

Issue Brief: Investing in Wisconsin's Birth to 3 Early Intervention System

January 2025

Executive Summary:

The Wisconsin Birth to 3 Early Intervention Program provides essential services to infants and toddlers with developmental delays or disabilities, offering interventions like physical, occupational, and speech therapies. Despite growing demand, funding has remained relatively flat for the last several years, placing increasing financial strain on local counties. This program, which serves over 13,000 children annually, has proven to improve child outcomes and reduce long-term costs in education and healthcare. However, without immediate legislative action, the program's sustainability is at risk. A \$10 million annual budget increase in State GPR starting in 2026 is urgently needed to stabilize the system, with additional long-term investments required to ensure equitable access and high-quality services for all children.

Quick Facts

Population Served:

Infants and toddlers (ages 0-3) with developmental delays or disabilities

Number of Children Enrolled (2023):

13,200 across Wisconsin

Budget (2023):

\$49 million statewide

Funding Sources:

County levy & County Aids (47%), state and federal allocations, Medicaid, private insurance, parental contributions, private provider subsidy

Leading Causes of Referrals:

Developmental delays in communication or motor skills, prematurity, Down syndrome, neurological conditions

Funding Trend:

Flat for several years

Enrollment Trend:

Growing since 2020

Background on Birth to 3:

The Wisconsin Birth to 3 Early Intervention System is a federal program mandates that all eligible children with developmental delays or disabilities be provided with critical services to support their early development. Services provided include special education, physical, occupational, and speech therapies, along with service coordination.

Despite the program's importance, the Birth to 3 funding model is heavily reliant on county contributions in levy and community aids, which cover 47% of the total budget. The total State/federal allocation of funding has remained relatively flat for several years, despite increasing enrollments. This leaves local counties with an unsustainable financial burden and contributes to service delivery challenges, particularly in underserved areas.

Key benefits of Birth to 3 services include:

- 1. Cost Efficiency:** Early intervention reduces the need for costly special education services later in life. A study of six states showed that early intervention helped avoid special education services for up to 3,000 children per state, saving between \$7.6 million and \$68.2 million annually.
- 2. Improved Long-Term Outcomes:** Early intervention strengthens cognitive and social development, fostering school readiness and reducing future societal costs.
- 3. Parental Support:** By providing families with resources and support, Birth to 3 reduces parental stress and increases workforce participation.



Challenges Facing Birth to 3:

The sustainability of the Birth to 3 system is threatened by several key challenges:

1. Flat Funding State: Despite growing demand, state/federal funding to counties has remained relatively unchanged at around \$12.7 million annually. This is not sufficient to meet the rising costs associated with increased enrollments and service needs.

2. Local County Burden: Counties contribute 47% of the program's funding through local tax levy and their basic county allocation (community aids), a structure that places a disproportionate financial burden on local governments. In fact, these contributions have increased by \$10 million since 2005 as costs and enrollments have increased and other reimbursements have dropped off. This over-reliance on county funds is unsustainable, especially in high-need areas.

3. Shrinking Provider Network: The size of the provider network has been shrinking, particularly in Milwaukee County, where two-thirds of providers have exited the system since 2018. Given the flat funding, provider rates have not increased which impact the ability to retain qualified Birth to 3 staff, offer training and specialized services. The declining number of providers limits access to care and creates barriers for families needing timely services.

4. Reductions to Medicaid and Private Insurance Reimbursement: Both Medicaid and private insurance contributions to Birth to 3 have declined, increasing the financial burden on counties to cover the cost of services.

Recommendations for Action:

1. Immediate Budget Increase:

The State of Wisconsin should approve a \$10 million annual increase in General Purpose Revenue (GPR) for Birth to 3, starting in CY2026. This funding is necessary to stabilize the current delivery system and reduce reliance on county funding. With this increase, the state/federal allocation would represent a greater share of overall funding at 39% (vs. 26%) making

it even with the percentage contributed by counties assuming these contributions remain the same. An increase of this size would have an enormous impact on boosting provider rates and retaining quality providers while easing the burden on local governments.

2. Long-Term Investment Strategy:

- Establish annual GPR increases to cover projected caseload growth and service costs. This will ensure

that Birth to 3 remains sustainable as the demand for services continues to rise.

- Work with the Department of Health

Services (DHS) to explore adding certain Birth to 3 services to the Medicaid state plan such as special education, increasing federal reimbursements for the program.

- Increase the Medicaid Targeted Case Management (TCM) rate to allow counties to generate more federal Medicaid TCM to cover costs of service coordination.

- Enforce existing requirements for private insurance to be the first payor for Birth to 3 services. DHS should collaborate with the Office of the Insurance Commissioner to ensure that private insurers comply with these requirements, reducing the financial strain on counties.

4. Create a Legislative Study Committee:

- Establish a Legislative Study Committee to assess options to improve Wisconsin's Birth to 3 system and review the state's funding allocation formula by considering new factors such as preterm birth rates, racial disparities, and poverty rates to ensure that resources are allocated equitably across the state.

5. Expand Eligibility for At-Risk Children:

- Expand eligibility criteria for Birth to 3 to include children at high risk of developmental delays due to factors like prenatal substance exposure. Early identification and intervention are crucial to improving long-term outcomes and reducing future costs.

**The earliest intervention
is the best intervention.**



Conclusion:

The Wisconsin Birth to 3 Early Intervention Program is a vital resource for children and families, offering proven benefits in terms of child development and economic efficiency. However, the program's financial sustainability is at risk without immediate legislative action. An ongoing annual increase of \$10 million along with a funding re-estimate of \$2 million starting in CY2027 to cover the projected growth in caseload and service costs. This increase and long-term investments in the program are critical to ensuring that Wisconsin's most vulnerable children receive the support they need to thrive.

About Us:

Nurturing Every Start is a coalition of Wisconsin's county human service leaders and public and private Birth to 3 providers dedicated to creating a sustainable future for early intervention services. We work together to ensure every child and family in Wisconsin has access to the Birth to 3 support they need, advocating for policies and resources that make a meaningful impact on young lives.

Contact Information:

Nurturing Every Start Coalition
E: Contact@InvestInBirthto3.org

