

HB 1 Funds Enrollment Growth for ECI for Toddlers with Disabilities, But Reimbursement Rates and Per-Child Funding Are Lagging

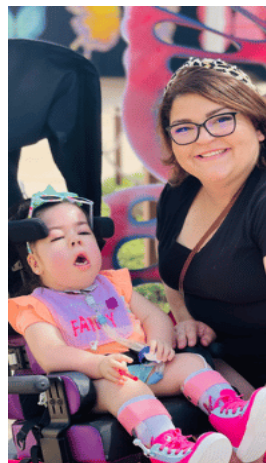
Testimony to the House Appropriations Subcommittee on Article II on Early Childhood Intervention (ECI) Funding

We are grateful to the House for including HHSC's Exceptional Item #5 in HB 1. The funding supports the state's Early Childhood Intervention (ECI) program, which provides critical support for infants and toddlers with disabilities and developmental delays. Specifically, HB 1 included \$18 million to fund projected caseload growth in ECI and a minor increase in per-child funding for the program. However, state per-child funding for ECI has fallen by 38% since 2010 when accounting for inflation. Additionally, the Legislature has not updated Medicaid reimbursement rates for key ECI services since 2011. This chronic underfunding threatens the quality and availability of services for Texas children. To ensure access to these vital services, the Legislature should:

- Provide a 6 percent increase to Medicaid reimbursement rates for Specialized Skills Training and Targeted Case Management;
- Build off the strong starting point in HB 1 and raise per-child funding for ECI.

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, occupational therapies, among others – are tailored to a child's needs. By serving children 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 skills¹, with positive effects persisting after children begin school.²**



Thanks to Early Childhood Intervention, Natalia and her daughter Mariana recently danced together for the first time.

ECI empowers parents 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.

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. For example, an ECI provider helps a 2-year-old with developmental delays and speech impairments by teaching them alternative communication methods like picture exchange systems and simple sign language. Parents are guided to engage their child in play-based activities that promote social skills and language development. The provider also equips the parents with behavior management techniques to reduce tantrums and frustration, focusing on creating a supportive, structured environment for the child's growth.

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.**

HB 1 takes a great first step for ECI funding.

We are glad to see that in the introduced version of the budget, the House included the \$18 million the Health and Human Services Commission requested in Exceptional Item #5. This funding request was to account for a 3.5% anticipated increase in ECI caseload for the biennium and a minor increase to per-child funding.³ Incorporating this funding helps avoid undermining the Legislature's progress made last session for ECI funding. This \$18 million is a good start in restoring ECI funding – it will be used for direct client services for children and will ensure that funding keeps up with the increasing number of infants enrolled in ECI.

Unfortunately, chronic underfunding of ECI has impacted both children and providers, creating a need for further investment in the program.

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

Providers currently face inflation and 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. State funding has fallen from \$504 per child in 2010 to \$452 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 2010.⁴

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.**

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.**

When the ECI program is underfunded, many providers have reported that kids are affected too.

Inadequate funding means that ECI providers can only do the bare minimum for federally-required Child Find outreach. When contract funds are exhausted, the amount of time providers can 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.

The Legislature can take clear steps so babies can continue accessing valuable ECI services:

- 1. Provide a 6 percent Medicaid reimbursement rate increase for Specialized Skills 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 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. For example, these specialists coordinate medical and specialist appointments, monitor the effectiveness of services, and facilitate the transition to preschool so families reach goals for themselves and their children.
- 2. Increase General Revenue funding for the ECI program to continue to restore per-child funding after years of decline.**
 - State funding has fallen from \$504 per-child in 2010 to only \$452 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.

Endnotes

1. Vanderveen, J., Bassler, D., Robertson, C., & Kirpalani, H. (2009). Early interventions involving parents to improve neurodevelopmental outcomes of premature infants: a meta-analysis. *Journal of Perinatology*, 29, 343–351. <https://doi.org/10.1038/jp.2008.229>
2. McCormick, M., Brooks-Gunn, J., Buka, S., Goldman, J., Yu, J., Salganik, M., Scott, D., Bennett, F., Kay, L., Bernbaum, J., Bauer, C., Martin, C., Woods, E., Martin, A., & Casey, P. (2006). Early Intervention in low birth weight premature infants: Results at 18 years of age for the Infant Health and Development Program. *Pediatrics*, 117(3), 771–780
3. Legislative Appropriations Request for Fiscal Year 2026 and 2027 Volume I. (Sept. 2024) Health and Human Services Commission. Retrieved at: <https://www.hhs.texas.gov/sites/default/files/documents/hhsc-legislative-appropriations-request-2026-2027.pdf>
4. Calculated using the Bureau of Labor Statistics CPI Inflation Calculator, comparing August 2010 to August 2024: <https://data.bls.gov/cgi-bin/cpicalc.pl?cost1=504&year1=201008&year2=202408>