

**TESTIMONY TO
JOINT LEGISLATIVE BUDGET HEARING
HEALTH & MEDICAID
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The proposals by the Executive to privatize and radically change the structure of Early Intervention (E.I.) will undermine the fabric and essence of Early Intervention, inundate providers with new and costly administrative overhead taking resources away from direct services, and greatly limit accessibility to tens of thousands of families. It is very similar to the budget proposal that the Governor recommended last year and the Legislature rejected.

Good afternoon my name is Steven Sanders. I am a former Member of the New York State Assembly. During my time in the Legislature, until 2006, I was proud to have helped write the original Early Intervention law 21 years ago with a number of current Legislators including Assemblyman Gottfried and Senator Hannon. I am now the Executive Director of ACTS (Agencies for Children's Therapy Services). The agencies that comprise ACTS provide Early Intervention programs to about a third of the nearly 75,000 children and families in the program.

The insurance takeover that the Governor is proposing for E.I. is fundamentally flawed because E.I. is not a medical program. This is not a reform of E.I. in any way. But plain and simple it is a gift to counties who simply do not wish to pay for these services any longer.

The Early Intervention program has saved the State untold tens of millions of dollars each year since its inception in 1992. This is true because as we evaluate and then provide critical services to learning disabled toddlers at the ages of one, two and three, we eliminate or lessen the need for far more expensive preschool special education and then a decade of school age special education services for that child. It has been estimated that for every \$1 the State invests in Early Intervention, government saves \$7 in avoided, and far more expensive special education costs just a year or two later when that toddler becomes school age. Early Intervention is NOT a cost driver, it is a Cost SAVER. And it is working in spite of budget cuts of nearly 25% in just the last three years alone.

The Governor essentially wants to take this education readiness program and turn it into a managed care medical model by putting insurance companies in charge of the program. THEY, the insurance companies, would select which providers would even be allowed into their networks; THEY would decide on rates of reimbursements; THEY would set standards for utilization and THEY would be allowed to charge parents co-pays and require deductibles. They will even have an official role on the IFSP team which they will undoubtedly use to tamp down services and their costs. In short THEY would now assume these roles that have been exercised by State and local governments for two decades.

Should this scheme be adopted you can be sure that providers and evaluators will get squeezed in their reimbursements and in some cases excluded altogether from being able to provide services in a given area or network. Each of the thousands of individual therapists who currently work for Service Provider Agencies would likely need INDIVIDUAL approval from the insurance companies. Parents' choices to select evaluators and access preferred providers will be greatly limited. Those providers who might be able negotiate their way into a network, will still need to negotiate rates and utilization standards with the insurance companies. Insurance companies will mainly be concerned with their bottom line and less about needed services to at risk children. Undoubtedly the providers administrative costs will increase by having to spend an inordinate amount of time and dollars, navigating this new insurance thicket.

Services and rates will vary widely from network to network, between counties, and even within counties. There will be no consistency or reliability in the system. And should a provider have a dispute over reimbursement, they would need to exhaust all their appeals before the county would reimburse the provider. That would take months and cripple a provider's essential cash flow needed to keep their services intact.

The Governor's Plan is worse still. Adding a new layer of bureaucracy before an evaluation takes place, the Governor proposes to either eliminate evaluations altogether or limit the multidisciplinary nature of the evaluation by treating all youngsters with a prior diagnosis of a developmental delay in much the same manner. How can you develop an individual service plan for that child without knowing the individual and unique circumstance of those youngsters' problems? The answer is you cannot.

In short this proposal represents a government abandonment of overseeing critically needed services to tens of thousands of families and their at risk small children. Ultimately as E.I. services dwindle the costs for special education will increase...dramatically. This increased cost will fall squarely on school districts and state government, not in five or ten years but within one or two years!

It would seem that the Governor's zeal to cut costs to counties has clouded his judgment as to what is right and needed for toddlers with learning delays.

I ask the Legislature to do what it has always done and that is to stick up for these special needs children and their families, and to save Early Intervention.

Thank you for your hard work and careful vetting of the Governor's budget proposals.