
CHAPTER 5: FINANCIAL MATTERS

REVISION DATES: 07/01/2021, 12/14/2018

EFFECTIVE DATES: 04/01/2022, 07/01/2019

INTENDED USER(S): All ADES/AzEIP personnel, AzEIP Service Providing Agencies including all employees, contractors, subcontractors, and volunteers.

REFERENCES/AUTHORITY: 20 U.S.C. §§ 1432, 1435, 1437-1438, 1440; 34 C.F.R. §§ 303.500, 501, 510, 511, 520, 521, § 303.521(a), 34 C.F.R. §§ 303.501, 510-511; § 303.203(b)(1), 34 C.F.R. § 520, § 303.420(a)(3); § 303.520(b)(1)(i)

5.0 Financial Responsibility for AzEIP Participating Agencies

- 5.0.1 Each AzEIP Participating Agency will maintain eligibility criteria as set forth in federal and state law and policy.
- 5.0.2 If a child meets the eligibility criteria for any of the AzEIP service providing agencies (AzEIP, ODD, and/or ASDB), the AzEIP service providing agencies are responsible for providing and/or arranging for the provision of early intervention services, in accordance with IDEA, Part C requirements, AzEIP policies and procedures, relevant Intergovernmental Agreements (IGA), and State law.
- 5.0.3 ADES/AzEIP is responsible for the general administration and oversight of programs and activities in the AzEIP and monitoring the programs and activities used by Arizona to carry out the early intervention system, whether or not these programs or activities are receiving assistance from IDEA, Part C.
- 5.0.4 If ADES/AzEIP, in resolving a dispute, determines that the assignment of agency financial responsibility was inappropriately made, ADES/AzEIP will:
 - A reassign the responsibility to the appropriate agency
 - B. make appropriate arrangements for reimbursement of any expenditures incurred by the agency originally assigned this responsibility

5.1 Federal Funds Available Under IDEA, Part C: Payor of Last Resort

- 5.1.1 IDEA, Part C funds will be used to pay for the following:
 - A activities, functions, and services authorized under IDEA, Part C, including administration, maintenance and implementation activities, direct early intervention services for eligible children and their families,

- related activities by other agencies, and support for the Interagency Coordinating Council (ICC)
- B. early intervention services for an AzEIP eligible child and his/her family, but that is not otherwise funded through other public or private sources
 - C. to expand and improve services for an eligible child and his/her family that are otherwise available.
- 5.1.2 IDEA, Part C funds will not be used for the following:
- A. to pay for early intervention services that are to be paid by another public or private source, including any medical program administered by the Department of Defense, but for the enactment of IDEA, Part C.
 - B. to supplement the level of state and local funds expended for an AzEIP eligible child and his/her family, and in no case will supplant those state and local funds.
- 5.1.3 IDEA, Part C funds will not be commingled with state funds.
- 5.1.4 No child will be denied or have early intervention services delayed due to disputes between agencies regarding financial or other responsibilities. If necessary to prevent delay in receipt of appropriate early intervention services to an eligible child or child's family, IDEA, Part C funds may be used to pay the early intervention service provider for services, pending reimbursement from the agency or entity that has ultimate responsibility for the payment.
- 5.1.5 If necessary to prevent the delay of timely and appropriate early intervention services to an eligible child and/or his family, ADES/AzEIP may use IDEA, Part C funds to pay for the provider of early intervention services, functions of the child find system, and evaluations and assessments as allowed under Part C pending reimbursement from the agency or entity that has the ultimate responsibility for payment.

5.2 System of Payments

5.2.1 Definitions

- A. Responsible person is defined as (a) the biological or adoptive parent(s) or (b) the guardian(s) of a child.
- B. Consent includes informed permission to utilize Private Insurance and Public Insurance and Benefits, and to share personally identifiable information for the purposes of billing.
- C. AzEIP Service Providing Agencies are those state agencies identified in

A.R.S. § 41-2022 that provide early intervention services under IDEA, Part C: ADES and the ASDB. The ADES provides early intervention services through the AzEIP and DOD.

