

# Early Childhood Intervention (ECI) Helps Toddlers with Disabilities Reach Developmental Goals

Early Childhood Intervention (ECI) provides vital services to infants and toddlers under age three with disabilities, but underfunding is putting both providers and children at risk. Research we conducted with multiple ECI providers during 2024 revealed a number of challenges in the program, including a shortfall between revenue for ECI and the actual expenditures. Additionally, the per-child funding level has not kept pace with inflation, leading to financial strain and service gaps, as operational costs rise and Medicaid reimbursement rates have remained unchanged since 2011. To ensure ECI programs can continue to meet the growing demand and provide high-quality services, the Texas Legislature should adopt the Health and Human Services Commission's (HHSC) Exceptional Item #5 to account for projected caseload growth. The Legislature should also provide a 6% Medicaid reimbursement increase for key services like Specialized Skills Therapy (SST) and Targeted Case Management (TCM).

## ECI provides life-changing therapies to infants and toddlers with disabilities — when they have access to it.

Early Childhood Intervention contracts with community organizations — such as Easter Seals, Any Baby Can, and Texana Center — to provide life-changing therapies and services to babies and toddlers with autism, Down syndrome, and other disabilities and developmental delays. ECI providers work with the child and family where they live, learn, and play. Family-centered services — such as speech, physical, nutrition, and occupational therapies, among others — are tailored to a child's needs. By serving children during the critical first three years of life, a time of rapid brain development, **ECI can boost child development in many ways, including increasing children's cognitive skills and motor skills<sup>1</sup>, with positive effects persisting after children begin school.<sup>2</sup>**

## During her pregnancy, Natalia learned her daughter would be born with abnormalities. Thanks to ECI, Natalia and Mariana recently danced together for the first time.

During a routine check-up early in her pregnancy, Natalia Castillo found out that her daughter was going to be born with abnormalities. But it wasn't until Mariana was born that they knew the extent of the care she would need. She was born prematurely at 34 weeks. There were complications immediately. After tracheotomy surgery and 135 days in the NICU, Mariana was finally diagnosed with



Central Core disease, a rare neuromuscular genetic disorder, and was sent home with a slew of home-care equipment and instructions.

Natalia was overwhelmed — but the local ECI provider, Any Baby Can, stepped in. A case worker helped Natalia enroll Mariana in Occupational Therapy (OT), Physical Therapy (PT), and Speech Therapy (ST). With the caseworker coordinating everything, Natalia could focus on helping Mariana through her appointments, finding ways to support her daughter, and enjoying moments with her daughter that she never thought she would have. With the help of PT, Mariana was able to use her medical standing device and dance with her mom for the first time. Mariana graduated from the ECI program in September of 2022, and because of the critical services she received, she is in a better position to reach her full potential and enjoy just being a kid.

## **ECI empowers parents like Natalia by taking a family-centered approach.**

ECI is unique because it actively involves parents in every step. By tailoring services to meet each child's individual needs and delivering them in natural environments like the home or community, ECI ensures that parents are equipped to support their child in everyday situations. ECI also focuses on seamless transitions as children move from early intervention to school-age services, helping parents navigate the next stages of their child's growth with confidence and support.

In addition to its family-centered approach, ECI in Texas provides Specialized Skills Training (SST) to meet the unique needs of each child. ECI staff work one-on-one to strengthen parents' ability to help their toddlers develop problem-solving behavior and social skills during everyday family activities. Examples of an SST visit include ECI staff showing a family ways to use pictures of food to help their child make choices during snack time, or meeting a family at the grocery store to teach ways to navigate their toddler calmly through the store so a family can complete their shopping.

Targeted Case Management (TCM) is another vital service offered through Texas ECI that helps parents navigate the complexities of early intervention. Case managers work closely with families to coordinate services, ensure timely access to evaluations, and assist in creating individualized service plans for their child. By acting as a central point of contact, case managers empower parents to better understand their child's needs, development goals, and available resources, making the process less overwhelming. **This holistic support ensures that parents feel confident in their role and helps children access all the services they need to thrive.**

## **Inadequate ECI funding undermines Texas infants' and toddlers' development and strains ECI providers.**

### **Financial strain due to underfunding and rising costs puts significant pressure on ECI providers.**

During the summer of 2024, Texans Care for Children conducted research with seven ECI providers to evaluate program challenges and overall sustainability.<sup>3</sup> The study gathered data on contract amounts, the number of children served, average cost per child, total expenditures, and Medicaid reimbursement amounts for FY 2024.

