



Testimony
of

The New York City Department of Health and Mental Hygiene

Submitted to

**New York State Assembly:
Standing Committee on Health
Standing Committee on Insurance
Standing Committee on Oversight, Analysis and Investigation**

on

Early Intervention Fiscal Agent Implementation

October 22, 2013
Roosevelt Hearing Room C, Legislative Office Building

Members of the Assembly Committees on Health, Insurance, and Oversight, Analysis & Investigation, thank you for providing the New York City Department of Health and Mental Hygiene with the opportunity to submit testimony on the New York State Early Intervention Program's transition to paying service providers via a State-wide Fiscal Agent.

The New York City Early Intervention Program serves children under age three with developmental delays who require interventions such as speech therapy, special instruction, physical and occupational therapy. Annually, the New York City Early Intervention Program serves approximately 35,000 children and their families. Prior to the reforms introduced in the Governor's 2012-2013 budget the Early Intervention program was the single largest expense for the Department, comprising approximately 25% of the total budget. The annual expense for the program exceeded \$400 million, or \$93 million in city tax levy. The amount of city tax levy contribution was not altered by the system changes that went into effect on April 1st of this year.

The Department supported the Early Intervention reforms introduced in the 2012-2013 budget which were intended to immediately reduce the administrative burden and, ultimately, provide fiscal relief to municipal governments. These reforms included the creation of a State-wide Fiscal Agent under the authority of the State Department of Health that is expected to increase insurance revenues, maximize efficiencies, and improve accountability.

During the transition period from January 1 through April 1, 2013, all provider agencies in contract with the Department were required to enter into agreements with the State Department of Health to deliver evaluations, offer service coordination, and provide Early Intervention services. Despite some concerns that this transition would negatively impact the number of providers delivering Early Intervention services, New York City has actually seen an increase in this number since implementation of the reforms. Prior to April 1, 2013, there were

85 provider agencies delivering Early Intervention services in New York City; as of October 1, 2013 there are over 90 agency providers delivering services to children and families.

The Department is committed to ensuring that the New York Early Intervention Program is not negatively affected by the shift to a State-wide Fiscal Agent. It is critically important that the transition does not limit the availability or impact the quality of Early Intervention services in New York City or throughout the state.

Implementation of broad reaching reforms is never without system challenges. The Department is hopeful that the centralized administrative system that was implemented on April 1, 2013 will realize economies of scale and maximize the collective leverage of municipalities and the state to reduce the burden on taxpayers. Equally important is ensuring that insurers and service providers fulfill their obligations to maximize third party reimbursement for these important services. Finally, the Department believes the Steering Committee established by the New York State Department of Health and the State-wide Fiscal Agent, Public Consulting Group, will create an important forum for municipalities, providers, and the insurance industry to resolve the billing and claiming issues associated with third party insurance. We are confident that the Committee will be a valuable mechanism to improve transparency related to billing and claiming issues that have been largely invisible to the provider community since the New York State Early Intervention Program's inception in 1993.

The Department will continue, as we have since the reforms were passed, to support the planning and implementation of the measures that became effective less than six months ago. We will also continue our core functions of monitoring service quality and compliance, convening individualized family service plan meetings and authorizing services, and promoting access to Early Intervention services to all eligible children and families. Additionally, we urge the New

York State Executive and Legislative branches to ensure adequate resources to support and sustain the New York State Department of Health's administrative and fiscal infrastructure as lead agency for the New York State Early Intervention Program, in order to manage the transition effectively.

Finally, we believe that the experience and knowledge gained during the process with Early Intervention provides important lessons for similar transitions that will take place in the future as the State takes over administrative control of additional City programs.

Thank you again for the opportunity to submit testimony.