5.2.2 Private Insurance

- A. AzEIP service providing agencies, or their designated contractors or subcontractors, must obtain the written informed consent to use the parent's or child's private insurance to pay for:
- 1) Evaluation
 - 2) The initial provision of early intervention services on the Individualized Family Service Plan (IFSP)
 - 3) Each increase in frequency, length, duration, or intensity of an early intervention service on the IFSP.
- B. If a parent declines the use of private insurance, the child and family will not be denied early intervention services (CFR § 303.520).
- C. The Service Coordinator will provide the parent a copy of AzEIP's Family Guide to Funding, including the identification of potential costs that the parent may incur if they consent or do not consent to the use of their private insurance. Those costs may include but is not limited to long-term costs such as the loss of benefits because of annual or lifetime health insurance coverage caps (CFR § 303.520(b)(2); CFR § 303.520(b)(1)(iii)).
- D. Families are responsible for health insurance premiums. The early intervention program will not charge a family for deductibles. If an early intervention service is denied due to not meeting the deductible, the service will be billed to the appropriate service providing agency.
- E. AzEIP service providing agencies (including their employees, contactors, and subcontractors) will not collect co-pays unless required by the health plan contract between the insurer and early intervention service provider.
- F. If a family reaches the maximum allowable units or level of service covered by their health insurance for a specified period, the appropriate system of payment hierarchy will be followed to pay for the remaining IFSP services, unless another funding source is identified.
- G. A responsible person with public insurance/benefits or private insurance will not be charged disproportionately more than a responsible person who does not have public benefits/insurance or private insurance (§303.521(a)(4)(iv)).

- 1) ADES/AzEIP will immediately notify the AzEIP TBEIS Contractor in the family's region; and
- 2) Appropriate early intervention professionals from the AzEIP TBEIS Contractor will meet with the family to revise the IFSP.

5.2.3 Public Benefits and Insurance

- A. AzEIP service providing agencies utilize public insurance, such as Medicaid's Title **XIX**, including Arizona Long Term Care System (ALTCS) and Early Periodic Screening Diagnosis and Treatment (EPSDT), to the maximum extent possible.
- B. A responsible person must not be required to sign up for or enroll in public benefits or insurance (AHCCCS) to receive early intervention services.
- C. Consent to use a responsible person's or child's public benefit or insurance is not required if:
 - 1) The responsible person or child is not already enrolled in AHCCCS; or
 - 2) The use of the child's or responsible person's public benefit/insurance would:
 - i. Decrease available lifetime coverage or any other insured benefit for the child or responsible person
 - ii. Result in the responsible person paying for services that would otherwise be covered by the public benefit/insurance
 - iii. Result in any increase in premiums or discontinuation of public benefits/insurance for that child or responsible person
 - iv. Risk loss of eligibility for the child or the responsible person for home and community-based waivers based on aggregate health-related expenditures (§ 303.520(a)(2)(ii)).
- D. Consent to disclose a responsible person's or child's personally identifiable information to bill a public benefit or insurance (AHCCCS) is required prior to billing for all responsible persons (whether they are currently enrolled in AHCCCS or whether they enroll after they become eligible for AzEIP).

- E. A responsible person may withdraw consent to use public insurance or benefits and/or share personally identifiable information for billing purposes, at any time.
- F. Prior to using a responsible person's or child's public benefits or insurance to pay for early intervention services, if a parent consents to enroll in Medicaid, the AzEIP service providing agencies, or their designated contractors or subcontractors, must provide written notification to the responsible person. The notification must include a statement that:
 - 1) Public benefits or insurance will not be billed unless the responsible person consents to share their or their child's personally identifiable information for billing purposes
 - 2) Describes certain no-costs provisions and that if the responsible person does not consent to use the public benefit or insurance, the early intervention services on the IFSP for which the responsible person has consented will be provided
 - 3) The responsible person has the right to withdraw their consent to disclose personally identifiable information at any time
 - 4) Lists the potential categories of costs that the responsible person might incur from using their or their child's public benefit or insurance. Potential categories include the cost of co-payments, deductibles, or the use of private insurance before using the public insurance (such as with ALTCS) (§303.520(a)(3)).

5.2.4 Family Fees

- A. Arizona's system of payments for early intervention services includes public benefits or insurance or private insurance. It does not include family fees, sliding fees or the use of IDEA, Part B funds. Arizona does not receive funds from a responsible person under the system of payments established under C.F.R §§ 303.520€ (1)-(3) and therefore is not included in these fiscal policies.
- B. Fees will not be charged for services that a child is required to receive at no cost to the family under IDEA, Part C. Fees will not be charged for the following services (§ 303.521(a)(4)(i); (a)(4)(ii); (b); and (c)):
 - 1) Child find and public awareness
 - 2) Screening, evaluation and assessment and the functions related to them
 - 3) Service coordination

