average cost per instance of service (an instance may be more or less than an hour). Psychology and speech/language services were most costly in FY19, both approximating \$50 per

³ Early Childhood Providers are defined as: An agency/school/organization that enrolls to provide Section 28, Rehabilitative and Community Support Services for Children with Cognitive Impairments and Functional Limitations and are approved by CDS of behalf of Maine Department of Education.

instance of service. These services are followed closely by occupational therapy services, which cost an average of \$36.80 per instance of service.

Analysis – Part B Sec. 619

In the following section, PCG will analyze FY19 data received from MaineCare for Part B-619 eligible children.

TABLE 29: FY19 PART B-619 CHILDREN SERVED AND TOTAL MAINECARE FUNDING

Part B	
Number of Children Served	4,730
Total Dollars of MaineCare Funding	\$49,036,129

Table 29 above shows MaineCare funded \$49,036,129 for 4,730 children to receive Early Childhood Special Education Part B-619 services in FY19. This funding represents approximately 97% of total MaineCare funding for Parts C and B 619 services; whereas the 4,730 Part B-619 children served represents 85% of total MaineCare children served. This data confirms that MaineCare funded significantly more per child for a Part B-619 child than a Part C child in FY19.

TABLE 30: FY19 619 ANNUAL FUNDING PER CHILD

Metrics	Amount per child
Mean	\$10,367.05
Median	\$1,182.48
Minimum	\$7.72
Maximum	\$162,888.74
Standard Deviation	\$19,967.74

Table 30 above captures high-level data metrics around FY19 MaineCare funding for Part B-619 children. The average amount per child funded by MaineCare in FY19 was \$10,367.05, however the most MaineCare paid for one child was \$162,888, which is significantly higher than expected for a preschool child. We should note that the children receiving services in the higher range of payments are receiving services based on an ITP, exceeding those services authorized on the IEP. Funding ranges for the year are represented in the table below:

TABLE 31: RANGES OF FY19 PART B-619 MAINECARE FUNDING PER CHILD

Range	Count	Percentage
\$100,000 +	16	0.3%
\$75,000 - \$100,000	92	1.9%
\$50,000 - \$75,000	224	4.7%
\$20,000 - \$50,000	453	9.6%
\$10,000 - \$20,000	353	7.5%
\$5,000 - \$10,000	317	6.7%
\$500 - \$5,000	1,619	34.2%
< \$500	1,656	35.0%
Totals	4,730	100%

Table 31 above shows that approximately 1,138 children (24%) of total Part B-619 MaineCare children received over \$10,000 in MaineCare funded services in FY19. Of these children for whom MaineCare funded over \$10,000 in FY19, the majority were four (4) or five (5) year-olds as seen in the table below. It is surprising to see that 332 (6.9%) received over \$50,000 in funding and 16 preschool children received over \$100,000 per year.

TABLE 32: FY19 PART B-619 CHILDREN FUNDED > \$10,000 OF MAINECARE FUNDED SERVICES BY AGE

Age	Total FY19 Funding for Children > \$10,000	Percentage of Children Receiving over \$10,000 of MaineCare Funds
Age 3	\$7,624,138.15	17.5%
Age 4	\$16,218,357.75	37%
Age 5	\$13,044,904.44	30%
Age 6	\$6,714,509.80	15.5%
Totals	\$43,601,910.14	100%

PCG further analyzed a select number of unique children receiving over \$100,000 of MaineCare funded services in FY19 and determined that several of these children seemed to be receiving sixty (60) to eighty (80) hours per week of services. PCG discussed this data with MaineCare, and MaineCare suggested these children could be on the autism spectrum and at the highest level of funding may be receiving a ratio of 2:1 staff to child ratio.

TABLE 33: SUMMARY OF FY19 MAINECARE DATA BY SERVICE

Procedure Group	Number of Children who Received Service	Sum of FY Net Payments for Procedure Group	Number of Instances of Service	Average Number of Instances per Child	Average Cost per Instance
Audiology	7	\$183.84	12	2	\$ 15.32
Occupational Therapy	788	\$56,167.89	2,137	3	\$ 26.28
Physical Therapy	2,805	\$1,992,660.20	161,997	58	\$ 12.30
Psychology	1,470	\$166,014.92	3,135	2	\$ 52.96
Care Coordination / Meetings	209	\$158,479.87	9,410	45	\$ 16.84
Specially Designed Instruction	1,927	\$43,210,493.51	2,642,858	1,371	\$ 16.35
Speech/Language	4,499	\$3,452,128.88	95,805	21	\$ 36.03

Table 33 above summarizes the FY19 619 MaineCare data, which will be analyzed in graphic form on the following pages. An 'instance' of service is defined as one unit of service. The unit of measure for each service may differ; for example, a community-based wrap around service is often measured in 15-minute increments, whereas other services are 30 minutes to one hour in duration. It is important to be mindful of this differentiation when comparing costs per instance of service.

