



First Steps

## First Steps Cost Participation Procedures

### ADMINISTERING ENTITY

The Division of Disability and Rehabilitative Services has established procedures to implement the First Steps early intervention system cost participation plan. The intake/ongoing service coordinator is responsible for the development of the Individualized Family Service Plan (IFSP) will verify family income.

### INTAKE COORDINATOR

**During the intake process, the intake coordinator will:**

- Explain the parent's rights and responsibilities within the First Steps system
- Collect income and insurance information from the family
- Complete the Combined Enrollment Form, Private Medical Insurance Supplement, and Private Medical Insurance Consent and documentation of family medical and personal care needs expenses on the Financial Deduction Worksheet as defined by First Steps
- Once eligibility has been established, review the First Steps cost participation component and the cost participation rate schedule (Attachment A) with the family
- Verify the family's co-payment and maximum monthly payment as calculated by the System Point of Entry (SPOE) and obtain the parent's signature acknowledging responsibility of First Steps financial obligations
- Maintain completed Combined Enrollment Form, cost participation forms, and supporting documentation in the child's early intervention record located at the SPOE

### SERVICE COORDINATOR RESPONSIBILITIES

**The service coordinator will:**

- Explain the parent's rights and responsibilities within the First Steps system
- Collect income and insurance information from the family
- Verify family income and insurance information annually
- Upon family request, review the family's income, family size, and/or medical and personal care needs expenses within thirty (30) days, complete corresponding cost participation forms, and submit all documentation to the SPOE within two (2) business days
- Upon family request, complete the Family Information Update form within thirty (30) days after a reported family change (ex. address change, change in private insurance carrier) and submit all documentation to the SPOE within two (2) business days
- Maintain all forms associated with cost participation activities in the child's early intervention record located at the SPOE

<p><b>SYSTEM POINT OF ENTRY (SPOE) RESPONSIBILITIES</b></p>	<p><b>The System Point of Entry (SPOE) will:</b></p> <ul style="list-style-type: none"> <li>• Data enter all financial and insurance information for the purpose of cost participation and access to insurance</li> <li>• Document the co-payment and maximum monthly payment as calculated by the SPOE computer</li> <li>• Provide the intake coordinator or service coordinator with a computer-generated verification of a family's co-payment and maximum monthly payment within seven (7) days from receipt of completed cost participation forms</li> <li>• Maintain all completed forms with supporting documentation of income, insurance, and expenses in the child's electronic record and early intervention record located at the SPOE</li> </ul>
<p><b>CENTRAL REIMBURSEMENT OFFICE (CRO) RESPONSIBILITIES</b></p>	<p><b>The Central Reimbursement Office (CRO) will:</b></p> <ul style="list-style-type: none"> <li>• Calculate the monthly cost of services for each family based on services provided</li> <li>• Mail the Cost Participation Family Statement outlining the services provided, insurance plan benefit applied to the account, and family cost share (First Steps co-payment) information</li> <li>• Process all revenue received through cost participation</li> <li>• Calculate and track payments received and due</li> <li>• Report to the lead agency as required</li> </ul>
<p><b>GROSS INCOME DETERMINATION</b></p>	<p><b>Families must provide the intake coordinator or service coordinator verification of income using the following methodology:</b></p> <ul style="list-style-type: none"> <li>• Check stubs from the three (3) most recent consecutive pay periods</li> <li>• If recent pay stubs are not available, or in instances when income cannot be accurately assessed by the last three pay stubs (ex. self employed, seasonal employment, farm income, or supplemental income) the family must provide the most recently filed 1040 Federal Income Tax form, W-2/1099, or a written statement signed by the employer regarding salary/wages if a statement would accurately account for the income (refer to Combined Enrollment Form instructions for further detail related to income)</li> <li>• Income verification must be maintained in the child's early intervention record</li> <li>• All income information must be verified annually or within thirty (30) days after the family reports a reduction in income or change in family size</li> </ul>
<p><b>FAMILY SIZE</b></p>	<p>The number of family members (family size) to be considered in cost participation determination is established by counting the dependent child, the child's parent(s) and child's siblings with whom the dependent child lives. All natural, adoptive, or half-siblings who meet the definition of dependent child must be included in the family group. The income rules require the consideration of the income of the dependent child, the dependent child's siblings and dependent child's parents.</p> <p>If a dependent child's step-parent is in the home, the family size would <b>exclude</b> the step-parent from the family member count and his/her income from the cost participation determination as step-parents are not considered legally responsible for their step-children in Indiana.</p> <p>A caretaker relative is a relative, either by blood or by law, who lives with the child and exercises parental responsibility (care and control) in the absence of the child's parent. Examples include but are not limited to: grandparents, aunts, uncles, cousins, stepparents and adult siblings.</p>

