

**TESTIMONY TO
JOINT LEGISLATIVE BUDGET HEARING
HEALTH & MEDICAID
FEBRUARY 16, 2017**

Submitted by: Steven Sanders, Executive Director
ACTS (Agencies for Children's Therapy Services)

Thank You for this opportunity to again present budget testimony before this joint Committee.

My name is Steven Sanders and I am Executive Director of ACTS (Agencies for Children's Therapy Services). ACTS is an association of providers in the Early Intervention program from across the State. ACTS agencies in the aggregate provide nearly 60% of the services to the toddlers enrolled in the program.

Early Intervention providers have been operating without a rate increase for as long as the Legislature has gone without a pay raise, but unlike the Legislature, providers absorbed double digit cuts in their rates during the last recession that were never restored. And this is in spite of the fact that their administrative duties were dramatically increased by statute over the past four years. The result has been the loss of over 25% of the billing providers since 2013. These were agencies that simply could not continue in business with 20th century rates and 21st century costs.

So on behalf of the agencies of ACTS and the other Early Intervention providers around the state I urge you to **correct the Governor's omission and finally adjust the rates to reflect the reality of the costs imposed on these providers. 2% this year would be a good start and is certainly not asking too much.**

Of the items that the Governor DID include in his Executive Recommendations, it is a mixed bag. **On the positive side of the ledger ACTS believes that ALL the Governor's proposals which amend Insurance Law and aimed at expediting commercial insurance adjudication and payment are good proposals and should be ACCEPTED.** It is scandalous that of the total annual payments of about \$600 Million, commercial insurance pays only 2% of that total. This is true because currently 85% of claims submitted to commercial insurance are routinely denied for one reason or the other. Adoption of the Governor's Insurance Law proposals will change that equation.

However the Governor's proposed amendments to the Public Health Law are badly designed and must be REJECTED. The Governor wants to require denials from commercial insurance be appealed by providers without any indication that those appeals will result in any reversal of the original determination. But what it will do is extend the period of time that providers will be unable to be paid for their legitimate claims by as much as an additional 15 weeks. So given the amount of time that it already takes for providers to be paid for commercial insurance claims, it would take around five months and more for providers to be paid for those claims. But providers like any other small businesses have their own weekly payrolls and other costs to keep their programs up and running. Such disruption and delays to their cash flow will be devastating and will lead to the further exodus of needed service providers and loss of services to our most vulnerable youngsters and their families.

The other proposed changes to the public Health Law continue to increase administrative burdens and cost to providers without any commensurate reimbursement. They too must be REJECTED. Consider this to be what it is, an unfunded mandate.

The Early Intervention Program and providers SAVE the state untold millions of dollars each year by remediating learning and developmental disabilities of toddlers and thus preventing the need for far more expensive services later on in schools and elsewhere. Supporting Early Intervention providers and agencies is simply a good investment and the smart thing to do.

Thank you for your past support of the Early Intervention Program, and your time and attention again this year.