

**TESTIMONY TO  
JOINT LEGISLATIVE BUDGET HEARING  
HEALTH & MEDICAID  
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My name is Steven Sanders. I am the Executive Director of ACTS (Agencies for Children's Therapy Services). ACTS is a statewide association of agencies that provide the majority of services in the Early Intervention Program.

As you know the Early Intervention Program which was established 25 years ago provides critically needed services to toddlers from birth to three years old. This program which is overseen by the Department of Health helps 70,000 young children and their families each year to remediate early childhood disabilities and work towards that essential bridge to school age readiness and beyond.

**Early Intervention is perhaps the single most important service that the state provides in the earliest stages of childhood** because through the assistance of our Early Intervention agencies special young children can overcome a host of learning challenges and even lessen the impact of serious developmental disabilities such as autism as well as emotional and intellectual problems. In doing so, **tens of millions of dollars are saved each year** from avoided and far more expensive costs to the State especially in pre-school and school age special education due to the successful efforts of Early Intervention agencies.

This brings us to the Executive proposed budget changes in the Early Intervention Program. Most of the Governor's recommendations, the Legislature has seen before:

**The changes to the evaluation of children in the first instance are very problematic.** The Governor seeks to end multi-disciplinary evaluations which is the bedrock of this program. In its place the Governor would have screenings, partial evaluations, and use other less targeted medical diagnosis as the basis for determining what services may be needed for a child. The Governor's intent is to reduce evaluations by trying to weed out those children who may not need Early Intervention services or who have been "pre-qualified". The danger is that by eliminating children from a full comprehensive evaluation when referred to the program by parents or health professionals many of these kids will not have their problems properly identified and will inevitably fall through the cracks and not receive the services that they need and are entitled to. **There will ultimately be no cost savings whatsoever and probably the opposite.** I can say this confidently because when a child is not helped in the Early Intervention Program those unaddressed problems becomes a much greater expense through special education costs incurred in our public and private schools. What the Governor fails to recognize is that **Early Intervention is NOT a cost driver, it is a cost saver.** The more children who are successfully identified through evaluations and then treated, the more money the State saves over time. This is a classic case of "if it's not broke don't fix it"! The Legislature should rightly REJECT those ill-advised proposals again.

The Governor also makes a number of changes impacting the Early Intervention Program in Insurance Law. Chief among them is his proposal that the Individual Family Service Plan (IFSP) or a physician's script should constitute the justification for necessary services to be paid for by commercial insurance or Medicaid. **Commercial Insurance does not pay for its fair share of Early Intervention services. On average it rejects nearly 85% of all claims submitted to it each year.** This has been true for almost as many years as the program has existed. The chief reason for insurance denials of payment is the lack of "prior approval" or the purported absence of "medical necessity". This proposal by the Governor would largely remedy that pretext for denying reimbursement, and save the state and counties millions of dollars. As such this recommendation should be ACCEPTED by the Legislature.

A new proposal by the Governor is his recommendation that Early Intervention providers should receive a rate increase (of 2%) which it has not had in 16 years for home based programs. No rate increase during that time, no COLA, no nothing. This, in spite of the fact that service providers have been tasked with enormous new responsibilities in recent years which have been costly and time consuming. The problem with what the Governor proposes is that it comes with knotty strings attached which would likely cause even greater expense and certainly would delay reimbursement payments to providers. In order for the 2% increase to become effective service providers would have to appeal all denials and have those appeals adjudicated before any payments would be made to those providers. Such a new layer of work will hold up reimbursements by weeks if not months and be a new cost of doing business for many agencies that are barely getting by now. Finally even the Governor acknowledges that the 2% rate increase may not apply to Medicaid claims. If that is the case then the aggregate rate increase would be less than 1%. **Embattled and overburdened Early Intervention providers are entitled to a clean rate increase after nearly two decades of flat or reduced rates. It's only fair and it is way past due.**

If the Governor truly wishes to help Early Intervention providers and the families that they serve and maximize commercial insurance reimbursement, he should support a "Covered Lives" approach and assessment on the insurance industry as a substitute for direct billing. **By doing so, the state and counties would save money.** Moreover providers would not need to spend so much of their time chasing down commercial insurance denials and payments. This would free up more time and resources to concentrate on doing what they do best, which is providing essential and quality services to tens of thousands of vulnerable children each year... and giving them and their families a better future.

Thank you for this opportunity to testify and for all that the Legislature has done to support Early Intervention.