<p><b>FAMILY SIZE (CONTINUED)</b></p>	<p>If the caretaker is a relative and not the parent such as an aunt or grandparent, the income of this relative is <b>not</b> considered since First Steps services are services to the child even though the relative may be receiving training/counseling to address the needs of the child.</p> <p>A dependent child who does not live with a relative is considered a family of one and would <b>not</b> be considered for cost participation within the First Steps system.</p>
<p><b>CONFIRMATION OF INCOME LEVEL</b></p>	<p>Confirmation of level of income and percent of poverty level will be calculated at the SPOE by data entry of the family's income and family members. This calculation will be based on the annually published Federal Poverty Level guidelines and cost participation schedule of costs (Attachment A).</p>
<p><b>DETERMINATION OF FIRST STEPS CO-PAYMENT</b></p>	<p>The SPOE computer will determine First Steps co-payment. Families will accept financial responsibility by signing the cost participation statement on the IFSP service page.</p> <p>Co-payment amounts will remain in effect for twelve (12) months (coinciding with the IFSP date) unless the family requests a review of the financial information and a change in co-payment is determined.</p> <p>The Federal Poverty Level guidelines and schedule of costs (Attachment A) will be utilized in calculating the co-payment. The calculation takes into consideration:</p> <ul style="list-style-type: none"> <li>• The family's gross income</li> <li>• The family size</li> </ul> <p>Families at or below 250% of the federal poverty level (FPL) are exempt from co-payment. Incomes calculated at or above 251% of the FPL have corresponding co-payments (Attachment A).</p> <p>Families who refuse to provide financial information and verification for the determination of the co-payment amount will be assessed at a full fee co-pay option and will place the co-payment at the maximum monthly cost share.</p> <p>The Division may waive a required co-payment if other medical expenses or personal care needs expenses, for a member of the family, reduce the level of income the family has available to pay co-payments. The Division must waive the family's monthly co-payments in any month for those services for which it receives payment from the family's health insurance coverage.</p> <p><b>Families who disagree with the calculation of the co-payment may request an administrative review to be conducted by the Division.</b></p>
<p><b>MEDICAL AND PERSONAL CARE NEEDS EXPENSES</b></p>	<p>A family may request medical and personal care needs expenses be considered in the calculation of the family income and cost share (First Steps co-payment) amount. Appropriate deductions are those that are:</p> <ul style="list-style-type: none"> <li>• To support the health or medical needs of a family member</li> <li>• Out-of-pocket expenses for which the family will not be reimbursed</li> <li>• Incurred within the past twelve (12) months</li> <li>• Supported by written receipt</li> <li>• Within the definition of either medical expenses or personal care needs expenses</li> </ul> <p>If families experience a change in medical or personal care needs expenses or have other extenuating circumstances, they may request a re-evaluation of their income or co-payment.</p>

