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Health Officials
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SUPPORTS

Early Intervention Program Covered Lives Assessment for Third Party Commercial Insurance Payers

NYSACHO supports the Covered Lives proposal and urges the Governor and Legislature to include a covered lives assessment of \$40 million in the FY 2020-2021 budget.

The New York State Association of County Health Officials (NYSACHO) supports the enactment of a covered lives assessment on third party commercial insurance for the purpose of assuring that commercial health insurance plans contribute a proportionate share of the payment for Early Intervention (EI) services provided to infants and toddlers with special needs and their families.

Commercial insurance payment to help finance EI was intended in the enabling legislation and is included in state and local budgetary assumptions. Despite numerous legislative and administrative actions designed to improve third party payments for eligible EI services, insurance companies continue to reject reimbursement claims submitted by providers for EI services provided to insurance plan beneficiaries under the state's Part C program of federal IDEA. Loopholes in current law continue to permit commercial insurers to unfairly shift this responsibility to state and local taxpayers, and place undue administrative burdens on providers of EI services and the state fiscal agent in pursuing claims.

In 2018 providers submitted claims to commercial Insurers totaling \$76,498,012.57, but insurers paid just \$12,034,496.61, or just approximately 16% of total claims. In contrast, Medicaid reimburses between 70-80% of claims submitted annually. EI is an important program with a steep growth curve: the cost of services and numbers of children enrolled have grown exponentially since the program began in 1993. EI consumes a large and growing percentage of local public health budgets, with the cost of EI often dominating that of any other single public health program, despite serving a small percentage of the population. Without the intended contribution of commercial insurers, the viability of the EI program, as well as other public health services, is threatened and places an undue and unnecessary burden on local and state governments.

In addition to the direct fiscal costs of third-party insurance claim denials, the current system poses an administrative burden on both providers and the insurers themselves. Third party billing challenges have contributed to provider capacity problems, making existing providers no longer willing to serve the EI population, and serving as a disincentive to new providers. A covered lives assessment will provide relief to both providers and insurers in submitting, reviewing claims and adjudicating denied claims.

NYSACHO believes that a covered lives assessment will provide a cost savings to the state and is requisite to responsible stewardship of public dollars. If accomplished, it will support and improve the provision of appropriate, high quality services to this most fragile population. NYSACHO recommends that a covered lives assessment should ideally match the Medicaid rate of reimbursement, and minimally provide the equivalent of 50% of eligible claims based on number of enrolled children with third party coverage (40M).

It is imperative that commercial health insurers pay their share of costs for EI services. Given the current state and local fiscal stresses, and more importantly, the provider capacity challenges, the need to access all available revenue sources has never been more urgent. NYSACHO urges you to act now to ensure that this important funding stream helps support this critical program for infants and toddlers with developmental delays and disabilities.

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