FIGURE 11: FY19 PART B-619 MAINECARE FUNDING BY PROVIDER TYPE

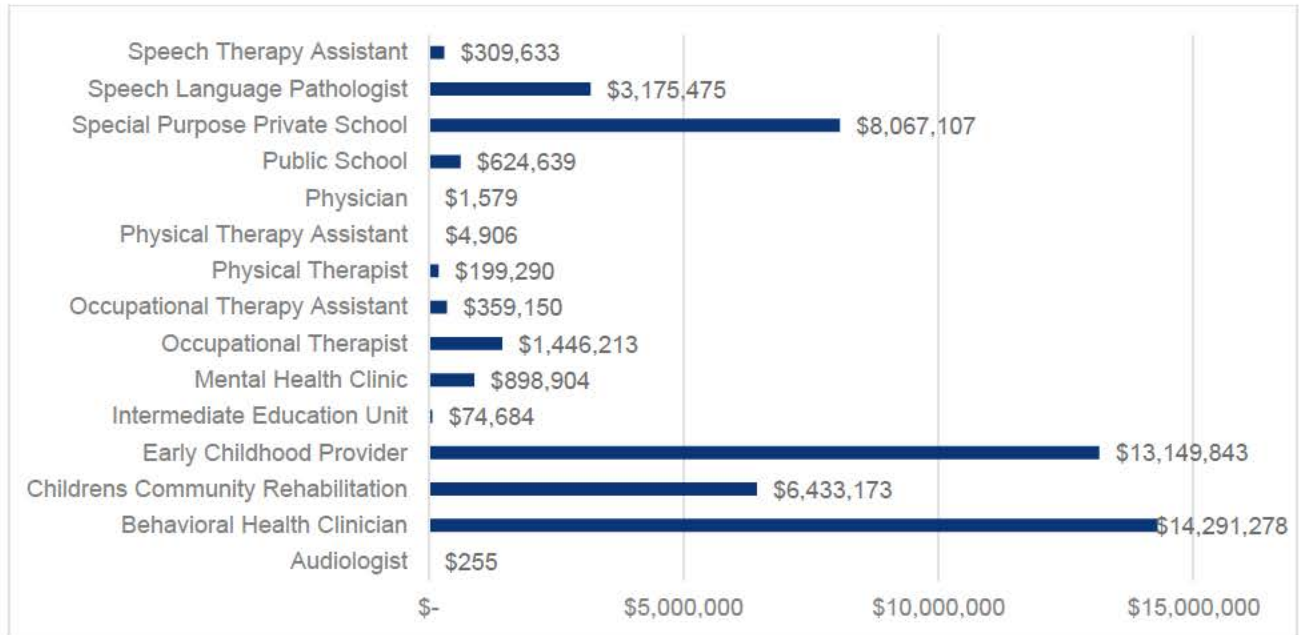


Figure 11 above shows the total FY19 MaineCare funding by provider type. MaineCare funded the most services made by Behavioral Health Clinicians at \$14 million. Based on further analysis, this \$14 million is comprised of approximately \$10.5 million for ‘children’s behavioral day treatment’ hours and \$3.5 million for ‘community-based wrap around services’ for Part B-619 children.

MaineCare also funded a significant amount for services performed by early childhood providers at approximately \$13 million, the majority of which were community-based wrap around services.

FIGURE 12: FY19 SERVICES RECEIVED BY PART B-619 ELIGIBLE CHILDREN

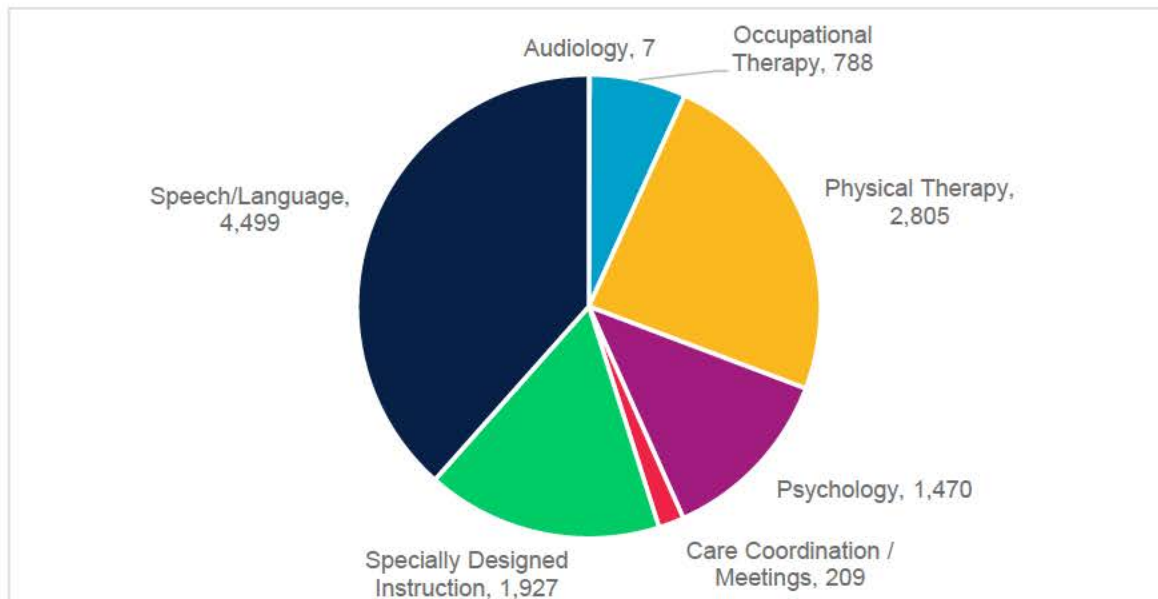


Figure 12 above shows the number of children who received each type of service in FY19. The service most commonly provided was speech/language which was received by 4,499 children. Physical therapy

services were a close second with 2,805 (24%) children receiving PT services. Finally, \$1,927 (16%) children received specially designed instruction in FY19, even though it accounts for most of the funding, shown below.

FIGURE 13: FY19 PART B-619 MAINECARE FUNDING BY SERVICE



Figure 13 above shows FY19 MaineCare funding by service. The vast majority - \$43.3 million (88%) - of MaineCare funding for Part B-619 children was for specially designed instruction (including ‘community-based wrap around services’ and ‘children’s behavioral health day treatment’). Speech/language services accounted for 7% of funding and physical therapy was 4% of funding for Part B-619.

FIGURE 14: FY19 AVERAGE COST PER INSTANCE OF SERVICE



Figure 14 above shows the average cost per instance of service for the various procedure groupings. The calculation was made by dividing the total MaineCare funding per procedure group by the number of

instances of service within each procedure group. As reflected in this data, the costliest service per instance in FY19 was psychology services at just over \$50 per instance, followed by speech/language at just over \$35 per instance.

Opportunities

Based on our analysis of data, PCG has identified several opportunities for improvement related to MaineCare billing for both Early Intervention (IDEA Part C) and Early Childhood Special Education (IDEA Part B-619) services, including:

- MaineCare to develop and clearly communicate a process to include appropriate modifiers 'TL' for Individualized Family Service Plans (IFSP) under IDEA Part C and 'TM' for Individualized Education Program (IEP) under IDEA Part B-619) Note: These were proposed in Sec 106 'School Based Services' that was withdrawn. This would enable utilization and billing data to:
 - accurately distinguish between IDEA and ITP services
 - distinguish between Part C, Part B-619, and Part B Special Education children
 - allow for accurate and transparent calculation of state match (Seed)
- Conduct a review of IEPs with service levels over \$20,000 to determine appropriate service levels and setting, identifying whether children are being served in the Least Restrictive Environment.
- MaineCare to audit billing of over \$50,000 per year to ensure accuracy of billing, i.e. that they are not the result of billing errors or overbilling taking place.
- CDS to begin billing MaineCare for Part C service coordination (targeted case management), increasing available state revenues for services. Discussions have already begun regarding what it will take to make this happen.
- CDS to develop a centralized service capture and claims processing system to maximize MaineCare revenue. This system could also be used to process claims for K-12 special education to maximize MaineCare revenue by reducing the administrative burden for SAUs. This would also help to reduce the chance of having to pay back MaineCare funding due to audit findings as the services, procedure codes and documentation would be aligned with MaineCare guidance prior to launch of the system.

Note: the policy would also need to address the current disincentive to bill MaineCare because SAUs currently receive 100% funding for any special education and related services through a budget adjustment after 2 years anyways.