<p><b>UTILIZATION OF INSURANCE</b></p>	<p>The family must provide health care insurance coverage information for the infant or toddler receiving services. The family must consent to First Steps billing the insurance provider for the family to receive services under the cost participation plan. If the family declines to consent to First Steps billing its insurance provider, the family may choose either the maximum co-payment per treatment, up to actual cost of treatment, or to access only those services required by federal regulation (303 C.F.R. § 303.521), to be provided at no cost to families. For a list of those services that First Steps must provide at no cost, see the section, below, entitled "Assessment of Co-payment."</p> <p>Reimbursements made by certain types of health care insurance plans shall not be applied to any annual or aggregate lifetime limitations of coverage, pursuant to Indiana law (IC §§ 5-10-8-7.3, 20-12-3.2, and 27-8-27). Those types are: State of Indiana group health coverage; state educational institution employee health plan; and those plans that are non-ERISA insurance plans, regulated by Title 27 of the Indiana Code. The Employment Retirement Income Security Act (ERISA) health plans are not protected by the lifetime and aggregate limitations legislation.</p> <p>If a family is covered by an ERISA plan and demonstrates that billing its insurance plan would create a financial hardship (for instance, if it would put the family in jeopardy of exceeding the plan's lifetime cap) they may request a waiver, within thirty (30) days of the date of service. Requests should be mailed to: First Steps, Medical Insurance Utilization Review, Attn: Part C Coordinator, 402 W. Washington St., W 386, MS02, Indianapolis, IN 46204. Further, it is the responsibility of the family to determine, via their employer, or insurance plan, whether or not they are covered by an ERISA policy, in order to determine how consent to access insurance, may affect the family. If the family does not request a waiver, First Steps will assume it will not create a hardship if insurance is billed.</p>
<p><b>ASSESSMENT OF CO-PAYMENT</b></p>	<p>Co-payments are based on delivery of services authorized for the eligible child and family in the IFSP. The family will be billed the co-payment amount or actual service cost, the lesser of the two, up to the maximum monthly cost.</p> <ul style="list-style-type: none"> <li>• Co-payments may not be charged for services guaranteed at no cost to eligible infants and their families by federal regulation. Services that must be provided at no cost are:       <ol style="list-style-type: none"> <li>1. Child Find</li> <li>2. Evaluation and Assessment</li> <li>3. Development of an Individualized Family Service Plan</li> <li>4. Service Coordination</li> </ol> </li> <li>• Services eligible for a co-payment are:       <ol style="list-style-type: none"> <li>1. Audiology Services</li> <li>2. Developmental Therapy or Special Instruction</li> <li>3. Health Services</li> <li>4. Nursing Services</li> <li>5. Nutrition Services</li> <li>6. Occupational Therapy</li> <li>7. Physical Therapy</li> <li>8. Psychological Services</li> <li>9. Social Work Services</li> <li>10. Speech and Language Therapy</li> <li>11. Vision Services</li> <li>12. Other early intervention services</li> </ol> </li> <li>• Assistive technology, interpreter services, and transportation are excluded from cost participation co-payments.</li> </ul> <p>First Steps must waive the family's monthly co-payments in any month for those services for which it receives payment from the family's health insurance coverage.</p>