**The findings revealed that many ECI providers face total expenditures that far exceed their revenue, putting them under significant pressure.**

All seven providers reported significant budget shortfalls, emphasizing that current funding levels are insufficient to cover the actual costs of delivering services, especially among programs that enroll children

**38%** 

**State funding per child for ECI has dropped by 38 percent in real dollars since 2010.**

beyond their contracted numbers. There is a disparity between the actual cost of services and the revenue from state funding, private and public insurance, and other locally collected funds, which suggests a widespread underestimation of the resources needed to serve children in ECI.

Providers currently face significantly higher costs for staff, office space, transportation, and other core expenses than they did a decade ago, when per-child funding was higher than it currently is. However, state funding has fallen from \$504 per child in 2010 to \$444 today. Adjusting for inflation, per-child state funding for ECI has fallen from \$727 (in 2024 dollars) — **meaning funding dropped by 38 percent in real dollars since 2010.**<sup>4</sup>

Other funding sources have also failed to keep up with inflation, including Medicaid reimbursement rates for key ECI services. Specialized Skills Training (SST) and Targeted Case Management (TCM) Medicaid reimbursement rates have **not been updated since 2011 or even formally reviewed since 2016.** Current reimbursement rates for SST are set at \$31.63 for individual service and \$7.91 for group service.<sup>5</sup> They would be much higher — \$44.10 and \$11.03 — if they kept up with inflation.<sup>6</sup> Similarly, current TCM reimbursement rates of \$32.91 for face-to-face service and \$26.39 for telephone contact service<sup>7</sup> would be far higher — \$45.88 and \$36.79 — if adjusted for inflation.<sup>8</sup> These rates have not kept up with the pace of rising costs of providing high-quality, individualized services. An increase in Medicaid reimbursement rates is essential to ensure that ECI providers can continue to offer these vital services and empower families.

## **Underfunding the Texas ECI program has an impact on both providers and children, leading to staffing shortages, service gaps, and compromised care for children with disabilities.**

All ECI providers must provide the full array of Individuals with Disabilities Education Act (IDEA) services to all eligible children, based on the child’s and family’s needs, without any waiting lists and regardless of funding levels.<sup>9</sup> When ECI providers exhaust all of their funding in their contract, they must contribute funding from within their organization (i.e., inter-agency funds from another program the provider offers) and/or funding received from local governments, other grants, or philanthropy. Providers exhausting all of their funds is largely due to serving more kids than the number outlined in their contract, and the increases in costs.

Providers must make up for these budget shortfalls through fundraising and grant writing to cover the cost of required services. This process is time-consuming and not guaranteed, as fundraising and grant revenue can fluctuate from year to year. ECI providers must all compete with other nonprofits and organizations for the same grants that are offered at the local or philanthropic level. Expecting ECI providers to raise their own funds for services that families need would be the equivalent of expecting public school special education programs to hold private fundraisers to fund special education programs.

In November 2023, Texans Care for Children conducted a survey of ECI providers,<sup>10</sup> with 37 of the 40 (93%) Texas programs participating. The goal of this survey was to better understand the challenges that providers experienced in FY 2023 and the challenges they anticipated experiencing in FY 2024.

**Survey responses indicated that a primary concern of providers is staffing.** Nearly two-thirds of programs reported they did not expect to be fully staffed in FY 2024. While most programs (78%) stated that they would use the increase of funds that the Legislature allocated in 2023 to attract and/or maintain staff in FY 2024, at least seven programs did not think that the funding would be enough to be fully staffed. When asked to indicate their greatest challenges, half of the respondents said “vacancies and hiring” or “inflation and competitive salaries.” When there is funding dedicated to staffing, it can make a difference. HHSC has

**“We are spread too thinly to do all that is required of an ECI program, especially during times of high turnover.”**

*– ECI provider who participated in the 2023 survey*

shown this through their evaluation of the staff retention portion of the Preschool Development Grant with funding directly for this issue.<sup>11</sup>

**Providers also expressed concern about the size of their service areas.** Since the number of community organizations contracting with the state to provide ECI services has fallen from 58 in 2010 to 40 in 2024,<sup>12</sup> providers are having to expand their service areas and serve more children. Because ECI services are individualized by child, services are often provided in home or community settings where children live, learn, or play. With more than half (57%) of respondents considering their programs to be rural, these providers are strained the most as ECI specialists travel farther and farther to meet and provide services to children while also being short-staffed. While telehealth is an available option for families enrolled in ECI in Texas, it may not be appropriate for many families due to factors such as limited access to technology, lack of a conducive home environment, and challenges with maintaining engagement, which can undermine the effectiveness of services and potentially widen disparities in care.