OTHER FUNDING SOURCES

PRIVATE HEALTH INSURANCE

Current Status

Currently, private health insurance makes up a very small portion of overall Part C funding. As previously mentioned in the CDS section, CDS processed \$37,834, which is 0.3% of the overall statewide revenues associated with Part C in FY19. Special Purpose Preschools reported billing \$734 to third party payors specifically for Part C services. It is unknown if additional providers such as occupational, physical and speech and language therapists are also billing private insurance and how much revenue is generated.

CDS did not report any billing of private health insurance in FY19 for Part B-619 services. Special Purpose Preschools reported billing just \$30,837 to third party payors. However, it is uncommon to bill private insurance for Part B-619 services nationally.

Analysis and Opportunities

Part C

The federal IDEA Part C regulations under 34 CFR §303.520(3)(b), are explicit that a state may use the private insurance of a parent to pay for services under this part only if the parent provides consent to do so. Private health insurance is a significant funding source for early intervention services nationally with twenty-seven (27) states reporting billing private health insurance to fund early intervention⁴ collecting \$81.5 million in revenue in 2018, which was 2% over the overall national funding. However, many states do not track the amount of revenue received by providers that bill health plans directly, so this amount is likely to be undercounted.

Sixteen (16) states currently have insurance mandates (statutes, rules or regulations) which require private health insurance payment of early intervention services, and five (5) states have included early intervention in their state's definition of 'essential benefits' for private insurance policies under the Affordable Care Act (ACA).

A number of states have centralized the private health insurance claiming process in order to maximize collection and reduce administrative costs for local provider agencies that otherwise would have to learn insurance billing procedures and dedicate back office staff to process and follow-up on claims.

ECSE Part B-619

Nationally, private health insurance is not a major funder of IDEA Part B special education other than for the purchase of assistive technology, where the child can use the device for mobility, adaptation or communication in the classroom and throughout the school environment in addition to at home and in the community. Therefore, we would not have expected private health insurance to be a significant funding source for IDEA Part B-619 under CDS.

⁴ IDEA Infant Toddler Coordinators Association '2018 ITCA Finance Survey Use of Public and Private Insurance and Family Fees'

Both EI Part C and ECSE 619

It should be noted that in Maine L.D.1190 4. ‘An Act To Reform Insurance Coverage To Include Diagnosis and Treatment for Autism Spectrum Disorders’ was passed by the Maine State Legislature in 2010 and applies to children under the age of five. The legislation covers assessments, evaluation, applied behavior analysis and other treatment services up to \$36,000 per year and “may not be construed to affect any obligation to provide services to an individual with an autism spectrum disorder under an individualized education plan or an individualized family service plan.” Maine has also recognized applied behavior analysis (ABA) as part of the Essential Health Benefits package under the Affordable Care Act.

PRE-KINDERGARTEN (PRE-K)

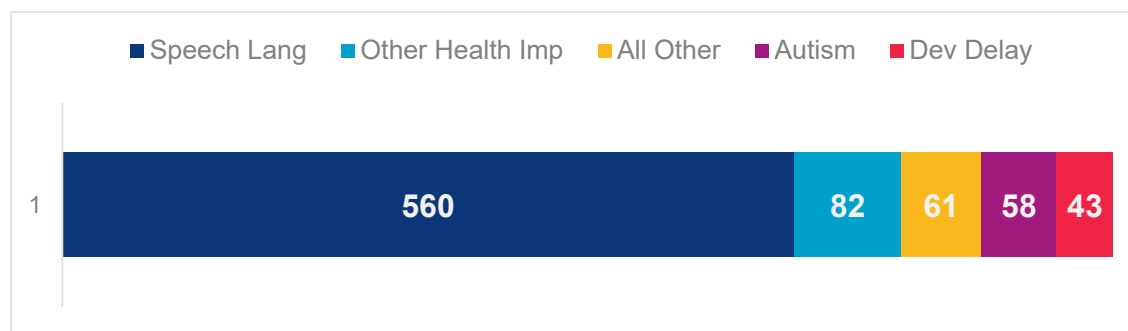
Current Status

Maine Prekindergarten (Pre-K) is a voluntary program for children whose 4th birthday falls before October 15th. Maine’s Pre-K system continues to expand with 152 (59%) of SAUs now operating Pre-K and with a total of 457 classrooms. Forty-seven (47) or 31% of the SAUs have partnerships with community early learning settings including Head Start Programs, child care, and community-based preschools. Like Maine, several states utilize this ‘mixed delivery’ system for their Pre-K programs, with services provided by both public school and community early learning providers.

In 2019 – 2020, the Department of Education (DoE) approved 7,312 slots / seats, and 6,822 children were served. Fifty-two percent of Maine’s estimated 13,119 4-year-olds are currently served in Pre-K. An additional 253 slots / seats have been approved by the DoE for 2020 – 2021 based on applications submitted by SAUs.

Currently, 764 children with developmental delays and disabilities who have an Individualized Education Plan (IEP) are served in Pre-K, which represents 11% of the children served in the state’s Pre-K program statewide. Children with disabilities in Pre-K settings were provided special education and related services through CDS or through contractual agreements between CDS and SAUs. Figure 15 below shows the number of children attending the state’s Pre-K program by disability category.

FIGURE 15: NUMBER OF 619 CHILDREN ATTENDING STATE PRE-K BY ELIGIBILITY CATEGORY, 2018-19



Funding for Pre-K is through the EPS (Essential Programs & Services) education funding formula, which requires a local contribution that ranges from 0 – 100 percent with an average local contribution of 57.6%. Maine is one of nine states that funds public preschool programs through their funding formula rather than a direct appropriation or other funding source (Tobacco tax)

Maine’s Pre-K program scored well in the National Institute of Early Education Research (NIEER) report ‘*The State of Preschool 2019*,’ ranking 12th for the percentage of 4-year-olds served (although it didn’t rank for 3-year-olds served as none are currently served). Maine’s Pre-K program ranked 33rd for state funding, but 17th for all funding, which includes the local share. Maine met 9 out of 10 Quality Standard Benchmarks.

FIGURE 16: FUNDING FOR MAINE’S STATE PRE-K PROGRAM

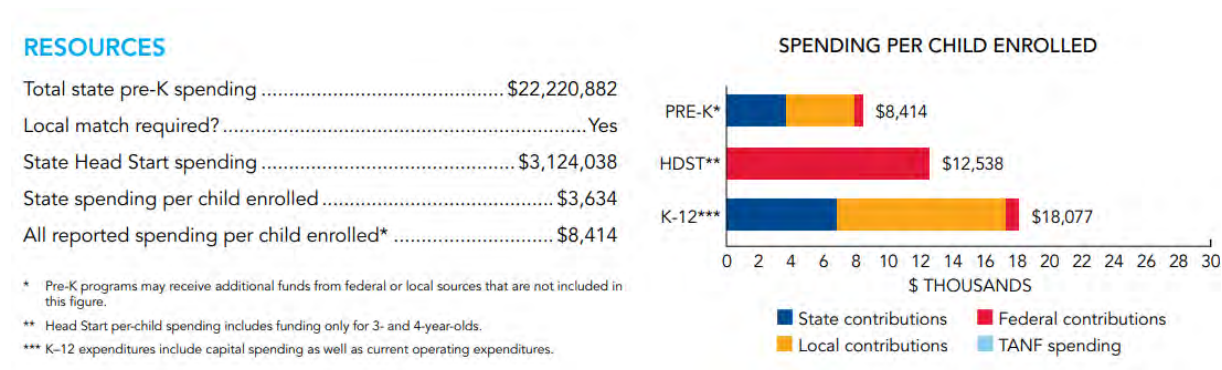


Figure 16 above shows⁵ that the average cost per child services in Pre-K is \$8,414, which is made up of state, local and federal funds.