- 4) Ongoing IFSP services
 - 5) Administrative and coordination activities related to:
 - i. Development, review, and evaluation of IFSPs and interim IFSPs
 - ii. Transition conferences
 - iii. Implementing procedural safeguards, including dispute resolution
 - iv. Teaming activities on behalf of a family, as described in ADES/AzEIP contracts providing Team-based approach to early intervention services.
- C. AzEIP service providing agencies do not charge family fees for other early intervention services.
- D. A responsible person who disagrees may:
- 1) make an informal complaint with ADES/AzEIP
 - 2) file a formal complaint with ADES/AzEIP
 - 3) request and/or participate in mediation
 - 4) request a due process hearing.

5.3 Inability to Pay

- 5.3.1 If a responsible person or child is unable to pay and does not provide consent to use their private insurance, the lack of consent will not be used to delay or deny early intervention services to the child and family (§ 303.521(a)(3); §303.520(b)(1)).
- 5.3.2 Families are not charged family fees, copayments are not collected unless required by the health plan contract between the insurer and early intervention service provider, and families are not charged deductibles for any early intervention service; therefore, Arizona is not required to have a definition of "inability to pay."

5.4 Coordination with Other Funding Sources

- 5.4.1 ADES/AzEIP, in partnership with the AzEIP Participating Agencies:
- A. Identifies and coordinates available resources to pay for and provide early intervention services, including federal, state, local, and private resources.
 - B. Updates information on funding sources for early intervention services resulting from changes in administrative rules or legislation.

5.5 Contracting or Otherwise Arranging for Services

- 5.5.1 AzEIP service providing agencies establish contracts, vendor agreements, Intergovernmental Agreements, Interagency Service Agreements, and Memoranda of Agreement or Understanding in accordance with Arizona Revised Statutes and Arizona Rules, including Arizona's Procurement Code and any applicable federal law to ensure an adequate provider network to provide early intervention services.
- 5.5.2 A contractor with an AzEIP service providing agency will provide early intervention services to children who are AzEIP eligible and their families in accordance with:
- A. IDEA, Part C and its regulations
 - B. The Education Department General Administrative Regulations in 34 C.F.R. part 80
 - C. All Arizona standards, including applicable state laws
 - D. Other applicable federal and state laws
 - E. The specific terms and conditions of the contract (including applicable state and agency Terms & Conditions)
 - F. AzEIP policies and procedures.
- 5.5.3 All contractors with an AzEIP service providing agency shall submit timely bills for reimbursement according to AzEIP policies and procedures and AzEIP Billing Manual.
- 5.5.4 AzEIP service providing agencies ensure the timely payment to contractors/vendors for timely, accurate, and approved invoices.
- 5.5.5 AzEIP service providing agencies ensure the regular review, at a minimum annually, of contractual obligations and will amend contractual obligations as necessary. Contractors may be required to submit regular reports (such as monthly, quarterly, or annually) to the responsible AzEIP Service Providing Agency on the performance or fulfillment of contractual obligations.
- 5.5.6 Upon review of contractual obligations, an AzEIP service providing agency may take the following action(s) when it finds that a contractor does not comply with the terms and conditions of the agreement, including any and all applicable laws, regulations, or policies. These actions may include:
- A. Requesting the submission of additional information and/or requiring more frequent program reporting
 - B. Conducting focused monitoring visits and providing technical assistance, as discussed in AzEIP's General Supervision Policy

- C. Implementing a corrective action plan, including timelines for implementation. as discussed in AzEIP's General Supervision Policy
- D. Revising contract terms and provisions when necessary and with appropriate notice
- E. Suspending or terminating the contract in whole or in part due to the failure of the contractor to comply with any term or condition of the contract. Written notice of termination will be provided
- F. Offsetting against any sums due the contractor, any expenses or costs incurred by the AzEIP service providing agency, or damages assessed by it concerning the contractor's non-conforming performance or failure to perform the contract, including expenses, costs, and damages
- G. Implementing other dispute resolution procedures provided by contract, such as arbitration
- H. Withholding or reducing payment to offset any reimbursement due for ineligible expenditures not refunded to the AzEIP service providing agency by the contractor
- I. Withholding or reducing payments for noncompliance issues including, but not limited to the following:
 - 1) Failure to submit required program and financial reports
 - 2) Failure to respond to inquiries about data on reports within the specified timelines
 - 3) Failure to address required corrective actions resulting from monitoring activities.