

1 **2025 NYSAC Legislative Conference**
2 **Standing Committee on Children with Special Needs**
3 **Resolution #1**

4
5 **Resolution Urging the Governor and State Legislature to Release the Full**
6 **Outstanding Local Share of Covered Lives Reimbursement into County and**
7 **City Escrow Accounts in Accordance with a Pre-Determined Payment**
8 **Schedule**
9

10 **WHEREAS**, Chapter 820 of the Laws of 2021 as set forth in A.5339/S.5560-A,
11 established an Early Intervention Program (EIP) covered lives pool funded by an
12 assessment of insurance plans; and

13
14 **WHEREAS**, this legislation, intended to assure a reliable \$40M revenue stream for
15 New York's EIP, went into effect on January 1, 2022; and

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

22
23 **WHEREAS**, before the covered lives assessment pool went into effect, Early
24 Intervention (EI) service claims were paid through three revenue streams - either
25 commercial insurance, Medicaid, or out of escrow, depending on the child receiving the
26 service's insurance coverage; and

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

32
33 **WHEREAS**, municipalities are receiving Medicaid denials for coordination of benefits
34 since commercial insurance is no longer being billed; and

35
36 **WHEREAS**, since taking effect, providers are no longer billing commercial insurance
37 for services provided; and

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39 **WHEREAS**, municipalities/counties are now responsible for paying upfront costs for
40 all EIP services not covered by Medicaid, including for services provided to children
41 with commercial insurance, out-of-county escrow; and

42
43 **WHEREAS**, while the statute clearly defines a \$40M covered lives assessment and
44 with the 49 percent state share equating to about \$20M for the state and \$20M for
45 counties, only \$15M per year has been distributed to municipalities/counties; and

1 **WHEREAS**, counties are still owed \$5M from FY 2022; \$5M from FY 2023, and \$5M
2 from FY 2024 in reimbursement (\$15M total statewide), reimbursement of which is
3 being held by the State Division of Budget for reasons unclear to counties; and
4

5 **WHEREAS**, counties must receive an official payment schedule outlining when the
6 State Division of Budget is expected to release annual covered lives pool funds for the
7 calendar year which will help municipalities with budgeting and cash flow; and
8

9 **WHEREAS**, the unexpected delay and shortage in distributing these funds to counties
10 has caused increases in their upfront escrow costs, and these challenges have been
11 exacerbated due to the rollout of the EI-Hub and anticipated provider rate increases.
12

13 **NOW, THEREFORE, BE IT RESOLVED**, the New York State Association of
14 Counties (NYSAC) calls upon the Governor and the New York State Legislature to take
15 measures to expedite the release of the covered lives assessment pool funds still owed to
16 counties retroactively to January 1st, 2022 when the legislation went into effect, totaling
17 \$15 million (\$5 million per year between FY 2022 and FY 2024); and
18

19 **BE IT FURTHER RESOLVED**, the State continues its financial commitment to the
20 Early Intervention Program, rather than chipping away at its resources, which benefits
21 children with developmental delays and disabilities, being a shared cost between the
22 State and municipalities/counties; and
23

24 **BE IT FURTHER RESOLVED**, the State provides an analysis to counties to
25 determine if the current allocation is sufficient to cover costs no longer reimbursed by
26 commercial insurance and Medicaid due to coordination of benefits denials; and
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28 **BE IT FURTHER RESOLVED**, the New York State Department of Health, Bureau of
29 Early Intervention, and New York State Division of the Budget provide
30 municipalities/counties with clear guidance and a payment schedule detailing how the
31 State plans to issue payments, including information regarding if the adjudication and
32 reconciliation of payments will occur at a county level or a child/claim level; and
33

34 **BE IT FURTHER RESOLVED**, the New York State Department of Health, Bureau of
35 Early Intervention consider amending county escrow agreements to change the payment
36 process, so the State provides counties with their covered lives assessment pool share on
37 a quarterly basis; and
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39 **BE IT FURTHER RESOLVED**, copies of this resolution be sent to the counties of
40 New York encouraging member counties to enact similar resolutions; and
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42 **BE IT FURTHER RESOLVED**, NYSAC shall forward copies of this resolution to
43 Governor Kathy Hochul, the New York State Legislature, and all others deemed
44 necessary and proper.