<b>BILLING PROCESS</b>	<p><b>The Central Reimbursement Office (CRO) is responsible to notify the parents of the cost share (co-payment) amount due and to collect all revenue generated by this process.</b></p> <p>A Family Cost Participation Statement will be mailed to families. It will include the co-payment and any arrearage or payments due. All payments must be made directly to the CRO billing agent within thirty (30) days of receipt. The statement details the services the child has received, provider billing, and payment information.</p>
<b>COST PARTICIPATION PAYMENTS</b>	<p><b>The following timeline will be implemented for payment of services:</b></p> <ul style="list-style-type: none"> <li>• A family will have thirty (30) days to pay their co-payment upon receipt of the Family Cost Participation Statement.</li> <li>• Each month, the Family Cost Participation Statement will include the total amount due. If the prior month's payment is not received prior to the generation of the current month's form, the receipt of payment may not be included on the form. The parent will not be considered past due in payment.</li> <li>• After ninety (90) days, the CRO may submit the default information to the Division who may act to collect the past due amount.</li> </ul>
<b>COST PARTICIPATION ADMINISTRATIVE REVIEW</b>	<p>A family has the right to dispute any collection procedure or oppose their placement in the cost participation co-payment plan. If a family disagrees with any action or decision regarding the cost participation program, they may request reconsideration by the Division. The request for a review is to be submitted in writing and must state the specific reason the co-payment should be reconsidered. Mail the request to: First Steps, Cost Participation Administrative Review, Attn: Part C Coordinator, 402 W. Washington St, W 386 MS02, Indianapolis, IN 46204.</p>
<b>DEFINITIONS</b>	<p><b>Ability to pay</b> - the financial capacity that a family has to pay for services</p> <p><b>Administering Entity</b> - the Division of Disability and Rehabilitative Services (DDRS) is responsible for the general administration and supervision of the Cost Participation Program</p> <p><b>Administrative Review</b> – requested in writing by a family; the Division of Disability and Rehabilitative Services will review the financial circumstances involved in determining a family's ability to pay</p> <p><b>Annual Gross Income</b> - a family's annual income minus any family medical and/or personal care needs expenses</p> <p><b>Arrearage</b> - the total co-payment amount past due</p> <p><b>Caretaker Relative</b> - a relative, either by blood or by law, who lives with the child and exercises parental responsibility (care and control) in the absence of the child's parent (grandparents, aunts, uncles, cousins, step-parents, and adult siblings)</p> <p><b>Central Reimbursement Office</b> - the agency responsible for billing and collecting the cost share (First Steps co-payment) from the family</p> <p><b>Co-payment amount</b> - a fee based on a family's gross income and family size less deductions for non-reimbursed, approved medical and personal care needs expenses for any family member; the dollar amount per treatment that a family is charged monthly</p>

**DEFINITIONS  
(CONTINUED)**

**Cost Participation Plan** - fees for early intervention services based on income and family size

**Extenuating Circumstances** - situations or circumstances that are unusual or out of the ordinary that would allow a family to be given special consideration

**Failure to Pay** - a family neglects to pay the co-payment due

**Family Cost Participation Statement** - billing information sent to the family detailing services received, co-payments due, and payments received

**Full Fee Co-payment Option** - a family chooses not to disclose or verify income and the maximum monthly co-payment fee is assessed

**Income** - the family's annual gross income relevant to the size of the household after allowable, medical and personal care needs expenses have been subtracted

**Income Chart** - the cost participation rate schedule used to determine a family's percent of poverty level

**Maximum Monthly Cost Share Amount** - the maximum amount a family may be billed in a one (1) month period

**Medical Expenses** - out-of-pocket medical expenses for which the family will not be reimbursed in the previous twelve (12) month period that relate to the health or medical needs of a family member

**Percentage of Federal Poverty Level** - determined by a family's income and size

**Personal Care Needs Expenses** - out-of-pocket expenses for which the family will not be reimbursed in the previous twelve (12) month period that relate to the health or medical needs of a family member

**Procedural Safeguards** - legal protections available to children and their parents to protect their rights in dealing with agencies and providers of early intervention services; legal protections include: parental consent, protection in evaluation procedures, opportunity for parents to examine, correct and supplement records, prior notice provisions, surrogate parent identification when necessary, due process procedures and confidentiality of records

**Service** - a single session delivered by a provider; (e.g. a co-treatment would constitute a single session provided by 2 different disciplines and would, therefore, be considered 2 *services*; physical therapy delivered 4 times during a month would be considered 4 sessions, thus 4 *services*)

**Significant Change in Circumstances** - a change that influences or has an effect on the child/family's circumstances during the year of services that could result in a reevaluation of the co-payment amount

