



FISCAL MONITORING MANUAL

Coordination of Resources -Payor of Last Resort-
System of Payments

Montana conducts fiscal monitoring as part of compliance and results monitoring of regional Part C Program providers. This manual explains the policies and procedures for the fiscal monitoring process.

Montana Milestones Part C of IDEA Early Intervention Program
Fiscal Monitoring Manual: Coordination of Resources, Payor of Last Resort and System of Payment

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Introduction

The Montana Department of Public Health and Human Services, Early Childhood and Family Support Division (ECFSD) is the lead agency for Montana Milestones Part C Early Intervention of the Individuals with Disabilities Education Act (IDEA). The Individuals with Disabilities Education Act mandates that the lead agency monitor and enforce IDEA Part C requirements to improve early intervention results and functional outcomes for all infants and toddlers with disabilities. To learn more about the IDEA, go to 34 CFR §303.700(b)).

As the lead agency, ECFSD is responsible for the general administration and supervision of the Montana Milestone's Early Intervention (EI) system. The Part C state office must monitor all regional programs implementing Part C of IDEA if they received Part C funds or not. IDEA requires that Part C programs monitor and enforce the use of federal Part C funds. To learn more go to [20 U.S.C. §1435\(a\)\(10\)](#) and [34 CFR§303.120](#).

Montana Milestones Part C of IDEA Early Intervention program collaborates with the ECFSD's fiscal bureau for ongoing fiscal monitoring. ECFSD's fiscal bureau conducts fiscal monitoring in Montana, which includes general fiscal reviews and reviews for appropriate use of funds. Montana Milestones monitors how the regional programs coordinate resources at the regional level, how they implement Montana's payor of last resort and system of payments requirements, and validate whether contractors follow:

- Part C IDEA federal rules and regulations
- Montana's Part C rules and regulations
- Regional program contracts

Montana Milestones Overview

Montana Milestones helps family members and caregivers to enhance children's learning and development through everyday learning opportunities. The state contracts with five regional programs to provide the Part C program for infants and toddlers who

are experiencing developmental delays or who are at risk for developmental delays due to an established condition diagnosed by a physician or psychologist.

The regional provider must ensure families have access to the early intervention services required by Part C of IDEA when such services are identified in the infant or toddler's Individual Family Service Plan (IFSP). These services must be provided by qualified personnel, including community providers. The IDEA Part C System of Payments regulations allow Montana to use public benefits or insurance and private insurance to fund IDEA early intervention services.

The Part C Coordinator, Montana Milestones program staff, and fiscal bureau staff must also:

- Identify and coordinate all available resources
- Assign financial responsibility
- Develop procedures for timely receipt of services
- Resolve disputes related to financial responsibility
- Use methods to establish financial responsibility

Purpose of Manual

This manual:

- Identifies and describes fiscal monitoring priorities
- Helps regional programs understand the fiscal monitoring procedures related to coordination of resources, payor of last resort, system of payments
- Details the activities and roles in fiscal monitoring

Next, this manual establishes guidelines and protocols for state staff for conducting fiscal monitoring, including procedures to:

- Identify noncompliance and performance issues
- Verify correction of noncompliance
- Offer technical assistance
- Use sanctions and incentives to support and sustain correction and improvement

This manual also covers the:

- General processes for fiscal monitoring
- Fiscal requirements monitored
- Implementation of these requirements
- Steps for monitoring each requirement

Fiscal strengths and areas of noncompliance are communicated in the Letter of Findings and the monitoring report issued along with comprehensive program monitoring.

Fiscal Monitoring Policies

Fiscal monitoring related to coordination of resources, payor of last resort, and system of payments is conducted in coordination with general fiscal reviews done by ECFSD's fiscal bureau and comprehensive programmatic monitoring at least once every three years by Montana Milestones program staff.

- 1) The state monitors all regional programs regardless of whether they received Part C federal funds.
- 2) All EIS providers, including regional programs and community providers, will be monitored each year for SPP/APR indicators and at least once every three years for:
 - a. Priority indicators selected by the state
 - b. Fiscal review process
 - c. Fiscal monitoring indicators related to coordination of resources, payor of last resort, and system of payments
- 3) The state identifies emergent issues using formal and informal dispute resolution processes, information gathered through technical assistance and professional development activities, and other components of the general supervision system. The state also uses this information to determine if monitoring of any regional program or community provider needs to be completed more frequently than scheduled.
- 4) Comprehensive monitoring is completed through onsite visits, desk audits, interviews with regional program staff and community providers. It may also include data validation and monitoring of Part C programmatic requirements

related to evaluation and assessment, implementation of IFSP services, natural environment justifications, and others. Results and quality indicators are completed by reviewing original source documents in child records or other programmatic documents.