Analysis & Opportunities

As mentioned above, Pre-K has expanded over the years and there is effort to move towards universal Pre-K for 4-year-olds. Governor Mills⁶ has expressed a desire to move towards universal Pre-K, expressing that her administration will be implementing “*Universal Pre-K for every 4-year-old in Maine, including expanding Head Start participation. Many school districts offer pre-K, but usage is not uniform enough across the state. My administration will start supporting existing networks of public, private and nonprofit providers to improve access and affordability – and also incentive increase in quality standards.*”

Moving to Universal Pre-K is also a goal under Maine’s draft Preschool Development Grant (Birth – 5) strategic plan, which states “*Expand to universal public Pre-K for all 4-year-olds, incentivizing community partnerships and full-day, full-time programming.*”

Both the Governor and Maine’s Children’s Cabinet see an expanded role for partnerships with community early childhood providers in the move to provide universal and equitable access to Pre-K.

The push to expand Pre-K to reach all 4-year-olds in Maine provides an opportunity for inclusive early childhood education settings for preschool children with disabilities. Similarly, the move to increase the number of community partnerships with Head Start grantees, child care and other preschools will expand the opportunities for young children with disabilities to be educated alongside their typically developing same age peers.

Maine’s State Pre-K program has demonstrated the ability to successfully include children with various disabilities in the program. Expanding public Pre-K opportunities, particularly those programs in collaboration with community early childhood partners, for both children with and without disabilities will provide more high-quality inclusive settings for children in their home communities. This expansion can be accomplished through blending and braiding of programmatic funds and resources.

⁵ National Institute of Early Education Research (NIEER) ‘*The State of Preschool 2019*’

⁶ <https://www.janetmills.com/issues/education>

Blending and braiding of funding provides an opportunity at the local community level to utilize different federal and state funding streams to effectively serve young children either in the same classroom or the same building. The Ounce of Prevention Fund⁷ describes this as follows: *“At the program level, when funds are blended, funds from two or more separate funding sources are wrapped together within one full-workday, full-year program budget to pay for a unified set of program services to a group of children. In blending, costs are not necessarily allocated and tracked by individual funding source. When funds are braided, two or more funding sources are coordinated to support the total cost of services to individual children, but revenues are allocated, and expenditures tracked by categorical funding source. In braiding, cost allocation methods are required to assure that there is no duplicate funding of service costs and that each funding source is charged its fair share of program and administrative costs.”*

Penquis is an example of a nonprofit organization that provides wrap around early learning services, including Pre-K, Head Start, child care and ECSE (619) funding to effectively serve young children and their families in Penobscot, Piscataquis and Knox counties.

While branding and blending funding at the local level can be effective, the Ounce makes the point that it can be more efficient and cost effective to do this at the state level by aligning policies and funding across programs to enable communities (public schools and community providers) to effectively meet the early learning needs of young children throughout the year as well as parents needs for child care.

In a 2019 national survey⁸, 21 (41%) states and territories reported that their ECSE 619 state office provides written guidance regarding how funding sources can be used to support preschool inclusion.

Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA) that was reauthorized in 2015 as Every Student Succeeds Act (ESSA) allows Local Education Agencies (LEAs) to provide preschool programs to improve educational outcomes for eligible children from birth to the age at which the LEA provides a free public elementary education. 51% of states who responded to the national survey reported that Title 1 funds are utilized by school districts to fund preschool classrooms that included young children with disabilities.

Pre-K in Maine is currently only provided for 4-year-olds, whereas ECSE (619) is for both 3 and 4-year-olds. However, providing Pre-K for 4-year-olds provides a focus for SAUs on the education of young children that previously began only at Kindergarten. With SAUs serving 4-year-olds, often in partnership with community providers, it increases their ability to create inclusive early learning settings for 3-year-olds, either at the elementary school or at a community partner site.

OTHER EARLY CHILDHOOD SERVICES (HEAD START / CHILD CARE)

Current Status

Head Start

According to the Head Start Collaboration office at the Department of Education and the Maine Head Start Association⁹, in 2019 there were eleven Head Start grantees that operate 24 programs with 242

⁷ Ounce of Prevention Fund *“Blending and Braiding Early Childhood Program Funding Streams Toolkit Enhancing Financing for High-Quality Early Learning Programs”* (2013)

⁸ The Early Childhood Technical Assistance Center. (2019). *‘IDEA Part B, Section 619 National Survey Summary Report’*.

⁹ Head Start Collaboration office at the Department of Education and the Maine Head start Association *‘2019 Maine Head Start Snapshot Report’*

classrooms. In 2019, Maine Head Start grantees served 3,087 children, which included 60 American Indian / Alaska Native children served through the 3 tribal programs.

Federal Head Start funding is \$44,295,687. The federal government provides 80% of the annual cost to operate Head Start programs with the remaining 20% coming from matching contributions.

Child Care

Table 34 below shows the number of licensed child care centers and family child care homes and the associated number of children to be served under the licenses (although a slot may be filled by more than one child over a year with children leaving and enrolling, as well as children attending part-time).

TABLE 34: CHILD CARE SITES AND NUMBER SERVED

Type	Number of Licensed Programs	Licensed Capacity
Child Care Centers	706	31357
Family Child Care Homes	1,108	11869

Approximately half of all Maine families qualify for child care assistance through the federal Child Care and Development Block Grant (CCDBG) Act; however, only 1 in 20 eligible children in Maine receive child care assistance according to the Maine Children's Alliance¹⁰.

The US Administration on Children & Families – Office of Child Care 'Maine Profile' (Sept. 2020) includes child care funding amounts included in table 34 below:

TABLE 35: CHILD CARE FUNDING SOURCES IN MAINE

Fund Source	Amount
CCDF expenditure (including Quality)	\$26,969,379
CCDF federal expenditure	\$22,102,235
State expenditure	\$4,867,144
TANF (Temporary Assistance for Needy Families) direct expenditure	\$9,638,177

The average number of children receiving child care subsidy in 2017 (the most recent year available) was 3,400. 68% of these children were served in child care centers and 17% in family child care homes.

