

Dear Committee Members,

my name is Lori Kratzer. I live in Milford, CT. I am an Early Intervention (Birth to Three) Special Education Teacher.

I would like to bring your attention to significant changes that are being proposed for the Birth to Three System. As you know, Birth to Three has been slated to move from the Department of Developmental Services to the Office of Early Childhood. This service system is in a state of flux with additional significant changes being proposed. Currently, DDS handles all Medicaid billing for Birth to Three; however, OPM intends to shift this burden onto private providers without conducting a feasibility study.

This is detrimental to the Birth to Three System as a whole for a number of reasons:

- Private providers do not have the infrastructure in place to bill Medicaid. A change in infrastructure would include: hiring additional staff to support billing, changes in staffing related to services to control costs, and an increase in provider A&G expenses.
- Birth to Three providers are not currently qualified to provide services under Medicaid. All professionals working in the system require credentialing to meet federal standards.
- Currently, Birth to Three Providers receive a bundled rate for services, direct Medicaid billing will not pay for all costs associated with service. All required IDEA services are not billable under Medicaid.
- Birth to Three requires multidisciplinary services; Medicaid typically prohibits this methodology.
- The Medicaid model is neither an educational model nor the family focused developmental model required under IDEA.
- Providers will see decreased revenues in ranging from 35%- 57% depending on the percentage of Medicaid eligible children served and an approximately 35% overall reduction based on current estimates.
- Providers cannot sustain these cuts and will be forced to withdraw from the system.
- A limited provider pool will disrupt services for families resulting in a waiting list.

Private providers are already experiencing financial hardship, working without a viable margin. As costs have skyrocketed, providers have only received a 1% increase in 5 years. Any decrease in revenue will jeopardize service providers. Private providers in surrounding states are already experiencing significant issues balancing IDEA requirements and Medicaid funding restrictions. Connecticut should not make the same mistakes as others; rather we should benefit from their lived experiences.

This proposed system shift will result in unintended consequences impacting our most vulnerable children across the state. Birth to Three has been the premier Results Based Accountability Program in Connecticut. Statistics reflect that 51% of children who received Birth to Three services and were enrolled in Kindergarten in 2011-2012 did not require special education services.

***Special Education costs \$27,000 per year per student**

***Birth to Three** costs **\$8,165** per year per child

This is a tremendous savings for school systems across the state and these issues warrant your immediate attention.

I implore you to provide us with your support to avoid a collapse of our Birth to Three System. We are greatly concerned that this procedural change will have a significant negative impact on our mission. Providers are vested in working with you to identify reasonable alternatives to foster the development of our most vulnerable children across the state.

Respectfully,