

1 **NYSAC 2023 Legislative Conference**
2 **Standing Committee on Children with Special Health Care Needs**
3 **Resolution #3**

4
5 **Resolution Urging the Governor and State Legislature to Expedite the**
6 **Release of Covered Lives Implementation Guidance and Funds to Counties**

7
8 **WHEREAS**, on December 29, 2021, Governor Kathy Hochul signed bill
9 A.5339/S.5560A into law, establishing an Early Intervention Program (EIP) Covered
10 Lives pool funded by an assessment on insurance plans; and

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12 **WHEREAS**, this legislation intended to assure a reliable revenue stream for New
13 York's EIP and went into effect on January 1, 2022; and

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15 **WHEREAS**, the purpose of this legislation is to relieve the EIP's heavy fiscal burden on
16 counties and the State that resulted from high rates of commercial insurance denials for
17 EI service claims, to improve the EIP for children and families, and to assist providers
18 by relieving some of their administrative duties during service delivery; and

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20 **WHEREAS**, prior to Covered Lives going into effect, Early Intervention (EI) service
21 claims were paid through three revenue streams - either commercial insurance,
22 Medicaid, or out of escrow, depending on the child receiving the service's insurance
23 coverage; and

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25 **WHEREAS**, counties were responsible for paying 100 percent of the upfront costs of
26 EIP services, not covered by Medicaid or commercial insurance, out of county escrow,
27 with State reimbursement for 49 percent of escrow costs provided at a later date; and

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29 **WHEREAS**, since Covered Lives went into effect, providers are no longer billing
30 commercial insurance for services provided; and

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32 **WHEREAS**, the EIP pool funding is intended to offset both the county and State share
33 of EIP services, not covered by Medicaid; and

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35 **WHEREAS**, Covered Lives funds have still not yet been distributed to counties; and

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37 **WHEREAS**, counties have received limited guidance on how Covered Lives funds will
38 be distributed; and

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40 **WHEREAS**, the delay in distributing Covered Lives funds to counties has caused
41 increases to their upfront escrow costs; and

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43 **WHEREAS**, based on the average percent of total EI costs that municipalities/counties
44 paid from 2014-2021, without any Covered Lives funding to offset the loss of
45 commercial insurance reimbursement, counties will be paying an estimated 2 percent
more in total EI costs in 2022, equaling almost \$4 million dollars.

1 **NOW, THEREFORE, BE IT RESOLVED**, the New York State Association of
2 Counties calls upon the Governor and the New York State Legislature to take measures
3 to expedite the release of Covered Lives funds to counties and continues to dramatically
4 increase retroactivity to January 1, 2022; and

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6 **BE IT FURTHER RESOLVED**, the State continue their commitment to this critical
7 program, which benefits children with developmental delays and disabilities, being a
8 shared cost between the State and counties; and

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10 **BE IT FURTHER RESOLVED**, the New York State Department of Health, Bureau of
11 Early Intervention and New York State Division of the Budget provide counties with
12 guidance on how the State plans to issue payments, including information regarding if
13 the adjudication and reconciliation of Covered Lives payments will occur at a county
14 level or a child/claim level; and

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16 **BE IT FURTHER RESOLVED**, the New York State Department of Health Bureau of
17 Early Intervention consider amending county escrow agreements to change the payment
18 process so the State provides counties with their Covered Lives share at the beginning of
19 the State fiscal year; and

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21 **BE IT FURTHER RESOLVED**, the New York State Department of Health, Bureau of
22 Early Intervention provide information on how insurance, service claim, and cost data
23 will be maintained at the child level to ensure funds are being applied fairly across
24 counties; and

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26 **BE IT FURTHER RESOLVED**, copies of this resolution be sent to the counties of
27 New York encouraging member counties to enact similar resolutions; and

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29 **BE IT FURTHER RESOLVED**, the New York State Association of Counties shall
30 forward copies of this resolution to Governor Kathy Hochul, the New York State
31 Legislature and all others deemed necessary and proper.