- 5) Fiscal reviews and monitoring of Part C requirements for payor of last resort, system of payments, and coordination of resources are conducted at least once every three years in conjunction with monitoring of Montana's priority indicators.
- 6) When noncompliance is discovered, the state issues findings of noncompliance within 90 days of discovery and requires correction as soon as possible, but no later than one year from identification. Some fiscal findings will need to be corrected within 60 days of the finding letter.
- 7) Regional programs and community providers who have noncompliance or issues with performance on SPP/APR or Montana's priority indicators conduct root cause analyses and develop corrective action or improvement plans. These plans hold program and providers accountable for correcting or improving noncompliance or issues with performance by directing them to change policies, procedures or other internal mechanisms that led to the noncompliance.
- 8) The state will provide targeted technical assistance to regional programs to correct or improve noncompliance or issues with performance so they can be sustained it over time.
- 9) The state verifies correction of noncompliance by reviewing data to determine if the program is performing at 100 percent compliance and if each individual child's noncompliance has been corrected. For fiscal findings that do not directly relate to the child but rather to appropriate use of funds or accuracy with invoices or payments, staff review of evidence to verify the correction was made.
- 10) The state provides written communication to the regional program when noncompliance has been verified as corrected.

Fiscal Monitoring Procedures Overview

Montana Milestone's program staff and the ECFSD's fiscal bureau staff collaborate to determine if regional programs are correctly implementing requirements for the coordination of resources, payor of last resort, and system of payments. The project confirms appropriate fiscal management principles are used for payment accuracy payment and proper invoicing.

Montana uses both off-site and on-site activities to conduct fiscal monitoring. Fiscal monitoring includes reviews of child and/or fiscal records and other source documents for most of the fiscal monitoring indicators. Family interviews or focus groups are also used to collect data for some requirements.

The number of records selected for child or fiscal reviews is based on a stratified random sample of 10% of the regional program child count or a minimum of 15 records. These records include services, private insurance and/or public insurance, or families whose copayments and deductibles are paid using Part C funds. Families of children whose records are selected for review are the families who will be asked to participate in interviews or focus groups.

Monitoring Process

Communication with regional programs prior to, during, and after Montana Milestone's monitoring helps regional programs understand the monitoring process, their involvement in it, and the results of the monitoring. Regional programs can expect the following process:

- 1) Prior to the start of monitoring, regional programs will get information about the monitoring process, including what will be monitored, how and when it will be done, and who will need to be involved. At this time, regional programs may be advised to upload source documents into Med Compass, inform families and community programs of their roles during the upcoming monitoring, and arrange staff time and schedules to be available during monitoring.
- 2) During monitoring, Montana Milestones will schedule meetings with regional program leadership and staff to tell them about preliminary summaries and to respond to and ask questions.
- 3) Once data is compiled from the monitoring, Montana Milestones program staff and the ECFSD's fiscal bureau will develop a report summarizing strengths, needed improvements, and any compliance issues along with the data supporting these conclusions.
- 4) Montana Milestones will develop a report based on the data to summarize strengths, areas of improvement, and any compliance issues along with the data

supporting these conclusions. Montana Milestones will issue a findings letter where noncompliance was identified along with the actions required to correct the noncompliance.

- 5) Montana Milestones will schedule meetings with the regional program to discuss the summary and to plan next steps, including corrective actions, root cause analyses, technical assistance, and other actions as appropriate.

If noncompliance is identified through any of the monitoring activities, the regional program will be encouraged to correct the noncompliance as soon as possible but are **required** to correct within one year after the identification of the noncompliance. Some fiscal noncompliance will need to be corrected within 30 days of identification in accordance with The Office of Special Education Programs (OSEP) 09-02 Memo.

Although fiscal monitoring of regional programs is aligned with Montana Milestones comprehensive programmatic monitoring once every three years, fiscal monitoring can be done more frequently as issues emerge through dispute resolution data, audit findings, review of contract provisions, issues with accuracy of invoices, and others.

Fiscal Monitoring Indicators

Indicator 1: Coordination of resources

Additional revenue used by the regional program to support Part C services, including grants, philanthropy, fundraising, or local funding coordinated by the regional program to support Part C activities and services.

Indicator 2: Payor of last resort 1 - other sources are used before Part C funds

Private insurance, Medicaid, and other public insurance are used before Part C funds making Part C the payor of last resort and payments are accurate.

Indicator 3: Payor of last resort 2 - interim payments

Part C funds are used as interim payment, as needed, to prevent a delay in the timely provision of early intervention services and payments are accurate.

Indicator 4: No family fees

Families are not charged fees for any services, including copayments and deductibles, and payments made using Part C funds to cover copayments and deductibles are accurate.

Indicator 5: Private insurance 1 - consent to bill private insurance

Parental consent is obtained for the use of private insurance to pay for a Part C service and when private insurance is a prerequisite for the use of public benefits initially and each time there is an increase in frequency, length, duration, or intensity of a service on the child's IFSP.

Indicator 6: Private insurance 2 - System of Payment (SOP) policies given to families

Parents are consistently given SOP policies whenever parental consent is needed to use private insurance to pay for IFSP services both initially and each time consent is required due to an increase in a service on the IFSP.

