



Date: March 1, 2016

To: Senate Appropriations Subcommittee for Health and Human Services

From: Matt Gillard, President & CEO  
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Re: FY2017 State Budget – *Early On* Medicaid Boilerplate

Thank you for the opportunity to provide testimony on the FY2017 state budget. Michigan's Children is the only statewide independent voice working to ensure that public policies are made in the best interest of children and youth from cradle to career and their families, with a focus on policy solutions that can improve equitable outcomes for children.

First, we'd like to start by applauding the efforts of this committee and your colleagues to ensure that state funds to address the contaminated water issue in Flint include some investment for *Early On*<sup>®</sup> services. As you know, *Early On* is Michigan's program for the federal Individuals with Disabilities Education Act – Infants and Toddlers with Disabilities Program (IDEA Part C), which provides early intervention services to families with infants and toddlers birth to age three who have a developmental delay or a condition that could lead to such delay. Elevated lead levels is one such condition that makes children automatically eligible for *Early On* services. However, the investment need for *Early On* expands beyond the City of Flint.

In 2014, the national Infant and Toddler Coordinators Association conducted a study surveying all states on how they finance IDEA Part C services. That study found that Medicaid is the second largest source of revenue for IDEA Part C services nationally, the first being state appropriations for IDEA Part C. Unfortunately, Michigan does not have a state investment for *Early On*, and Medicaid is underutilized, which has resulted in significant inadequacies in services available to eligible children. In fact, a November 2013 State of Michigan Auditor General Report found serious deficiencies in the *Early On* system due to being drastically underfunded. Investment in *Early On* is essential for Michigan to see the types of results that national studies have found – that with appropriate early intervention services, 37% of children will not need special education services when they enter preschool and 42% will not need special education at kindergarten entry.

Michigan needs to identify how the state can maximize federal Medicaid funds to support *Early On*. While some Intermediate School Districts – which are responsible for overseeing *Early On* at the local level – utilize local resources to draw down Medicaid funds to support early intervention services, this is inconsistently done across the state. As Michigan continues to face financial challenges, we must maximize our state's ability

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to utilize federal resources to support families with young children. That is why we are asking for your support to include boilerplate in the FY2017 state budget directing MDHHS and the Michigan Department of Education to commission such a study, with a \$25,000 Medicaid-matchable investment so that MDHHS and MDE can tap into expertise by others in Michigan and in other similar states on how to best maximize Medicaid here in Michigan.

Our suggested language is as follows:

The department, in conjunction with the department of education, shall investigate funding opportunities for Early On early intervention services for eligible children with developmental delays and disabilities. The department will commission a study with expert input on funding strategies utilized in other states that includes the feasibility of maximizing Medicaid reimbursement for children eligible for Early On services. The report shall also include any barriers identified to maximizing Medicaid funds for such services in this state, and recommendations for future action. The department shall report to the senate and house appropriations subcommittees on health and human services, the senate and house fiscal agencies by January 1, 2017 on the findings of the report.

Thank you for considering our recommendation. Michigan's Children stands ready to work with you to ensure that Michigan families with infants and toddlers with developmental delays and disabilities can access the early intervention services they need to thrive.