In the national survey of ECSE 619 programs 73% reported their state Child Care and Development Block Grant (CCDBG) subsidy specifically includes children with disabilities in their eligibility definition.

¹⁰ Maine Children's Alliance 'The State of Child Care in Maine 2019'

Analysis & Opportunities

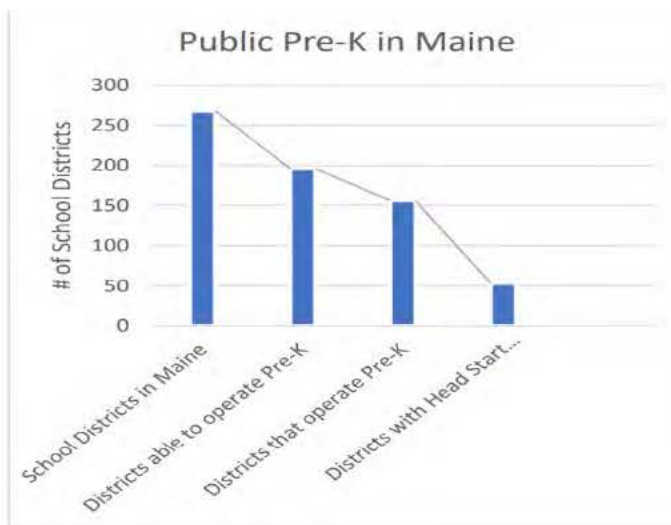
Head Start

According to the '2019 Maine Head Start Snapshot Report' Head Start programs across the state partner with multiple agencies, programs, philanthropic partners, and others to improve the overall quality of the early care and education system for young children. Public school districts are one of the largest group of partners for Head Start programs across the state with 53 (27%) having formal Memorandums of Understanding (MOUs) with their local Head Start programs. Figure 17 to the right shows the number of SAUs with agreements with Head Start programs.

Federal law says that each Head Start program must reserve at least 10% of their enrollment for children with disabilities. Nationally 13% of Head Start cumulative enrollment is made up of children with disabilities under the Individuals with Disabilities Education Act (IDEA). Head Start therefore provides a valuable inclusive setting for children with disabilities.

Note: Data was not available on the number or percentage of children with disabilities served in a Head Start setting in Maine.

FIGURE 17: SAUs in MAINE WITH AGREEMENTS WITH HEAD START PROGRAMS



Child Care

The Child Care and Development Block Grant Act (CCDBG) Act requires States to develop strategies for increasing the supply and quality of child care services for children with disabilities. Child care and community preschool providers can provide wrap around all day early learning opportunities for young children including children with developmental delays and disabilities.

Child care providers can partner with SAUs in the provision of state Pre-K and can partner to provide wrap around services on the school campus, including extended day / after school services to avoid having children travel across town to receive extended day services after the public school services end.

ANALYSIS ACROSS FUNDING SOURCES

IDEA PART C EARLY INTERVENTION

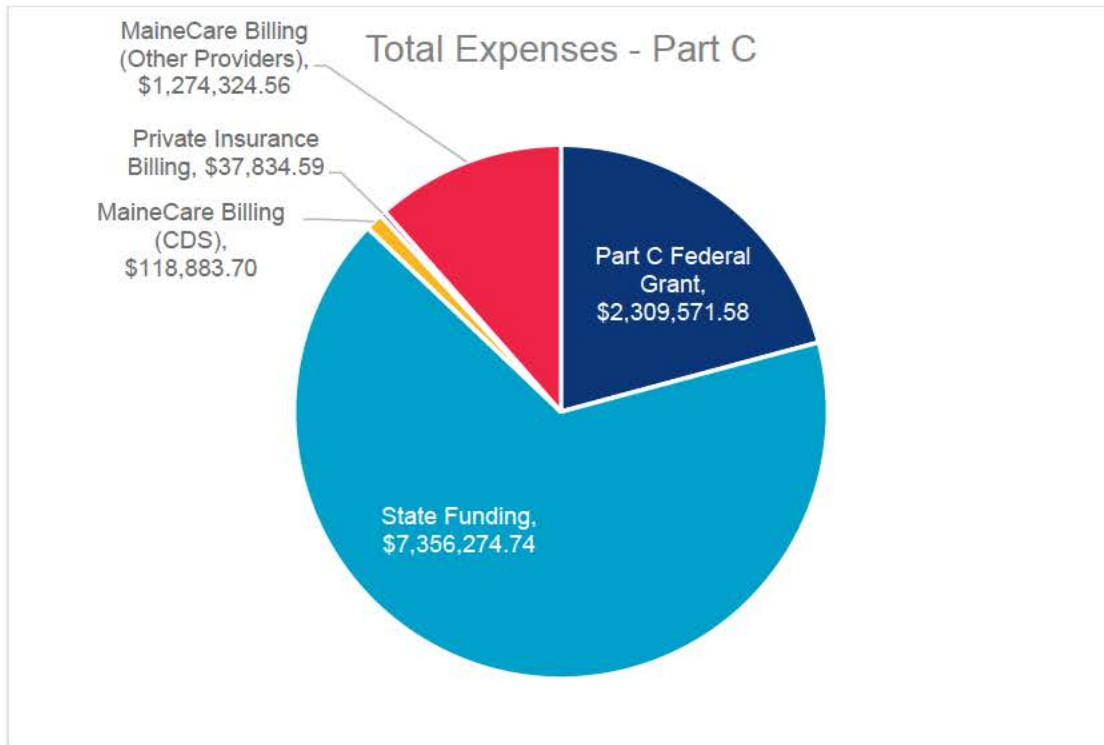
Total Costs

After taking into consideration total expenditures in the MaineCare program for children eligible for IDEA Part C, we have calculated the total costs for full administration of the early intervention program in Maine for FY19 to be \$11,096,889.17.

TABLE 36: PART C TOTAL FUNDING - ALL FUNDING SOURCES

Funding Source	Total Expenses	% of Total
Part C Federal Grant	\$2,309,571.58	20.8%
State Funding	\$7,356,274.74	66.3%
MaineCare Billing (CDS)	\$118,883.70	1.1%
Private Insurance Billing	\$37,834.59	0.3%
MaineCare Billing (Other Providers)	\$1,274,324.56	11.5%
Total	\$11,096,889.17	100.0%

FIGURE 18: PART C TOTAL FUNDING - ALL FUNDING SOURCES



Cost per child

Below is PCG's estimated cost per child including all CDS-managed costs and MaineCare expenditures that are billed directly to MaineCare. The total average cost per child in IDEA Part C is \$4,567

TABLE 37: TOTAL AVERAGE PART C COSTS PER CHILD

Component	Total
Total Part C CDS Costs	\$9,822,564.61
MaineCare Billing Outside of CDS	\$1,274,324.56
Total Expenditures	\$11,096,889.17
Total Children	2430
Average Cost Per Child	\$4,566.62

Projected Cost Implications

a) Potential increase in child count

Currently CDS is serving a low number of infants and toddler compared to other states¹¹

- ME percent of children served birth – 1 is 0.6% (rank 50th nationally; average = 1.25%)
- ME percent of children served birth – 3 is 2.46% (rank 44th nationally; average = 3.48%)
- When compared to states with similar restrictive eligibility criteria Maine is 15th (out of 16) for children birth – 1 and 13 (out of 16) for children birth to 3.

