Require Commercial Insurance Plans to Pay their Fair Share for Early Intervention Services through a Covered Lives Assessment

New York’s Early Intervention (EI) Services program is in crisis. EI providers deliver necessary early childhood development services to infants and toddlers with delays and disabilities. Necessary services are identified by a team of experts who produce an Individualized Family Service Plans (IFSP). Federal law requires these services to be delivered in a timely manner. However, families across New York routinely face illegal waitlists and delays for services:

- Statewide, the percentage of children receiving timely EI services fell from 74% in 2015 to 66% in 2019
- In 2018, only 62% of children who qualified for EI services in the Bronx received them within federally mandated timeframes
- In Westchester County, the percentage of children receiving timely EI services fell from 94% in 2015 to 58% in 2018
- In Monroe County there are 8 non-County EI service coordinators, down from 25 in 2017

Meanwhile, commercial insurance plans are only paying around $12.5 million of the roughly $80 million claimed for EI services. This amounts to around 15¢ on the dollar. By comparison, Medicaid pays nearly 75¢ on the dollar for all claims submitted. Accordingly, commercial insurance plans are failing to pay their fair share into the EI system.

New York should impose a covered lives assessment on commercial insurance plans to improve reimbursement rates for all EI providers. A covered lives assessment would impose a fee on state-regulated commercial insurance plans for EI services. If set at an appropriate amount, commercial insurance plans would pay their fair share for EI claims, adding tens of millions of dollars to the system. Advantages of a covered lives assessment include:

- New York could increase rates for EI providers
- The assessment would relieve plans of the administrative burden of processing claims, and relieve providers of the administrative burden of filing claims
- Increased reimbursement and streamlined billing processes will incentivize providers to remain in the system, and attract new providers
- A covered lives assessment would cost commercial insurance plans less than mandating approval of all claims for health services identified on an IFSP

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