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# MEMORANDUM IN OPPOSITION

FOR IMMEDIATE RELEASE: APRIL 16, 2021

Re: A.5339 (Paulin) / S.5560-A (Reichlin-Melnick) – AN ACT to amend the public health law, in relation to funding early intervention services; and to repeal certain provisions of the public health law and the insurance law relating thereto

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The New York Health Plan Association (HPA) opposes A.5339/S.5560-A. This bill proposes to mandate commercial insurance coverage of early intervention services through a covered lives assessment rather than as a claims based reimbursement. While health plans have been covering medical services related to early intervention services, we oppose shifting the payment structure as it will increase costs for employers and consumers.

As part of the FY2012-2013 budget, the state designated health plans as the first payer for early intervention services, requiring municipalities and the state to split the cost of any non-medical services not initially covered by the health plan. The state established an early intervention fiscal agent and awarded a \$43.5 million dollar contract for the agent to manage submission of claims for early intervention to commercial insurers. The state specified in guidance released on March 5, 2013, that “any claims which are denied by an insurer for reasons beyond the provider’s control (such as lack of medical necessity, service not covered, visit limits or service caps reached, etc.) will be paid by municipalities through the SFA at State established rates for the Early Intervention Program.”<sup>1</sup>

Since 2013, health plans have worked with the fiscal agent and paid claims relating to the medical benefit. HPA opposes imposing a covered lives assessment to pay for developmental or educational non-medical services, which will drive up the cost of health insurance premiums. This legislation seeks to shift the cost of early intervention services from the state and municipalities onto commercial coverage but does nothing to improve the quality or efficacy of services provided to children, or assure they are evidence-based. Shifting the early intervention costs without making meaningful reforms to ensure that the services are appropriate is nothing more than a huge hidden tax on the cost of health coverage for employers and consumers. Further, this would blur the line of what has traditionally been covered by health plans by requiring payment for services that are largely developmental or educational in nature. Rather than pushing the cost of early intervention services onto health insurance, the state should be reviewing and aligning the early intervention fiscal agent contract to account for unfulfilled obligations.

For all the reasons detailed above, HPA urges you to reject A.5339/S.5560-A.

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[https://www.health.ny.gov/community/infants\\_children/early\\_intervention/docs/provider\\_agreement\\_clarification\\_q\\_and\\_a.pdf](https://www.health.ny.gov/community/infants_children/early_intervention/docs/provider_agreement_clarification_q_and_a.pdf)

*The New York Health Plan Association represents 28 managed care health plans that provide comprehensive health care services to more than 8 million New Yorkers.*