

January 13, 2014

AN ACT to amend the public health law, in relation to the financial responsibility for and reimbursement of payment for early intervention services by the state

**S. 6002 (Hannon)**  
**A. 8316 (Gottfried)**



### MEMORANDUM IN SUPPORT

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The New York Physical Therapy Association (“NYPTA”), which represents the interests of 12,000 physical therapists, physical therapist assistants and physical therapy students in New York, supports S.6002/A.8316, which would require that early intervention providers be paid in full at the state early intervention rate by the State or by the State Fiscal Agent within 30 days of receipt by the State or the State Fiscal Agent of a claim from the provider. This legislation recognizes the untenable situation that has resulted from the mandate that early intervention providers bill private insurers through the Department of Health’s State Fiscal Agent. Providers are currently forced to wait months for reimbursement from the State Fiscal Agent, which has forced many NYPTA members to leave the Early Intervention Program, and resulted in other NYTPA members being owed thousands of dollars, and for larger practices, hundreds of thousands of dollars for services provided through the Early Intervention Program.

Physical therapists play a pivotal role in the identification of developmental delays and the treatment of those delays through the Early Intervention Program. The State’s Early Intervention Program has benefitted from the participation of highly qualified physical therapists, many of whom are solo practitioners and small professional corporations. These professionals bring specialized care to the Program including the provision of care in non-English languages, provide the Program with sufficient provider capacity, and render services in under-served areas. The therapists are deeply dedicated to the program and the infants and families that are in need of services. Addressing physical developmental delays and disability at an early age tremendously improves outcomes.

Despite the success of the Early Intervention Program, New York has implemented numerous changes over the last few years that have made it increasingly challenging for physical therapists to continue to provide services under the Program. The biggest issue that physical therapists are now facing is the mandate that physical therapists bill private insurers through the Department of Health’s contracted fiscal agent. Previously, this role was performed by the counties. Physical therapists and other providers rendering services must submit their billing information to the State Fiscal Agent, who then bills the insurance



carrier. Theoretically, the insurance carrier will then pay the therapist for services rendered at a plan's participating provider rate and any difference between that rate and the established early intervention rate will be paid by the counties. However, many, many claims are outstanding, some have been paid to the wrong therapist, others to the family, and we fear some may never be reimbursed since they have become stale (i.e., beyond 90 days).

As a result, therapists are owed thousands of dollars, and for larger practices, hundreds of thousands of dollars. Practices have also paid salaries but have not received compensation for services rendered. Therapists have had to resort to taking out loans, including loans against their homes, laying off staff, and even closing their practices. Not only is the current situation untenable and an unacceptable outcome, it will have an impact on access to services. In a recent survey of 284 physical therapists, 64.1 percent are no longer taking on new Early Intervention patients, and 48 percent are searching for employment outside of the Early Intervention Program. These numbers do not take into account the high number of therapists who have left the Program because of changes that have occurred previously to the change to the billing system. We are also hearing of children having to wait for services or having to travel outside of their communities to obtain services.

This legislation would provide for the more timely payment of claims, requiring the State or the State Fiscal Agent to pay in full at the state approved early intervention rate within thirty days of receiving a claim, and will require the State or the State Fiscal agent to handle all appeals of payment denials by insurance companies. NYPTA believes that this legislation will provide for timely reimbursement for services performed, and will enable its members to continue to provide valuable services through the Early Intervention Program.

For these reasons, NYPTA supports the enactment of this legislation.