Indicator 7: Public insurance 1 - parents are not required to sign up for public insurance

Parents are not required to sign up for public benefits or insurance like Medicaid, Healthy Montana Kids, Healthy Montana Kids Plus, or TRICARE as a condition of receiving early intervention services.

Indicator 8: Public insurance indicator 2 - consent to bill public insurance

Parental consent is received for the use of public insurance to pay for a Part C service initially, including for those who enroll in public insurance after being referred to early intervention. Parental consent is received each time there is an increase in frequency, length, duration, or intensity of a service on the child's IFSP.

Indicator 9: Public insurance 3 - written notification given to families prior to billing public insurance

Parents are provided written notification about their consent or right to withdraw consent to release personally identifiable information for billing purposes, that services will be provided if the parent does not provide consent, that Montana Milestones does not charge fees to parents including copayments and deductibles prior to billing public insurance both initially and each time consent is required due to an increase in a service on the IFSP.

Monitoring Process Overview

Monitoring process and timeline

Both on-site and off-site monitoring follow this timeline:

Letter informing EI program for monitoring	November
Pre-monitoring activities	February
Monitoring activities	February/March
Post-monitoring activities	April/May
Monitoring reports issued to EI program, including issuing findings	May

Development and approval of corrective action plans for correction and improvement	May
Development of improvement plan	May
Progress monitoring of improvement plan	Ongoing
Verification of correction of noncompliance	Ongoing

For more information regarding the monitoring process, activities, and timelines, refer to appendices in the Monitoring Procedures Manual.

Monitoring Implementation of Requirements

Each of the requirements related to coordination of resources, payor of last resort, and system of payments will be monitored based on the implementation of these requirements at the regional level and as referenced in the Montana’s Part C Compliance Document.

Coordination of Resources

Part C Federal Regulations: The state Lead agency is responsible for the identification and coordination of all available resources for early intervention services within the State, including those from Federal, State, local, and private sources, consistent with [subpart F of this part](#). (34 CFR 303.120 (b))

Montana’s Part C Compliance Document: F 6.3, F6.4 9, F6.5

Implementation Procedures

Regional programs are responsible for reporting annual revenues from all sources along with their budgeted line-item expenditures to the Montana Milestones staff and ECFSD fiscal bureau. Montana state staff will review these documents to ensure that funds are used appropriately for individual children.

Payor of Last Resort

Part C Federal Regulations: Use of funds, payor of last resort, and system of payments. Payor of last resort provisions in §§ 303.510(a)(b) through 303.521 (regarding the identification and coordination of funding resources for, and the provision of, early intervention services under part C of the Act within the State). 34 CFR 303.510

- (a) Non-substitution of funds: Except as provided in Subpart F 3.2 of this section, funds under Part C will not be used to satisfy a financial commitment for services that would otherwise have been paid for from another public or private source, including any medical program administered by the Department of Defense, but for the enactment of Part C of the Act. Therefore, funds under Part C will be used only for early intervention services an infant or toddler with a disability needs but is not currently entitled to receive or have payment made from any other federal, state, local, or private source (subject to Subpart F 5 and F 6 - §303.520 and §303.521).

Montana's Part C Compliance Document: F 3 Payor of Last Resort.

Implementation Procedures

To meet payor of last resort requirements in accordance with Montana's system of payments policy, the regional program is responsible for telling families about Montana's Part C system of payments policy at intake, during the evaluation process, or at the initial IFSP meeting.

If the family has private and/or public insurance, the regional program must get the parent's consent to bill insurance for their child's IFSP services when covered by insurance. The regional program or the community provider then bills the child's private and/or public insurance for covered services when they are provided. If the private and/or public insurance denies coverage, state or federal Part C funds are used to cover the child's services unless the denial was due to a billing error. If the denial was due to a billing error, the agency providing services must resubmit the claim to the child's insurance with corrected billing information to obtain reimbursement.

Monitoring Payor of Last Resort Requirements

Montana Milestones program staff use the following indicators to monitor the implementation of payor of last resort requirements, including the use of Part C funds to make interim payments.

Payor of Last Resort indicator 1: Other fund sources are used before Part C funds- Private insurance, Medicaid, and other public insurance are used before Part C funds making Part C the payor of last resort and payments are accurate.

Montana Milestones program staff monitor that private insurance, Medicaid, or other public insurance is used prior to using Part C funds. They review a stratified sample of 10% of the regional program's child count or a minimum of 15 children's records whose services were paid using Part C funds. The following steps are followed to review each child's record:

- 1) Review the child's IFSP to confirm the child was enrolled in services and had an active IFSP on the dates of service that were paid with Part C funds.
- 2) Confirm that the services paid align with the child's IFSP, including frequency, intensity, and duration.
- 3) Review the following documents to confirm that private insurance or public insurance was not available and that use of Part C IDEA funds to pay for services was allowable:
 - a. Montana Milestones Part C Informed Consent for the Use of Insurance:
 - i. If the family did not have public or private Insurance, then Part C IDEA funds can be used to pay for services.
 - ii. If the family had public and/or private insurance, but the parent did not provide consent to bill, then Part C IDEA funds can be used to pay for services.
 - b. Insurance Explanation of Benefits (EOBs): If the family had public and/or private insurance and EOBs reflect a denial of coverage, then Part C funds can be used to pay for services on an ongoing basis. If the denial was due to a billing error, the provider must resubmit the claim and can ask to use Part C funds as interim payment.

