



## The Kennedy Center, Inc.

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Martin D. Schwartz  
President and CEO

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Testimony Submitted to the Appropriations Committee:

Submitted By: Stacey Johnson, Manager, Birth to Three Program, The Kennedy Center, Inc.

Dear distinguished members of the Appropriations Members:

My name is Stacey Johnson, I am the Birth to Three Manager at The Kennedy Center, Inc., which has been providing Birth to Three services to families in the Greater Bridgeport area for the past 20 years. The Birth to Three System is currently facing several major changes that could negatively impact the high quality services delivered across the state.

In the Governor's proposed biennial budget, the Birth to Three program would move from the Department of Developmental Services to the Office of Early Childhood. This is troubling primarily in the face of an impending billing shift from a state-claimed bundled rate to a provider fee for service Medicaid billing system. This billing shift is expected to have devastating impacts on the families served through the Birth to Three program, but providers have yet to be involved in the transition process. Until the transition and its impacts are better understood, the program should be left at DDS, and providers should be involved in the billing and rate transition process.

### **A shift to a provider fee for service billing structure will lead to a decrease in reimbursement rates.**

- Birth to Three funding in 2014 was a bundled rate, paid per child per month, comprised of:
  - \$4.5 million from private insurance billing
  - \$1.2 million from parent fees
  - \$14.5 million from Medicaid (50/50 state & federal dollars)
  - \$4.8 million from federal IDEA
  - \$25.9 million from the Connecticut Department of Developmental Services (DDS)
- Under the anticipated new system, providers' funding will be totally reinvented as providers will no longer receive the bundled unit rate, made up of the multiple pieces listed above.
- Medicaid will not cover all best practice-based services under the federal Birth to Three model as "medically necessary." Therefore, providers will have to either reduce services or bear all costs related to the model.

- 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.
- Based on average Medicaid reimbursement rates for these services in other states, providers will see decreased revenues ranging from 35%- 57% based on the percentage of Medicaid eligible children served and an approximate 35% overall reduction based on current estimates.

**Discrepancies between the medical model of Medicaid and the developmental model of Birth to Three will have a massive negative impact on child outcomes and the Birth to Three system as a whole.**

- Providers cannot sustain these cuts and will be forced to withdraw from the system, leading to a disruption in service for families and the creation of a waiting list for services.
- Birth to Three requires multidisciplinary services; Medicaid typically prohibits this methodology. Best practice activities such as teaming and coaching are not covered.
- The entitlement component of Birth to Three services is related to the \$4.8 million IDEA funding that could be jeopardized without funding or service providers.
- Increased limitations on a specialized highly skilled workforce will negatively impact quality.
- A negative impact on the service delivery in the Birth to Three system would undermine years of proven outcomes. Birth to Three is demonstrably effective in improving outcomes for children and families in CT. 51% of children that received Birth to Three services no longer needed special education at age 5.
- Families will be at risk for disruption of services, ranging from provider change to delay of services to poorly coordinated services.
- Families will experience decreased access to coordination of services or consultations.
- Programs will no longer be able to employ the same level of quality personnel with a 35% loss of funding, resulting in a decrease in quality of care and a reduction in child outcomes and the potential risk of workforce reductions affecting the 1500 professionals currently in Birth to Three.

Alternatives can be found. Providers are vested in creating a solution that will support positive outcomes for children and families in CT.

Respectfully submitted,

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