If Maine were to target serving the national average of 3.48% of the birth to age 3 population this would add an additional 390 children per year $38,227 \times 1.02\%$ (3.48% national average – 2.46% ME percentage). This could be achieved through a planned statewide child find and public awareness campaign, partnering with other entities and potentially change eligibility criteria regarding the level of developmental delay that a child must exhibit to be determined eligible.

The cost of serving 390 additional children would be \$1.8 million (390 children X \$4,466.62 average cost per child).

Additional funding to serve this increase in eligible children could come from maximizing Medicaid billing, including billing for service coordination, as well as private health insurance billing.

b) All EI services (including Service Coordination) by contracted provider agencies by county

61.7% of states report¹² that their state early intervention (Part C) "infrastructure is primarily composed of programs/agencies that are responsible for all eligible children from referral through transition in an assigned regional or local catchment area". Services are provided by the contracted agency staff and / or sub-contractors hired by the agency.

A rate study would need to be conducted that includes a market analysis of salaries for early intervention and service coordination staff and time study to determine the amount of billable time

¹¹ IDEA Infant Toddler Coordinators Association 'Child Count Data Charts (2018)
<https://www.ideainfanttoddler.org/association-reports.php>

¹² IDEA Infant Toddler Coordinators Association – Annual Tipping Points Survey (2019)

(intervention time less travel, preparation and report writing, etc.) a provider conducts in a typical work day.

A funding mechanism would need to be determined i.e. fee-for-service; monthly (capitated) rate; grant / funding formula. Each has pros and cons, e.g. fee-for-service rates are used to bill MaineCare and private insurance but must include the unbillable time associated with team meeting and consultation, preparation and report writing.

CDS currently provides early intervention through a mixed delivery style of CDS employees as well as contracts with both agencies and individuals. It is estimated that the cost of providing early intervention services through provider agencies that would be contracted to serve a county or group of counties (region) would not be greater than the current cost of services. Administration costs may be reduced with one community agency responsible for hiring, training and managing all early intervention personnel (including sub-contractors where needed) for the array of 16 early intervention services under IDEA Part C (in addition to service coordination). Additionally, there is increased accountability for performance and quality improvements that can be achieved through provider agencies as opposed to individual providers or those providing just one or two services.

Fifty-one percent of states reported¹³ that that service coordinators were employed by provider agencies rather than by the state or regional / county government.

c) All EI services (not including Service Coordination) delivered by contracted provider agencies by county

As stated above a rate study would need to be conducted to determine the adequacy of current rates and decide the funding methodology to be used. PCG does not expect that the funding of all services through contracted providers responsible for all early intervention services within a county or group of counties (region) would be more costly than the current structure where services are provided by a combination of CDS and contracted providers.

While only 28% states reported having service coordination provided by state employees it is thought that this model would work well for early intervention (Part C) in Maine. This would provide a level of accountability over contracted early intervention provider agencies, as well as control on the authorization of funds through the Individualized Family Service Plan (IFSP) process.

d) Cost of regional structure for service coordination and child find

The cost of providing service coordination is currently \$1.8 million to fund 29 service coordinators to serve 2,430 children and their families. This is approximately \$731 per child.

Twenty-eight (28) states utilize Medicaid to fund service coordination through targeted case management. Nationally in Part C Medicaid is 35% of revenue (only ~15% in CDS).

The increased billing to MaineCare for service coordination (Targeted Case Management – Children with Developmental Disabilities) which is \$21.95 per 15 mins / \$87.80 per hour is expected to generate a minimum of \$647,612.80 (471 monthly Medicare eligible children X 16 hours per year X \$87.80 per hour)

Child find and public awareness costs can be funded under the federal IDEA Part C grant. The estimated costs of child find, and public awareness are:

¹³ IDEA Infant Toddler Coordinators Association – Service Coordination Survey Report (Jan. 2019)

- Statewide branded public awareness / marketing campaign to potentially include posters and brochures; promotional material; website development and hosting (including online referral process). Materials to address language groups served and be cultural relevant to diverse communities, including Native American communities.

Estimated cost = \$60 - \$80,000 per year.

- Time of staff to conduct outreach to potential referral sources in the community (medical providers, birth hospitals, other early childhood providers, social services, other community groups, etc.); promoting and conducting developmental screening; and distributing public awareness materials.

Estimated Cost = 29 service coordinators X 1.5 days month X 12 months X \$30 / hr. = \$125,280.

IDEA PART B SEC. 619

Total costs

As previously discussed MaineCare revenues reported by Special Purpose Preschools (SPPs) and CDS sites providing 619 services were claimed as an authorized part of the child’s IEP developed by CDS and as additional Individual Treatment Plan (ITP) services developed and managed outside of the IEP. The total MaineCare revenues were 55.5% for IEP authorized services and 44.5% for ITP authorized services, indicating nearly half of MaineCare revenues for these children served by these programs were generated outside of what is authorized by an IEP. We therefore present the data for both IEP authorized services only and then including ITP services.

TABLE 38: TOTAL ECSE PART B-619 EXPENDITURES, IEP SERVICES ONLY (WITHOUT ITP)

Funding Source	Total Expenditures	% of Total
Part B-619 Federal Grant	\$1,527,176.83	2.8%
Part B 611 Federal Grant	\$1,279,806.09	2.3%
State Funding	\$19,976,789.90	36.1%
State Supplemental Funding	\$4,134,048.05	7.5%
State Agency Clients	\$152,157.11	0.3%
MaineCare Billing (CDS)	\$243,719.64	0.4%
Chapter 676 Reimbursement	\$741,870.26	1.3%
MaineCare Seed	\$380,446.29	0.7%
MaineCare Billing (Providers IEP)	\$26,971,332.02	48.7%
Total	\$55,407,346.18	100.0%

FIGURE 19: TOTAL ECSE PART B-619 EXPENDITURES, IEP SERVICES (WITHOUT ITP)