- 4) If an invoice was submitted by a community provider for payment of the child's services, review the invoice and the payment ledger to determine if the amount of the payment made for the services matches the amount billed.
- 5) Determine if there is evidence that the use of Part C funds to pay for services for each child meets the payor of last resort. They must meet the requirements and document on the fiscal monitoring worksheet.
- 6) Determine if the services paid with Part C funds align with the services on the child's IFSP and the amount paid matches the amount billed for the service and document on the fiscal monitoring worksheet.

No Family Fees

Part C Federal Regulations: Fees will not be charged to parents for the services that a child is otherwise entitled to receive at no cost, including child find, evaluations and assessments, service coordination services, administrative and coordinative activities related to procedural safeguards and the development, review and evaluation of IFSPs and interim IFSPs, and all Part C services when the parent or family meets the state's definition of inability to pay. §303.521(a)(4)(i), (a)(4)(ii), (b), and (c).

Parents will receive written notice telling them about the state's dispute resolution options should they contest any fee or the state's determination via Montana's Part C procedural safeguards.

- 1) Implementation of the Child Find requirements (§303.301 through §303.303).
- 2) Evaluations and assessments (Subpart D 6) in accordance with §303.320, and the functions related to evaluation and assessment in §303.13(b).
- 3) Service coordination services (as defined in §§303.13(b) (11) and 303.33).
- 4) Administrative and coordinative activities related to:
 - The development, review, and evaluation of IFSPs and interim IFSPs in accordance with §§303.342 through 303.345
 - Implementation of the procedural safeguards in Subpart E of this part and other components of the statewide system of early intervention services in

Subpart D of this part (§303.300 through §303.346) and Subpart F (§303.500 through §303.521).

- 5) Early intervention services authorized on the IFSP, including any co-payments or deductibles related to these services.

Montana Part C Compliance Document: F 6.1, F6.2, F6.6

Implementation Procedures

The regional program must discuss and share Montana's Part C System of Payments policy with the family at intake, during the evaluation process, or at the initial IFSP meeting. The regional program must also inform families that Montana Milestones does not charge fees to families, including copayments and deductibles. If the family has private and/or public insurance, the regional program needs to obtain the parent's consent to bill insurance for their child's IFSP services when they are covered by insurance. The regional program or the community provider then bills the child's private and/or public insurance for covered services after they were provided. If the family is responsible for paying copayments and deductibles for a service billed to insurance, Part C funds can be to pay for these out-of-pocket costs.

Community providers can request to use Part C funds to pay for parent's copayments and deductibles by submitting an invoice to the regional program. The invoice should include information identifying the child, including name, date of birth, address, or child Montana Milestones identification number; the service provided; and the date and the copay/deductible amount. A copy of the EOBs from the child's insurance must also be submitted with the invoice.

The regional program will validate the invoice. They should confirm if the child was enrolled in services for the dates of service on the invoice, ensure the dates of service align with the child's IFSP, and review the EOBs to ensure accuracy of the invoice amount before approving payment.

The regional program will keep the required fiscal records related to requests and payments for copayments and payments.

The regional program must ensure that timely and accurate fiscal data on the services provided and the resources used to support each child and family are compared to those services identified on the Individual Family Service Plan (IFSP) recorded in Montana's data management system to verify accuracy and process payments.

- A system of checks and balances is in place at the regional program that describes separation of responsibilities across personnel for approving expenditures and making payments.
- The regional program uses fiscal data, methods, and tools to monitor performance and compliance with federal and state requirements. Fiscal data are linked to programmatic data (e.g., number of referrals, referral source, child count, units of service, private and public benefits) to allow for analysis of the amount of funds spent.

The regional program will submit a monthly invoice to the state requesting reimbursement for copayments and deductibles paid for each child's services. The Montana Milestone's office will review each monthly invoice and check that each child on the invoice was enrolled in early intervention during the time when co-payments or deductibles were paid and that the invoice contains valid expenses. The Montana Milestone's state staff will provide initial approval for the specified invoice following this process:

- 1) A financial specialist will enter the approved invoice into the state payment system.
- 2) A budget analyst will approve the invoice after verifying the approval matches the invoice and ensuring funds are available prior to making payment.
- 3) The purchase order report, invoice, and approval are then sent to the Business and Financial Services division to process the payment to the regional program.

Monitoring implementation of private insurance requirements

Montana Milestones program staff use the following monitoring indicators to monitor that families are not charged fees, including copayments and deductibles.

No Family Fees Indicator 1: Families Are not charged fees, including copayments and deductibles:

Families are not charged fees for any service, including copayments and deductibles, and payments to cover copayments and deductibles made using Part C funds are accurate.

