



Advocates for Children of New York

Protecting every child's right to learn

Testimony for the Joint Legislative Public Hearing on the 2019-2020 Executive Budget Proposal: Health

Re: Early Intervention

February 2019

Advocates for Children of New York (AFC) appreciates the opportunity to submit testimony regarding the Early Intervention proposal in the 2019-2020 Executive Budget. For more than 45 years, AFC has worked to ensure a high-quality education for New York students who face barriers to academic success, focusing on students from low-income backgrounds. Every year, we help thousands of New York parents navigate the Early Intervention, preschool, and school-aged education systems.

With respect to Early Intervention (EI), we urge the Legislature to:

1. Extend the 5% increase proposed in the Executive Budget for Early Intervention occupational, physical, and speech therapists to all EI providers, evaluators, and service coordinators.
2. Increase reimbursement from private health insurance companies by supporting a “covered lives” proposal, which would assess health plans to help cover the cost of EI services instead of asking private health insurance companies to review each claim for EI services.
3. Conduct a cost study, with stakeholder input, to assess and recommend changes to the methodology used to determine payment for EI evaluations, service coordination, and service provision.

1. Extend the 5% increase proposed in the Executive Budget for Early Intervention occupational, physical, and speech therapists to all EI providers, evaluators, and service coordinators.

Early Intervention provides evaluations and services for infants and toddlers who have significant developmental delays or disabilities and their families. Research shows the importance of identifying and addressing developmental delays as early in life as possible when intervention can have the greatest impact.

Despite the importance of this program, New York State's payment rates for EI providers are lower than they were when the program began more than 20 years ago.

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Instead of providing cost-of-living increases, the State cut the EI service rate for home- and community-based services by 10% in April 2010 and cut the reimbursement rate for all EI services by an additional 5% in April 2011. The rate has remained stagnant since that time. Meanwhile, the State implemented a new reimbursement process, placing significant administrative burdens on EI service coordinators, individual providers, and agencies.

As a result, experienced, high-quality EI providers have shut their doors or stopped taking EI cases, making it difficult for children in certain areas to access much-needed high-quality services in a timely manner. For example, in Franklin County, an established agency shut down its EI program in June 2016 due to inadequate reimbursement rates, leaving dozens of children and families without services. In New York City in June 2017, an agency that was providing EI service coordination to 2,400 children ended its 24-year EI program because the program was not financially viable. In addition, provider agencies have had to redirect highly qualified therapists away from serving children so they can instead manage the added billing tasks, without commensurate reimbursement, and with fewer hours to plan for and offer services to children.

The shortages have impacted the State's ability to provide children with the evaluations and services they need in a timely manner. In fact, the latest data show that, in New York State, *one out of every four children* did not receive their mandated Early Intervention services within the required timeframe.

The Executive Budget proposes \$4.4 million (a \$3.6 million cost to the Medicaid program and an \$800,000 cost to the State) for a 5% increase in reimbursement rates for EI services provided by occupational therapists, physical therapists, and speech-language pathologists "to mitigate provider shortages and recognize the education and training of these specialized service providers." We are pleased that Governor Cuomo recognized the need to begin restoring reimbursement rates to help address provider shortages. While this proposal is a positive step, we want to ensure that *all* EI providers, evaluators, and service coordinators receive a rate increase of at least 5%, to begin to restore rates to help ensure that children with developmental delays or disabilities get timely access to the services they urgently need. Special education teachers, psychologists, licensed behavior analysts, and teachers of the blind or deaf provide critical Early Intervention services. Failing to extend the 5% rate increase to these providers may drive them out of the field, further increasing shortages in these areas.

The Legislature should ensure that the final budget includes sufficient funding to extend the 5% increase proposed in the Executive Budget for occupational, physical,



and speech therapists to all EI providers, evaluators, and service coordinators. Restoring reimbursement rates by at least 5% is necessary to ensure that children can receive high-quality EI services at the time when intervention is most effective.

2. Increase reimbursement from private health insurance companies by supporting a “covered lives” proposal, which would assess health plans to help cover the cost of EI services instead of asking private health insurance companies to review each claim for EI services.

Currently, commercial insurance companies deny more than 80% of the EI claims submitted. To ensure that commercial insurance companies pay their fair share of the cost of EI services, the State should include in the final budget a “covered lives” proposal, which would assess health plans to help cover the cost of EI services instead of asking private health insurance companies to review each claim for EI services. Such proposals would increase resources for EI and eliminate the need for burdensome billing and appeals processes that often result in denials of claims by private health insurance companies. To ensure that private health insurance companies are paying their fair share, the State should assess at least \$45 million from these companies. The State should reinvest this funding into the EI program to pay for the 5% across-the-board rate restoration and to support quality improvement efforts and recruitment and retention of high-quality professionals.

3. Conduct a cost study, with stakeholder input, to assess and recommend changes to the methodology used to determine payment for EI evaluations, service coordination, and service provision.

The challenges facing EI providers underscore the complexities of developing EI reimbursement rates that will ensure access to timely evaluations and services for children throughout the State and of maximizing reimbursement from private health insurance companies. Therefore, we recommend that the State pay for a cost study led by an independent entity, with stakeholder input, to assess and recommend changes to the methodologies used to determine payment for EI evaluations, service coordination, and service provision, as well as ways to maximize reimbursement from private health insurance companies. The cost study should consider potential changes to EI rates and reimbursement policies, including enhanced reimbursement rates for high poverty areas, bilingual services, and areas with provider shortages; hourly vs. capitated rates for service coordination; travel time reimbursement; and reimbursement for professional development. The study should also examine ways to maximize reimbursement from private health insurance companies, including covered



lives proposals. The State should provide funding for the study and ensure it is completed in time for next year's budget process.

We look forward to working with you throughout the budget process. Please feel free to contact me at 212-822-9532 or rlevine@advocatesforchildren.org if we can be of assistance.

Respectfully,

A handwritten signature in black ink that reads "Randi Levine". The signature is written in a cursive, flowing style.

Randi Levine, Esq.
Policy Director