

Katy Stafford-Cunningham Testimony on House Bill 1216

Thank you Mr. Chairman and Members of the Committee. My name is Katy Stafford-Cunningham and I am Executive Vice President and COO of INARF. INARF is the principal membership organization in Indiana representing providers of services to people with disabilities. Our members serve over 50,000 Indiana citizens annually and employ nearly 15,000 workers.

As you have heard, First Steps is a vital service for the development of children 0-3.

During the 2018 General Assembly Session, you passed HEA 1317, authored by Rep. Clere, which required the First Steps program to undergo a fiscal analysis. The final report recommended an average 55% rate increase for services to children based on sound methodology which took into account cost and time studies from providers, analysis of the Bureau of Labor Statistics occupational data for therapists, as well as non-billable time for travel and documentation. The appropriation included in House Bill 1216 provides funding to increase rates based on the recommendations from that rate study. It also takes into account funding for marginal growth in the program which is set at 7% each year.

The Governor's budget included \$11.4M in state funding for First Steps. This is not an increase. The previous budget included approximately \$8.2M in state funding, however due to the increase in referrals, the spend was \$11.4M. Funding for the program is comprised of TANF, Medicaid, Federal Part C grants, State Part C funding (which is what we are discussing today), Private Insurance, Social Services Block Grants and Family Cost Participation.

Secretary Walthall presented to the committee last week and talked about capturing a new \$8-\$10M in Medicaid funding to pay for First Steps services. This would be accomplished by adding services to the Medicaid State Plan that Medicaid does not currently pay for which would generate additional federal Medicaid funds the program does not currently receive. We applaud their creativity and concur with the concept, having brought it up years ago to then-OMPP Director Joe Moser. However, even if they are able to capture those new funds, it would require a State Plan Amendment, which must go through the long Centers for Medicare and Medicaid Services approval process and will not make those funds available in the near future. Therefore we request your support of House Bill 1216 which will provide vital resources, beginning July 1, 2019, to raise rates in order to provide services to the growing number of children needing early intervention services in the first 36 months of their lives.

Thank you to Rep. Clere and the many co-authors for your work on this. Thank you to the committee for your time and I am happy to take any questions.