Montana Milestones program staff monitor that families are not charged any fees including copayments and deductibles. They ensure that payments for copayments and deductibles made with Part C funds are accurate by reviewing a stratified sample of 10% of the regional program's child count or a minimum of 15 children's records for whom Part C funds were used to pay copays and deductibles. They also interview families through focus groups or individual interviews to verify that families were not charged fees. The following steps are followed to review each child's record and to interview families:

Record Review

- 1) Review the child's IFSP to confirm that the child was enrolled in Part C during the period for which copayments and deductibles were paid.
- 2) Compare the services listed on the child's IFSP with the services for which copayments and deductibles were paid to ensure they align.
- 3) Compare the amount of the copayment or deductible identified for each delivered service on the insurance EOBs with the actual amount paid for the child's copayments and deductible as recorded on the regional program's ledger.
- 4) Verify that the amount paid for the child's copayments and deductibles recorded in the regional program's ledger matches the copayment and deductible amounts on the regional program's monthly invoice submitted to the state.
- 5) Use the fiscal monitoring worksheet to document if copayments and deductibles were paid appropriately and that the payments were accurate.

Family Interview/Focus Group

- 1) Select families whose child was enrolled in early intervention during the time period for which monitoring is being conducted to participate in an interview or a focus group. The interview or focus group should include questions about their

child's experience in early intervention and ask if they had been charged a fee, including any copayments and deductibles, for services on their child's IFSP.

- 2) Record the interview or focus group or have a notetaker to capture parent comments accurately.

Use the data from the interviews or focus groups to determine if there are issues requiring further investigation. This indicator can be met if all parents who are interviewed or who participated in the focus group report they were not charged any fees for early intervention services on their child's IFSP as a condition for participating in Montana Milestones. However, if a parent reports that they were charged a fee, this data will be used to further investigate the circumstances, including a detailed review of the child's record and/or interviews with Family Support specialists, agency directors, or community providers to determine if there is noncompliance.

Use of Private Insurance

Part C Federal Regulations:

The State may not use the private insurance of a parent of an infant or toddler with a disability to pay for part C services unless the parent provides parental consent, consistent with [§§ 303.7](#) and [303.420\(a\)\(4\)](#), to use private insurance to pay for part C services for his or her child or the State meets one of the exceptions in [paragraph \(b\)\(2\)](#) of this section. This includes the use of private insurance when such use is a prerequisite for the use of public benefits or insurance. Parental consent must be obtained—

- 1) When the lead agency or EIS provider seeks to use the parent's private insurance or benefits to pay for the initial provision of an early intervention service in the IFSP; and
- 2) Each time consent for services is required under § 303.420(a)(3) due to an increase in frequency, length, duration, or intensity in the provision of services in the child's IFSP. §303.520(b)(1)(i).
 - (ii) If a State requires a parent to pay any costs that the parent would incur as a result of the State's use of private insurance to pay for early intervention services (such as co-payments, premiums, or deductibles), those costs must be identified

in the State's system of payments policies under § 303.521; otherwise, the State may not charge those costs to the parent.

(iii) When obtaining parental consent required under [paragraph \(b\)\(1\)\(i\)](#) of this section or initially using benefits under a child or parent's private insurance policy to pay for an early intervention service under [paragraph \(b\)\(2\)](#) of this section, the State must provide to the parent a copy of the State's system of payments policies that identifies the potential costs that the parent may incur when their private insurance is used to pay for early intervention services under this part (such as co-payments, premiums, or deductibles or other long-term costs such as the loss of benefits because of annual or lifetime health insurance coverage caps under the insurance policy). (34 CFR 303.520 (b)(1))

Montana Part C Compliance Document: F 5.2

Parents will receive Montana's Part C Informed Consent for the Use of Insurance and Montana's Part C Procedural Safeguards.

Implementation Procedures

At intake, during the evaluation process, or at the initial IFSP meeting, the regional program must discuss Montana Milestones Part C Informed Consent for the Use of Insurance, Montana's Part C System of Payments policy, and Montana's Part C Procedural Safeguards with the family. They must provide them with copies of this information. If the family agrees to use their private insurance, the regional program will gather information from families about their child's private coverage and obtain consent from the parent to bill the family's private insurance. The regional program will release personally identifiable information to the insurance on the Montana Milestone Part C Informed Consent for the Use of Insurance form.

Parental consent to bill private insurance is also obtained on a new Montana Milestone Part C Informed Consent for Use of Insurance Form whenever a new service will be billed and each time there is an increase in the frequency, intensity, length, or duration of a service already being billed.

The regional program will also discuss Montana Milestone Part C Informed Consent for the Use of Insurance, Montana's Part C System of Payments policy, and Montana's Part C Procedural Safeguards and provide the family with copies of this information whenever parental consent to bill private insurance is sought, including initially and when a new service will be billed or if there is an increase in the frequency, intensity, duration or length of a service.

Monitoring Private Insurance Requirements:

Montana Milestones program staff use the following monitoring indicators to monitor the implementation of Montana's private insurance regulations and implementation procedures.