**When the ECI program is underfunded, many providers have reported that kids are affected too.** Inadequate funding means that ECI providers are only able to minimally conduct federally required Child Find outreach. When contract funds are exhausted, the amount of time providers are able to devote to this outreach drops off. Without this outreach, children end up starting ECI late – after they have turned two or two-and-a-half – or missing out on ECI entirely, therefore making less progress. Many children enrolled in ECI do not receive as many service hours as recommended because providers are unable to pay the competitive salaries necessary to hire and retain enough therapists and staff. When providers are not fully staffed, children miss out on the services they need to make developmental gains. More than 80% of ECI providers reported that they were unable to provide the target number of service hours to their ECI enrollees, which in some cases is simply due to families missing appointments but is also a result of underfunding forcing providers to scale back.<sup>13</sup>

## **In 2023, the Legislature provided funding to cover higher anticipated enrollment for the biennium but failed to significantly increase per-child funding.**

For the 2023 session, the Health and Human Services Commission requested an Exceptional Item (EI) in their Legislative Appropriation Request (LAR) to serve 11% more children in FY 2024 than in FY 2023.<sup>14</sup> This increase in enrollment was due to an influx of kids entering ECI after the pandemic, and this additional general revenue was necessary to prevent a reduction in per-child funding for the 2024-2025 biennium.<sup>15</sup> **The Legislature provided a funding increase to cover HHSC’s request aimed solely at addressing the projected rise in enrollment.**<sup>16</sup> We appreciate that the Legislature provided the \$56.6 million requested by HHSC.

**However, the Legislature did not provide funding to significantly increase per-child funding.** In addition to the \$56.6 million for enrollment growth, the Legislature also provided a small but welcome \$6 million boost, slightly increasing per-child funding. The \$6 million represented a good first step towards improving per-child funding, but the fundamental issue of inadequate per-child funding remains unresolved.

**“We will not be successful if we can’t hire the staff. We currently have vacancies and have had no interest in at least three months.”**

*– ECI provider who participated in the 2023 survey*

**“[We cover a] 20,000 mile service area, but don’t have enough staff to carry the work and travel.”**

*– ECI provider who participated in the 2023 survey*

## For the 2025 session, HHSC is asking the Legislature to invest further in ECI.

State leaders instructed state agencies not to exceed baseline spending in their Legislative Appropriation Request.<sup>17</sup> This means that in its budget request, HHSC was not able to propose increased General Revenue funding for ECI, despite a projected increase in the number of infants and toddlers enrolled in ECI over the next biennium. As a result, if only this base budget request is adopted, the per-child funding levels that the Legislature made progress on last session would fall from \$452 in FY 2025 to \$424 in FY 2026-27.<sup>18</sup> ECI providers would be left serving more kids with less funding.



While HHSC’s primary funding request for ECI was flat, the agency also submitted Exceptional Item #5, an \$18 million request to account for a 3.5% anticipated increase in ECI caseload for the biennium. It is critical that the Legislature include Exceptional Item #5 in the base budget in both the Senate and the House. **This exceptional item will ensure that funding for ECI keeps up with the number of infants and toddlers enrolled in ECI and will be used for direct client services for children and families.**

## How the Legislature can ensure infants and toddlers continue to access valuable ECI services:

- 1 Fully fund HHSC’s Exceptional Item #5 to account for the 3.5% anticipated increase in ECI over the FY 2026-2027 biennium.**
  - Without this Exceptional Item, the state would **decrease** per-child funding from \$452 in 2025 to \$424 for 2026-2027, undermining the progress made last session.
- 2 Provide a 6 percent Medicaid reimbursement increase for Specialized Skill Training (SST) and Targeted Case Management (TCM) – two critical ECI-specific services that have not been updated since 2011.**
  - SST is an ECI service in which staff work closely with families to strengthen parents’ ability to help their toddlers develop problem-solving, behavior, and social skills during everyday family activities.
  - TCM is an ECI service in which ECI specialists work one-on-one with families to help them find and access community resources, such as coordinating medical and specialist appointments, monitoring the effectiveness of services, and facilitating the transition to preschool so families reach goals for themselves and their children.

## Endnotes

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