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**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)

The proposals by the Governor to privatize and radically change the structure of Early Intervention (E.I.) is not a reform but rather it will unwittingly, (or not), destroy 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.

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 20 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.

What the Governor is proposing for E.I. is fundamentally flawed and would prove to be fatal to the program as we know it. It 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 age of 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 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 over 20% which the programs have absorbed in just the last two years alone.

The Governor essentially wants to take this education readiness program and turn it into an HMO type 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. 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 will get squeezed in their reimbursements and in some cases excluded altogether (Red Lined) from being able to provide services in a given area. Each of the thousands of individual therapists who currently work for Service Providers would likely need INDIVIDUAL approval from the insurance companies. Parent's choices will be 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. In short this proposal represents a government abdication of 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!

In addition the Governor wishes to separate the function of evaluator from service provider even though the evaluator has nothing to do with recommending a provider of services. This arbitrary and totally unnecessary restriction will only limit a parent's preference and possibly the best match for that family. Contrary to the Governor's assertion, there exists no conflict of interest here because the selection of a service provider is not within the purview of the evaluator.

I could go on and on about the ramifications of turning Early Intervention over to the insurance world. And the deeper you dig into the details of this proposal, the worse it gets. But I think that you get the gist. This is government "redesign" gone amok... literally throwing the baby out with the bath water! It should be rejected by the Legislature.

As far as anyone can tell, the sole reason for this proposal is to relieve counties of a responsibility which they no longer want. I understand that the Counties want "mandate relief" especially after the 2% cap was imposed on them last year. And I am sympathetic. However THIS proposal comes at much too great a cost for parents, providers and ultimately school districts and state government itself.

I was talking to a key Legislative person last week and he summed it up well. He spoke to me about local government mandate relief. He said "you would think that the Governor's proposed takeover of local Medicaid costs would be sufficient for the counties!" let us not rob "Peter to pay Paul." In this case "Peter" is the 75,000 families with at risk kids and the Providers who make available those services.

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