Private Insurance Indicator 1: Consent to bill private insurance

Parental consent will be obtained to use private insurance to pay for a Part C service and when private insurance is a prerequisite for the use of public benefits initially and each time there is an increase in frequency, length, duration, or intensity of a service on the child's IFSP.

Montana Milestones program staff monitor parent consent to bill private insurance by reviewing a stratified sample of 10% of the regional program's child count or a minimum of 15 of children's records whose parents have private insurance. The following steps are followed in reviewing each child's record:

- 1) Review the Montana Milestone Part C Informed Consent for the Use of Insurance form to verify if the parent signed consent before private insurance was initially billed. This includes when private insurance is a prerequisite for the use of public insurance.
- 2) Review subsequent IFSPs to determine if services had increased or a new service was added. If so, verify if a new Montana Milestone Part C Informed Consent for the Use of Insurance form was completed to address the changes in the IFSP.
- 3) Determine if there is evidence that the child's record is compliant. Document this on the monitoring tracking form. To meet compliance, the following items would need to be met unless (b) is not applicable. Then only (a) would need to be met:

- a. The parent provided written consent to bill public insurance on the Montana Milestone Part C Informed Consent for the Use of Insurance form before initially billing private insurance.
- b. Parent provided consent to bill private insurance on a new Montana Milestone Part C Informed Consent for the Use of Insurance form when service frequency, intensity, length, and duration increased on the IFSP or a new service was added and it was billed to private insurance.

Private Insurance Indicator 2: System of Payment (SOP) policies given to families

Parents are consistently provided SOP policies when whenever parental consent is sought to use private insurance to pay for IFSP services both initially and each time consent is required due to an increase in the service on the IFSP.

Montana Milestones program staff monitor the provision SOP policies when parental consent is sought to bill private insurance both initially and each time there is an increase in service by reviewing a stratified sample of children's records whose parents have private insurance. The following steps are followed in reviewing each child's record:

- 1) Review the Montana Milestone Part C Informed Consent for the Use of Insurance form to verify if the parent initialed the receipt of the SOP policies when initially seeking consent to use private insurance prior to the initial start of EI services.
- 2) Review the subsequent IFSPs to determine if services had increased or a new service was added.
- 3) Verify if the parent initialed they had received the SOP policies on a new Montana Milestone Part C Informed Consent for the Use of Insurance when seeking consent to bill private insurance due to an increase in service frequency, intensity, length, and duration on the IFSP.
- 4) Determine if there is evidence that the child's record meets the following unless (b) below is not applicable. Then only (a) would need to be met. Document this on the fiscal monitoring worksheet:
 - a. The parent initialed they had received the SOP policies on the Montana Milestone Part C Informed Consent for the Use of Insurance form when consent was initially sought to bill private insurance.

- b. The parent initialed they had received the SOP policies on a new Montana Milestone Part C Informed Consent for the Use of Insurance when seeking consent to bill private insurance due to an increase in service frequency, intensity, length, and duration on the IFSP.

Use of Public Insurance

Federal Part C Regulations:

(1) A State may not use the public benefits or insurance of a child or parent to pay for part C services unless the State provides written notification, consistent with [§ 303.520\(a\)\(3\)](#), to the child's parents, and the State meets the no-cost protections identified in [paragraph \(a\)\(2\)\(i\)](#) of this section.

(2) With regard to using the public benefits or insurance of a child or parent to pay for part C services, the State—

(i) May not require a parent to sign up for or enroll in public benefits or insurance programs as a condition of receiving part C services and must obtain consent prior to using the public benefits or insurance of a child or parent if that child or parent is not already enrolled in such a program;

(ii) Must obtain consent, consistent with [§§ 303.7](#) and [303.420\(a\)\(4\)](#), to use a child's or parent's public benefits or insurance to pay for part C services if that use would—

(A) Decrease available lifetime coverage or any other insured benefit for that child or parent under that program;

(B) Result in the child's parents paying for services that would otherwise be covered by the public benefits or insurance program;

(C) Result in any increase in premiums or discontinuation of public benefits or insurance for that child or that child's parents; or

(D) Risk loss of eligibility for the child or that child's parents for home and community-based waivers based on aggregate health-related expenditures.

(iii) If the parent does not provide consent under [paragraphs \(a\)\(2\)\(i\)](#) or [\(a\)\(2\)\(ii\)](#) of this section, the State must still make available those part C services on the IFSP to which the parent has provided consent

(3) Prior to using a child's or parent's public benefits or insurance to pay for part C services, the State must provide written notification to the child's parents. The notification must include—

(i) A statement that parental consent must be obtained under [§ 303.414](#), if that provision applies, before the State lead agency or EIS provider discloses, for billing purposes, a child's personally identifiable information to the State public agency responsible for the administration of the State's public benefits or insurance program (*e.g.*, Medicaid);

(ii) A statement of the no-cost protection provisions in [§ 303.520\(a\)\(2\)\(ii\)](#) and that if the parent does not provide the consent under [§ 303.520\(a\)\(2\)](#), the State lead agency must still make available those part C services on the IFSP for which the parent has provided consent;

(iii) A statement that the parents have the right under [§ 303.414](#), if that provision applies, to withdraw their consent to disclosure of personally identifiable information to the State public agency responsible for the administration of the State's public benefits or insurance program (*e.g.*, Medicaid) at any time; and

(iv) A statement of the general categories of costs that the parent would incur as a result of participating in a public benefits or insurance program (such as co-payments or deductibles, or the required use of private insurance as the primary insurance).

