

## State Data Use Spotlight: Arizona

**Challenge:** How do we leverage the state data system to maximize funds to sustain high-quality early intervention services?

Many states struggle with collecting reliable and valid state-level data that can be leveraged to maximize the use of funds. This is particularly challenging when providing early intervention services in states where Medicaid uses clinic rates that are lower than the natural environment rates covered by state or federal Part C funds. This state spotlight presents various strategies that the Arizona Department of Economic Security's Arizona Early Intervention Program (AzEIP) used to identify the use of diverse funding sources at the program level and to encourage providers' use of Medicaid funding by enhancing the state's data system and acquiring a Medicaid rate increase for speech–language services.

### State Context

Arizona's Part C State-Identified Measurable Result ([SIMR](#)) focuses on increasing the percentage of children who show improvements in their social and emotional development. In federal fiscal year (FFY) 2015, Arizona served 10,000 infants and toddlers, 72.5% of whom exited with better-than-expected improvements in their social and emotional relationships. The Arizona State Systemic Improvement Plan (SSIP) includes three key strategies: accountability, practices, and fiscal planning. In the state's theory of action, AzEIP identified that the state needed to develop and implement a long-term fiscal plan to ensure sustainability that included the effective use of fiscal data. Part C regulations require maximizing the use of funding sources, and that providers may not supplant Medicaid funds with other sources of income (e.g., state sources). Therefore, if a family has Medicaid and consents to billing Medicaid, the provider must bill Medicaid for services.

Despite these regulations, enforcing the maximal use of Medicaid funds has been difficult. Arizona staff had to carefully analyze fiscal data and address the issue that Medicaid rates for allowable speech–language services were less than the rates the state paid using Part C state and federal funding. This discrepancy exacerbates fiscal deficits created by the fact that increases in federal Part C and state funding are failing to keep pace with growth in the number of children who receive Part C services.

## Strategies for Success

The fiscal aspect of the SSIP has prompted changes to improve both the collection of valid data and the use of all available funding sources. AzEIP used the following strategies to improve fiscal accountability and management:

- *Root cause analysis.* In conducting a root-cause analysis and planning for improvement, Part C lead agency staff identified trends that indicated isolated programs with a higher-than-normal number of families who declined to share personally identifiable information (PII) with the Medicaid program, thus preventing the local program from accessing an available funding source. Staff also discovered that in some instances where families had provided consent to bill Medicaid, several providers chose not to because Medicaid's rates were lower than the rates paid by other funding sources.
- *Improved data system.* Arizona added features to the AzEIP data system to ensure that providers entered all relevant information about a child and family's insurance (e.g., consented, declined to consent, no insurance) before entering and invoicing for eligibility determination activities. The state also edited the system to prevent providers from billing for third-party liability reimbursable services when a parent consented to use their insurance rather than Medicaid. In addition, when a service was reported as having been denied for insurance payment, providers had to submit both a waiver request and an Explanation of Benefits to AzEIP documenting that they had sought insurance funding before billing AzEIP. The improved system provided AzEIP with more accurate data about their coordinated system of payments and enabled them to plan more effectively.
- *Collaboration with the state Medicaid office.* The changes made by AzEIP motivated providers to express their concerns about the feasibility of being a Medicaid provider to the state Medicaid office. They worked successfully with the Medicaid Director; consequently, the Medicaid program adopted a higher rate that enabled the delivery of early intervention speech–language services in natural environments.
- *Targeted support.* Part C staff provided targeted professional development regarding timely and accurate data collection as well as targeted technical assistance for programs on collecting parental consent to share PII. Targeted professional development and technical assistance also included developing and sharing printed one-page guides and webinars; topics included how providers can help families access support through health savings accounts or public or private insurance, and the benefits of providing either parental consent to share PII or consent to bill insurance. Since the launch of these targeted initiatives, the percentage of eligible children with consent to bill insurance or share PII has increased from 67.2% in 2015 to 81% at the end of FFY 2016.

In summary, by collecting data on the system of payments, analyzing trends and targeting specific changes, as well as providing professional development on billing and obtaining consent to share PII, AzEIP improved both access to and the use of all available funds.

## Considerations for States Facing Similar Challenges

- Use fiscal billing data and child enrollment trends to identify the root causes of fiscal problems and project future funding needs.
- Create a data system that supports staff in collecting and tracking the use of fiscal resources, prevents unallowable billing, and provides reliable data for fiscal planning.
- Focus on the rationale for and importance of accessing all fiscal resources available to ensure sustainable early intervention services.
- Continue to follow up with programs to confirm that they understand and use their fiscal data to ensure programs remain viable.
- Develop a strong relationship with the state Medicaid program and other stakeholders.

### Available Resources:

- National Center for Systemic Improvement (NCSI), Technical Assistance State Facilitators (Find your state on the [map](#))
- Contact a NCSI Fiscal Support Team member ([FST](#))
- IDEA Infant and Toddler Coordinators Association (ITCA) [Fiscal Initiative](#)
- Early Childhood Technical Assistance Center (ECTA) System Framework: [Finance Component](#)
- ITCA Medicaid Resource and Technical Assistance [Paper](#)
- ITCA Medicaid Utilization [Survey](#)

*About this resource:* This resource was developed by members of the NCSI Data Use Service Area Team, including Kristin Ruedel (AIR), Gena Nelson (AIR), and Tessie Bailey (AIR); and in collaboration with Ardith Ferguson (WestEd), Arizona Part C technical assistance facilitator; and Maureen Casey, Interim Assistant Director for the Department of Economic Security Division of Developmental Disabilities, Arizona Department of Education. The content was developed under cooperative agreement number #H326R140006 (NCSI) from the Office of Special Education Programs, U.S. Department of Education. Opinions expressed herein do not necessarily represent the policy of the U.S. Department of Education, and you should not assume endorsement by the federal government. Project Officers: Perry Williams and Shedeh Hajghassemali.