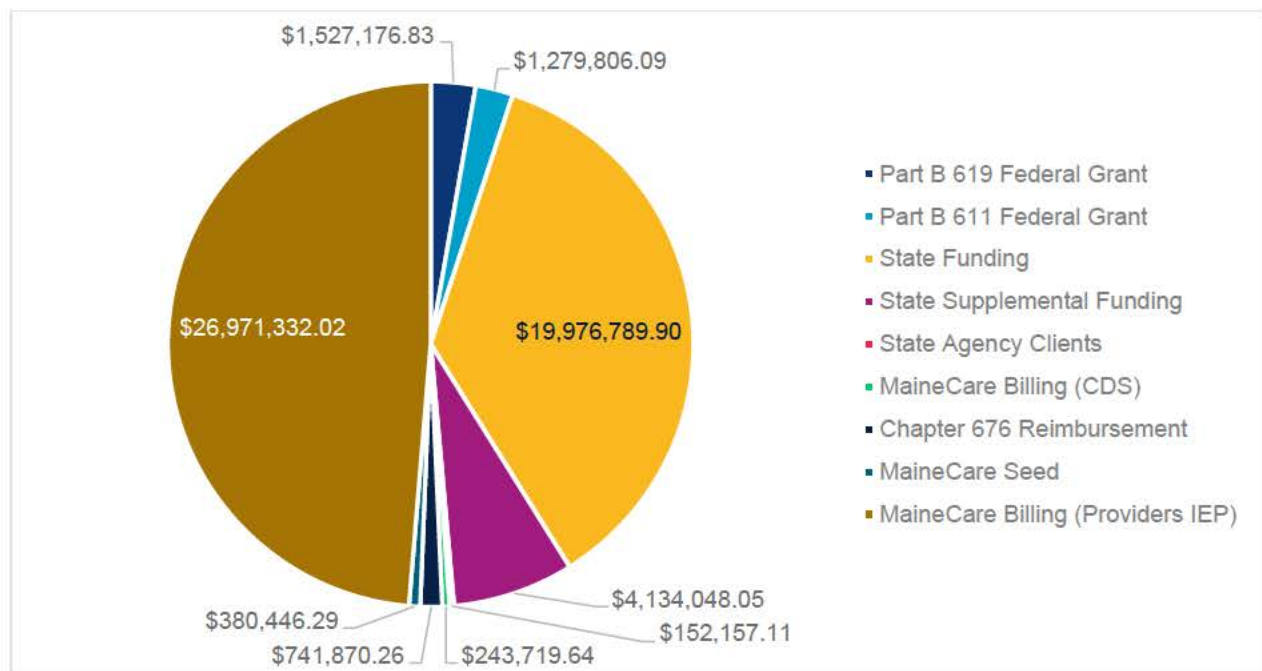
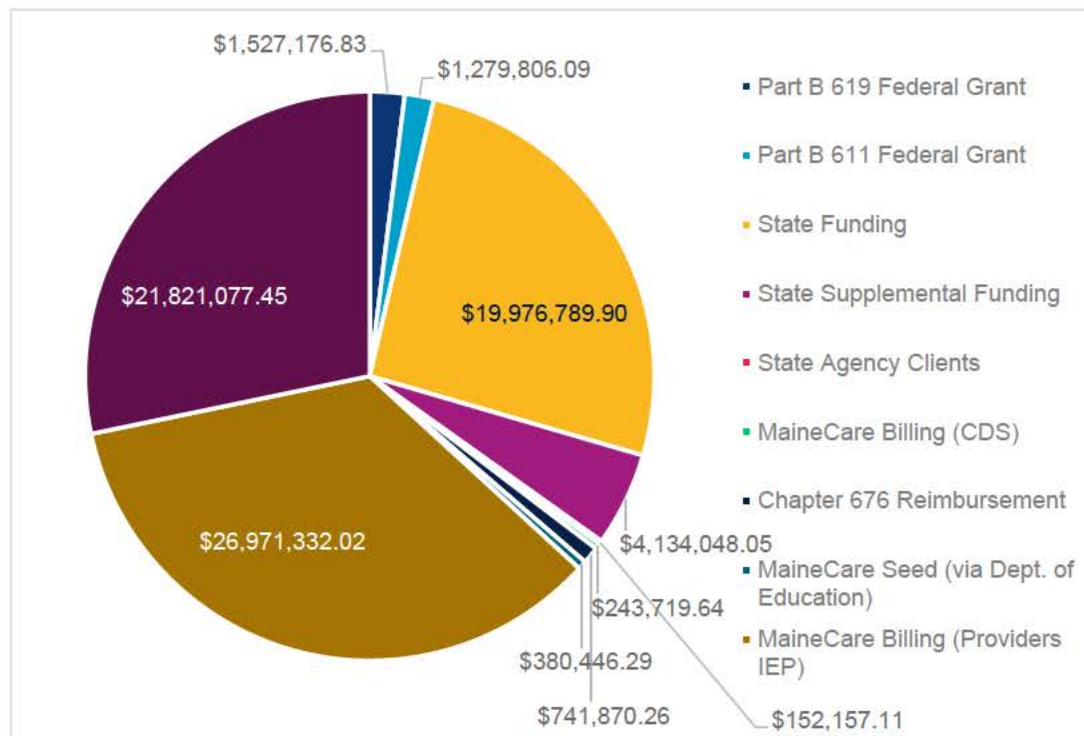


TABLE 39: TOTAL ECSE PART B-619 EXPENDITURES, IEP AND ITP SERVICES INCLUDED

Funding Source	Total Expenditures	% of Total
Part B-619 Federal Grant	\$1,527,176.83	2.0%
Part B 611 Federal Grant	\$1,279,806.09	1.7%
State Funding	\$19,976,789.90	25.9%
State Supplemental Funding	\$4,134,048.05	5.4%
State Agency Clients	\$152,157.11	0.2%
MaineCare Billing (CDS)	\$243,719.64	0.3%
Chapter 676 Reimbursement	\$741,870.26	1.0%
MaineCare Seed (via Dept. of Education)	\$380,446.29	0.5%
MaineCare Billing (Providers IEP)	\$26,971,332.02	34.9%
MaineCare Billing (Providers ITP)	\$21,821,077.45	28.3%
Total	\$77,228,423.63	100.0%

FIGURE 20: TOTAL ECSE PART B-619 EXPENDITURES, IEP AND ITP SERVICES INCLUDED



Cost per child

Below are two tables showing the total expenditures for a Part B-619 child; The first table includes only special education and related services authorized on a child’s IEP and the second table includes services non-CDS authorized services. Adding in the ITP services increases the cost per child by 39.3%

TABLE 40: AVERAGE TOTAL ECSE PART B-619 COSTS PER CHILD, IEP SERVICES (ITP EXCLUDED)

Component	Total
Total Part B-619 CDS Expenditures	\$28,436,014.16
MaineCare Billing (IEP)	\$26,971,332.02
Total Part B-619 Expenditures	\$55,407,346.18
Total Children Served	6,060
Average Cost per Child	\$9,143.13

TABLE 41: AVERAGE TOTAL ECSE PART B-619 COSTS PER CHILD, IEP AND ITP SERVICES INCLUDED

Component	Total
Total Part B-619 CDS Expenditures	\$28,436,014.16
MaineCare Billing (IEP)	\$26,971,332.02
MaineCare Billing (ITP)	\$21,821,077.45
Total Part B-619 Expenditures	\$77,228,423.63
Total Children Served	6,060
Average Cost per Child	\$12,743.96

Projected Costs Implications

a) *If all children are served promptly (i.e. no waiting list)*

CDS reports that In FY19 CDS had a waiting list of 632 (10.4%) children who did not receive services timely and in accordance with IDEA requirements, due to lack of provider capacity. These children ultimately receive compensatory services compressed into the summer, rather than receiving throughout the school year. The waiting list could result in costly due process hearings and potentially class action lawsuits as the waiting list violates the rights of children and their families under IDEA. IDEA § 300.323 (c) (2) states that “As soon as possible following development of the IEP, special education and related services are made available to the child in accordance with the child’s IEP”.