(4) If a State requires a parent to pay any costs that the parent would incur as a result of the State's using a child's or parent's public benefits or insurance to pay for part C services (such as co-payments or deductibles, or the required use of private insurance as

the primary insurance), those costs must be identified in the State's system of payments policies under [§ 303.521](#) and included in the notification provided to the parent under [paragraph \(a\)\(3\)](#) of this section; otherwise, the State cannot charge those costs to the parent.

Montana Part C Compliance Document: F 5.1

Implementation Procedures

At intake, during the evaluation process or at the initial IFSP meeting, the regional program must discuss with the family Montana's Part C Informed Consent for the Use of Insurance, Montana's Written Notification for the Use of Private Insurance and Public Benefits and Montana's Part C System of Payments Policy along with Montana's Procedural Safeguards. They must provide the family with copies of this information.

If the child is not already enrolled in public insurance, the regional program cannot require the parent to enroll as a condition of receiving early intervention services. If the family agrees to use their public insurance such as Medicaid, Healthy Montana Kids, Healthy Montana Kids Plus, or TRICARE, the regional program will gather information about their child's coverage. If the child is not already enrolled in public insurance, the regional program cannot require the parent to enroll as a condition of receiving early intervention services.

Regardless of whether the child had public insurance prior to referral to Montana Milestones or if the parent applies for public insurance after referral, the regional program will obtain consent from the parent to bill the family's public insurance and to release personally identifiable information to the insurance on the Montana Milestones Part C Informed Consent for the Use of Insurance form. Parental consent to bill public insurance will be obtained on a new Montana Milestones Part C Informed Consent for Use of Insurance Form whenever a new service will be billed and each time there is an increase in the frequency, intensity, length, or duration of a service already being billed to public insurance.

The regional program will also discuss with the family Montana's Part C Informed Consent for the Use of Insurance, Montana's Written Notification for the Use of Private Insurance and Public Benefits and Montana's Part C System of Payments Policy along with Montana's Procedural Safeguards. They will provide the family with copies of this information whenever parental consent to bill public insurance is sought, including initially and when a new service will be billed or if there is an increase in the frequency, intensity, duration, or length of a service.

Monitoring Implementation of Public Insurance Requirements:

Montana Milestones staff use the following monitoring indicators to monitor the implementation of Montana's public insurance regulations and implementation procedures.

Public Insurance Indicator 1: Parents are not required to sign up for public insurance
Parents are not required to sign up for public benefits or insurance such as Medicaid, Healthy Montana Kids, Healthy Montana Kids Plus, or TRICARE as a condition of receiving early intervention services.

Montana Milestones program staff monitor that parents are not required to sign up for public benefits by inviting a selection of parents to an interview or a focus group from those who signed up for public benefits following referral to early intervention. The following steps are followed in reviewing each child's record:

- 1) Select families who signed up for Medicaid, Healthy Montana Kids, Healthy Montana Kids Plus, or TRICARE after their child was referred to Part C to participate in an interview or a focus group. The interview or focus group should include questions about their child's experience in early intervention as well as what led the parents to sign up for public insurance or benefits.
- 2) Record the interview or focus group or have a notetaker to accurately capture parent comments.
- 3) Use the data from the interview or focus group to determine if there are issues that require further investigation. This indicator will be considered met if all parents who participated in an interview or in the focus group do not report they were required to sign up for public insurance as a condition of participating in

Montana Milestone. However, if a parent reports they were required to sign up for public insurance, this data will be used to further investigate the circumstances. The investigation may include interviews with Family Support Specialists, agency directors, and others to determine if there is noncompliance.

Public Insurance Indicator2: Consent to bill public insurance

Parental consent will be obtained for the use of public insurance to pay for a Part C service initially, including for those who enroll in public insurance after being referred to early intervention and each time there is an increase in frequency, length, duration, or intensity of a service on the child's IFSP.