Family Size

Federal 2007 Income Guidelines for the Calculation of First Steps Copayments

Family Size	251%	351%	451%	551%	651%	751%	851%	951%	1001%
1	\$25,627	\$35,837	\$46,047	\$56,257	\$66,467	\$76,677	\$86,887	\$97,097	\$102,202
2	\$34,362	\$48,052	\$61,742	\$75,432	\$89,122	\$102,812	\$116,502	\$130,192	\$137,037
3	\$43,097	\$60,267	\$77,437	\$94,607	\$111,777	\$128,947	\$146,117	\$163,287	\$171,872
4	\$51,832	\$72,482	\$93,132	\$113,782	\$134,432	\$155,082	\$175,732	\$196,382	\$206,707
5	\$60,566	\$84,696	\$108,826	\$132,956	\$157,086	\$181,216	\$205,346	\$229,476	\$241,541
6	\$69,301	\$96,911	\$124,521	\$152,131	\$179,741	\$207,351	\$234,961	\$262,571	\$276,376
7	\$78,036	\$109,126	\$140,216	\$171,306	\$202,396	\$233,486	\$264,576	\$295,666	\$311,211
8	\$86,771	\$121,341	\$155,911	\$190,481	\$225,051	\$259,621	\$294,191	\$328,761	\$346,046
9	\$95,506	\$133,556	\$171,606	\$209,656	\$247,706	\$285,756	\$323,806	\$361,856	\$380,881
10	\$104,240	\$145,770	\$187,300	\$228,830	\$270,360	\$311,890	\$353,420	\$394,950	\$415,715
11	\$112,975	\$157,985	\$202,995	\$248,005	\$293,015	\$338,025	\$383,035	\$428,045	\$450,550
12	\$121,710	\$170,200	\$218,690	\$267,180	\$315,670	\$364,160	\$412,650	\$461,140	\$485,385
13	\$130,445	\$182,415	\$234,385	\$286,355	\$338,325	\$390,295	\$442,265	\$494,235	\$520,220
14	\$139,180	\$194,630	\$250,080	\$305,530	\$360,980	\$416,430	\$471,880	\$527,330	\$555,055
15	\$147,914	\$206,844	\$265,774	\$324,704	\$383,634	\$442,564	\$501,494	\$560,424	\$589,889
16	\$156,649	\$219,059	\$281,469	\$343,879	\$406,289	\$468,699	\$531,109	\$593,519	\$624,724
17	\$165,384	\$231,274	\$297,164	\$363,054	\$428,944	\$494,834	\$560,724	\$626,614	\$659,559
18	\$174,119	\$243,489	\$312,859	\$382,229	\$451,599	\$520,969	\$590,339	\$659,709	\$694,394
19	\$182,854	\$255,704	\$328,554	\$401,404	\$474,254	\$547,104	\$619,954	\$692,804	\$729,229
20	\$191,588	\$267,918	\$344,248	\$420,578	\$496,908	\$573,238	\$649,568	\$725,898	\$764,063
21	\$200,323	\$280,133	\$359,943	\$439,733	\$519,563	\$599,373	\$679,183	\$758,993	\$798,898

REIMBURSEMENT SCHEDULE

Percentage of Federal Income Level	Copayment Per Individual Treatment	Maximum Monthly Cost Share
0% - 250%	\$0	\$0
251% - 350%	\$3	\$24
351% - 450%	\$6	\$48
451% - 550%	\$15	\$120
551% - 650%	\$25	\$200
651% - 750%	\$50	\$400
751% - 850%	\$75	\$600
851% - 1000%	\$100	\$800
1001% +	\$120	\$960



Attachment A

7/18/2007

Chart based on Annual Update of the HHS Poverty Guidelines in Federal Register Volume 67, Number 31 published February 14, 2002

## Therapy Rates

Discipline	Rate per Hour
Developmental Therapy	\$62.76
Developmental Therapy Assistant	\$47.52
Occupational Therapy	\$86.56
Certified Occupational Therapy Assistant	\$62.08
Physical Therapy	\$90.00
Physical Therapy Assistant	\$64.48
Speech Therapy	\$77.40
Nutrition	\$72.68
Psychology	\$123.00
Social Work	\$62.76

\*\*Rates vary depending on whether the service is billed as direct therapy or family training and counseling. These rates reflect the amount for the most commonly billed services for each discipline.