

**TESTIMONY TO
JOINT LEGISLATIVE BUDGET HEARING
HEALTH & MEDICAID
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Submitted by: Steven Sanders, Executive Director

ACTS (Agencies for Children's Therapy Services)

Thank you for this opportunity to speak about the Executive Budget recommendations in the area of Health and specifically the Governor's proposals for Early Intervention.

My name is Steven Sanders. I am Executive Director of ACTS (Agencies for Children's Therapy Services). The nearly 40 separate agencies that belong to ACTS, statewide, provide the majority of services in the Early Intervention Program. It is also worth noting that during my 28 years in the Assembly, one of the bills that I sponsored into law in 1992 was the creation of the New York State Early Intervention Program. The Governor at that time was also named Cuomo.

Early Intervention serves about 68,000 toddlers each year with various forms of disabilities and challenges. **By remediating these problems at an early age, the state saves untold tens of millions of dollars each year in *avoided* mandated services in pre-school and school age special education programs and beyond.**

The services provided by Early Intervention licensed professionals are reimbursed by either commercial insurance or Medicaid. For services not paid for, or when families have no insurance, the state and counties reimburse for these expenses with an equal 50-50 split.

But for 16 long years agencies and therapists who work with these young children and their families have not received a rate increase. This despite the fact that the cost of services have increased along with inflation. Back in 2009 and 2010 Early Intervention rates were actually cut by 15% as part of Governor Paterson's Deficit Reduction Program during the recession. Those cuts were never restored when the economy rebounded. As a result, there are now shortages of available therapists and necessary services which threatens the Program. It is suspected that some service plans are written based on what services are available in a given county rather than what the child needs.

This year the Governor has recommended a *partial* 5% rate increase but only for certain E.I. services. In fact for the fastest growing part of the E.I. population, those diagnosed with autism, the Governor does not set a funding rate for the preferred therapy to treat autism which is Applied Behavioral Analysis (ABA). Was this just an oversight? Who knows? But it is an omission with significant consequences. Licensed therapists who practice ABA can certainly earn more in other clinical settings by serving other populations. If E.I. rates are not competitive they will surely choose other venues creating an even greater shortage of qualified professionals in the E.I. program.

ULTIMATELY THIS IS ALL ABOUT COST.

Early Intervention is a \$670 million program. According to the Health Department, Medicaid insurance pays about 43% of that total cost, the state and counties share about 55% of that total cost, while commercial insurance contributes 2%...YES ONLY 2%, which totals about \$13M. These figures have barely changed during the entire 26 years of Early Intervention.

Commercial insurance rejects about 83% of all claims while Medicaid approves about 74% of identical claims. The state and counties pay for whatever Medicaid and commercial insurance refuse. With all the efforts of the Departments of Health and Financial Services to change those commercial insurance metrics, nothing has worked. That clearly will not change.

In order to adequately fund ALL E.I. services, the Legislature and the Governor ought to embrace what the Assembly proposed in last year's budget which is to end the expensive and time-consuming process

of billing individual claims to commercial insurance, only to have them rejected, and instead replace billing with "Covered Lives", which is used in other Health related insurance programs.

A reasonable assessment on the insurance industry can be determined that would finally provide a fair rate of return and save the state and counties millions of dollars each year, some of which should be used to fully fund the proposed 5% rate increase as well as any new Medicaid costs associated with Early Intervention. To illustrate the point, if an assessment on the commercial insurance industry was predicated on only half of what Medicaid approves, both the state and the counties would EACH see savings of at least \$6.5 million each year.

To every budget funding problem there is a solution. I am suggesting a remedy to the Early Intervention funding deficit that is fair for all... and most importantly will not cost government an extra dime.

Thanks as always for your serious consideration.

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