CDS reports that the waiting list is a result of provider capacity rather than lack of funding. Providers have capacity to serve a certain number of children and do not serve additional children once that number is met. Provider capacity to serve young children with developmental delays and disabilities in inclusive settings will need to be addressed in the final independent review recommendations.

Additional funding will be available to increase provider capacity and availability if the high costs services to some children are reduced and other funding sources maximized.

b) *Potential increase / decrease in MaineCare revenue*

There can be increases in MaineCare revenue through:

- Billing efficiencies realized if billing Medicaid is done through a central billing and claims process, that automatically checks the child’s Medicaid enrollment. Central billing systems can also check a child’s eligibility retroactively i.e. if the eligibility was in pending status awaiting documentation from the family.

Note: A central billing system could also be implemented for K-12 special education that maximizes revenue and reduces administrative costs, also eliminating concern of audit and potential repayment for SAUs

Reductions in MaineCare could occur due to:

- Billing less of the high intensity and high cost Special Purpose Preschools and more inclusive early childhood settings (Pre-K, inclusive public-school classrooms, Head Start, child care, etc.) funded through a variety of revenue sources.

c) *If children are served in more inclusive / less intensive service locations i.e. Can cost savings be realized if less children are served in Special Purpose Preschools?*

Currently services provided through Special Purpose Preschools are high for a significant number of ECSE 619 eligible children and some of the costs are extremely high:

- In FY19 the average cost for children served by SPP was \$25,000 per child.
- In FY19 approximately 785 (16.4%) children in SPPs have annual costs over \$20K. Additionally 453 (9.6%) \$20,000 - \$50,000; 224 (4.7%) \$50,000 - \$75,000; 92 (1.9%) \$75,000 - \$100,000; and 16 (0.3%) over \$100,000.
- Currently SPPs can bill under MaineCare Section 28 'Community-Based Wrap Around' and Sec. 65 'Behavioral Health Day Treatment', which is a higher rate.
Note: In the spring of 2020 MaineCare proposed standard rates for 'Center-Based Developmental Programs' under Sec 106. This was withdrawn from the rule making process.

In FY19 the average cost of serving a child in community based early childhood settings (Head Starts / child care) is \$7,7446.22 as shown in table 42 below.

TABLE 42: AVERAGE COST PER CHILD WITH ECETA

Payment Type	Payment
Special Education and related Services (itinerant)	\$5,133.28
Case Management	\$549.07
Average ECETA Payment	\$2,063.87
Average cost per child	\$7,746.22

*Early Childhood Education Tuition Agreement

Table 43 shows average costs per child in various settings and therefore the potential cost savings of providing more services in inclusive settings.

TABLE 43: COMPARING AVERAGE ANNUAL COSTS OF SERVICES BY SETTING

Setting	Average Cost per child
SPPs	\$25,000.00
CDS Preschools	\$13,644.00
CDS Inclusive community settings	\$7,746.00

Serving children in their family chosen child care, similar to the ECETA support = \$7,746 average cost per child when paying a portion of the child care cost to implement the IEP.

Head Start: no state or local dollars for placement for children who have a seat in Head Start, plus itinerant average cost = \$5,682.35 average cost per child.

State Pre-K EPS funding for seat (FY 18-19) is \$6,720 plus itinerant average cost \$5,682.35 = \$12,402 average cost per child.

d) *What are the programmatic changes that could lead to system wide cost savings?*

The primary programmatic change that would lead to cost savings would be for the child's IEP to drive decisions regarding special education and related services, determinations regarding placement decisions and the Least Restrictive Environment where the child will receive special education and related services, rather than funding or provider availability driving this decision making.

Moving forward Maine may consider providing guidance related to utilizing multiple funding streams in providing inclusive ECSE opportunities, keeping children in their local communities, and reducing transportation and duplication of administrative costs. As stated previously a number of states provide this type of guidance and the national 'Preschool Inclusion Finance Toolkit'¹⁴ provides guidance regarding how *"Utilizing the strategies of braiding, blending and layering multiple funding streams can increase access to inclusive, high quality preschool programs for all children."*

The following opportunities could lead to cost savings / potential revenue enhancements:

- An increased number of 4-year-old children with developmental delays and disabilities could be served in inclusive Pre-K settings as Maine moves to universal Pre-K, as promoted by Governor Mills and now a goal in Maine's Preschool Development Grant Birth – 5.
- An expanding number of the Pre-K slots will likely be created through partnerships with community partners (Head Start, child care programs), providing opportunity for high-quality inclusive early learning settings.
- ESSA Title 1 funds can be used by SAUs to fund preschool services.
- SAUs can make available private pay and child care subsidy slots for 3-year-olds creating typically developing peers for preschoolers with developmental delays and disabilities to be served in inclusive classrooms on an elementary school campus.
- IDEA Part B-619 can provide services within community child care settings, including for children receiving subsidy, and for whom the child care setting may be the child's Least Restrictive Environment and for whom the child care setting meets their need for full-day and after school care. This is currently being done through CDS and should be continued and further expanded.
- Continued and expanded partnerships with Head Start programs that are required to enroll 10% of children with disabilities (where income can be waived), as well as children and families that meet the income and other Head Start eligibility requirements.

PCG believes that the opportunities and cost implications presented in this cost report can lead to cost savings and revenue enhancements that will enable Maine to build strong early intervention IDEA Part C and Early Childhood Special Education (IDEA Part B-619) systems that lead to enhanced outcomes for young children and their families. These fiscal opportunities will be used to inform the recommendations in PCG's Independent Review of Maine's IDEA Part C and IDEA Part B-619.

¹⁴ Cate, D. & Peters, M. L., (2018). *Preschool inclusion finance toolkit 2018*. Retrieved from http://ectacenter.org/~pdfs/topics/inclusion/preschool_inclusion_finance_toolkit_2018.pdf