Montana Milestones program staff monitor parental consent to bill public insurance by reviewing a stratified sample, 10% of the regional program's child count, or a minimum of 15 children's records whose parents have public insurance. The following steps are followed in reviewing each child's record:

- 1) Review the Montana Milestone Part C Informed Consent for the Use of Insurance form to see if the parent signed consent before public insurance is billed initially.
- 2) Review subsequent IFSPs to determine if services had increased or a new service was added. If so, verify if a new Montana Milestone Part C Informed Consent for the Use of Insurance form was completed to address the changes in the IFSP.
- 3) Determine if there is evidence that the child's record meets the following unless (b) below is not applicable. Then only (a) would need to be met. Document this on the fiscal monitoring worksheet:
 - a) The parent provided written consent to bill public insurance on the Montana Milestones Part C Informed Consent for the Use of Insurance form before initially billing public insurance, including for those children who enrolled in public insurance after being referred to early intervention.
 - b) The parent provided consent to bill public insurance on a new Montana Milestones Part C Informed Consent for the Use of Insurance form when service frequency, intensity, length, and duration increased on the IFSP, or a new service was added and it will be billed to public insurance.

Public Insurance Indicator 3: Written notification given to families prior to billing public insurance

Parents will be notified about their consent or right to withdraw consent to release personally identifiable information for billing purposes, that services will be provided if the parent does not provide consent, and that Montana Milestones does not charge fees to parents including copayments and deductibles prior to billing public insurance both initially and each time consent is required due to an increase in a service on the IFSP.

Montana Milestones program staff will monitor the provision of the Montana Milestones Part C Written Notification for the Use of Private Insurance and Public Benefits when parental consent is sought to bill public insurance both initially and each time there is an increase in service by reviewing a stratified sample of children's records whose parents have public insurance. The following steps are followed for each child's record reviewed:

- 1) Review the Montana Milestones Part C Informed Consent for the Use of Insurance form to verify if the parent initialed they had received Montana Milestones Part C Written Notification for the Use of Private Insurance and Public Benefits when initially seeking consent to use private insurance prior to the initial start of EI services.
- 2) Review the subsequent IFSPs to determine if services had increased or a new service was added.
- 3) Verify if the parent initialed they had received the Montana Milestones Part C Written Notification for the Use of Private Insurance and Public Benefits on a new Montana Milestones Part C Informed Consent for the Use of Insurance when seeking consent to bill private insurance due to an increase in service frequency, intensity, length, and duration on the IFSP.
- 4) Determine if there is evidence that the child's record meets the following unless (b) below is not applicable then only (a) would need to be met and document this on the fiscal monitoring worksheet:

- a. The parent initialed they had received the SOP policies on the Montana Milestones Part C Informed Consent for the Use of Insurance form when consent was initially sought to bill private insurance.
- b. The parent initialed they had received the SOP policies on a new Montana Milestones Part C Informed Consent for the Use of Insurance when seeking consent to bill private insurance due to an increase in service frequency, intensity, length, and duration on the IFSP.

Correction of Fiscal Noncompliance

As part of the state's post-monitoring activities after comprehensive monitoring of regional programs, Montana Milestones and ECFSD fiscal bureau staff meet to review information documented on the fiscal monitoring worksheet for each of the fiscal monitoring indicators. The purpose of this review is to determine jointly if noncompliance was discovered for any of the fiscal monitoring indicators and to decide on required actions that must be taken to ensure correction for each noncompliant fiscal requirement.

Fiscal findings of noncompliance are incorporated into the Letter of Findings that is issued by Montana Milestones within 90 days of comprehensive monitoring with other findings of noncompliance such as services not being implemented in accordance with the IFSP or lack of written justifications when services are not provided in natural environments. The citations for the fiscal requirements with which the regional program is not compliant, along with the required actions needed to demonstrate correction, are included in the Letter of Findings.

Some fiscal findings that relate directly to the child, such as the parent did not provide consent prior to billing private insurance or System of Payments policies were not provided to families, will require regional programs to determine the root cause of the noncompliance, change procedures, train staff, or institute other supports to ensure that the requirements will be implemented correctly and that all individual child noncompliance for these items are corrected. To verify correction of these types of fiscal findings, the state must complete 2 steps:

- 1) Review source documents to verify that each individual child's noncompliance was corrected; and
- 2) Review other child's records to determine if the program is correctly implementing the fiscal requirements and is at 100% compliance.

These fiscal findings must be corrected as soon as possible, but no later than one year from the date of the Letter of Findings when noncompliance is identified.

For other fiscal findings, such as those related to inaccurate invoices or payments, inappropriate use of funds, or lack of obtaining prior approvals when required,

corrections may include reimbursing funds, correcting invoices, using other sources of funds to make payments, and others. Internal procedures may also need to be reviewed and modified along with staff training to ensure noncompliance does not continue. Evidence of correction will need to be provided to Montana Milestones and ECFSD fiscal bureau staff as soon as possible, but no later than 60 days of the Letter of Findings for their review and verification of correction.

All fiscal findings must be verified within the established timelines for each requirement to be considered corrected on time. Montana Milestones provides written documentation to the regional programs of their correction of fiscal findings in the same manner they provide written documentation of correction of other programmatic findings.

If fiscal findings are not corrected on time, sanctions can be taken against the regional program. Sanctions may include technical assistance, withholding of funds, or the discontinuation of their contract if necessary.

Read Montana Milestones Part C of IDEA Early Intervention Program Monitoring Procedures Manual for more information about identification and verification of correction of noncompliance.