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Testimony Re: H-7225, Article 9, Section 5,
Governor's FY25 Budget Proposal

House Finance Committee
February 28, 2024
Leanne Barrett, Senior Policy Analyst



Rhode Island KIDS COUNT coordinates the Right from the Start Campaign, a state policy coalition led by eight organizations to advance state policies and budget priorities that help babies and young children get off to the right start.

Both Rhode Island KIDS COUNT and the Right from the Start Campaign strongly support the rate increases proposed by the Governor for the Early Intervention program that provides services required under the federal Individuals with Disabilities Education Act and for the First Connections Newborn Family Home Visiting Program.

We recognize that Medicaid rate increases are long overdue for all of the social and human services, and we would support a 100% rate increase for all of the services identified.

We do have significant concerns that the Early Intervention rate increases recommended and proposed in this budget (ranging from 13 – 18%) are not going to be sufficient to adequately staff the program and to eliminate the waiting list of infants and toddlers. Data as of mid-February indicate that there are 623 children who have been waiting for Early Intervention for more than 45 days. We do not allow waiting lists in public education, and we should not have a waiting list for Early Intervention.

Inadequate staffing, service delays, and service disruptions are having a negative on the effectiveness of the EI services being delivered. Data shows that fewer children in Early Intervention are demonstrating positive social emotional skills, learning new knowledge and skills, and developing the ability to take actions to meet their own needs. We know that stable and high-quality Early Intervention services work and make a huge difference for infants and toddlers with developmental challenges. In fact, up to 30% of infants and toddlers who receive high-quality Early Intervention services no longer have a delay, disability, or need for an IEP when they enter kindergarten.

We also have significant concerns about the ability of First Connections to continue serving families with newborns without 100% of the rate increase recommended. First Connections is a foundational program and integral to our public health system for new moms and for babies. **The rates proposed in the FY25 budget for First Connections would actually be a rate cut.** The First Connections program received a temporary rate increase two years ago which is the same as the OHIC recommended rate increase. So,

giving the First Connections program only 33% of what the OHIC report recommends is actually a significant rate cut which will affect the ability of First Connections programs to continue.

Babies and their families pay the short-term and long-term costs when we do not invest the resources needed to have a healthy, stable, and high-quality Early Intervention and Newborn Home Visiting System.

Thank you for this opportunity to testify.

Early Intervention Legislation 2024

Governor's FY25 Budget Proposal Article 9, Section 5

[H-7334](#) (Cotter) & [S-2359](#) (Valverde)

[H-7123](#) (Diaz) & [S-2344](#) (DiMario)



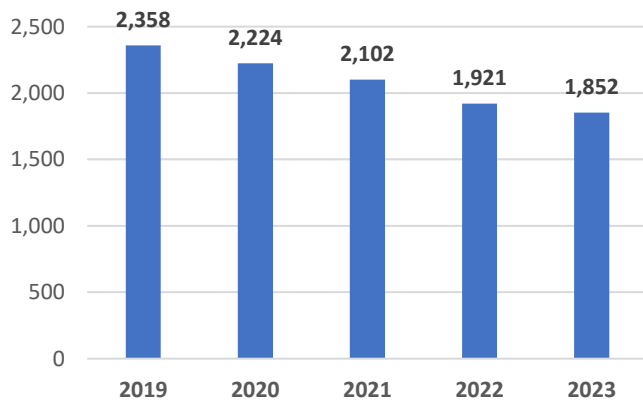
Right from the
Start

Rhode Island's Early Intervention program provides special education services to infants and toddlers who have developmental delays or disabilities. Early Intervention is required under the federal *Individuals with Disabilities Education Act (IDEA)*. Researchers have found that **about one-third of infants and toddlers who received high-quality Early Intervention services no longer had a developmental delay, disability, or special education need** in kindergarten.

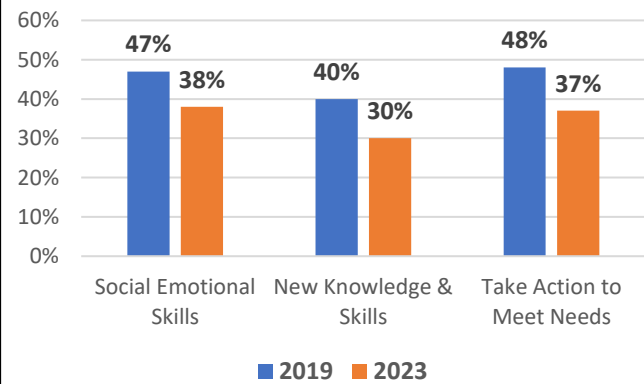
Rhode Island's Early Intervention program has been experiencing a major financial and staffing crisis that is limiting access for infants and toddlers with developmental delays and disabilities.

Medicaid rates for Rhode Island Early Intervention programs were frozen from 2002-2009 when they were then cut by 3%. Rates were frozen at the reduced amount from 2009 until the General Assembly enacted a 45% rate increase and allocated temporary *ARPA* funding to Early Intervention in 2022. In November 2021, a statewide waiting list for Early Intervention was established. **As of November 2023, there were 716 infants and toddlers who had been waiting more than 45 days for services.**

RI Early Intervention Enrollment,
June 30th Census, 2019-2023



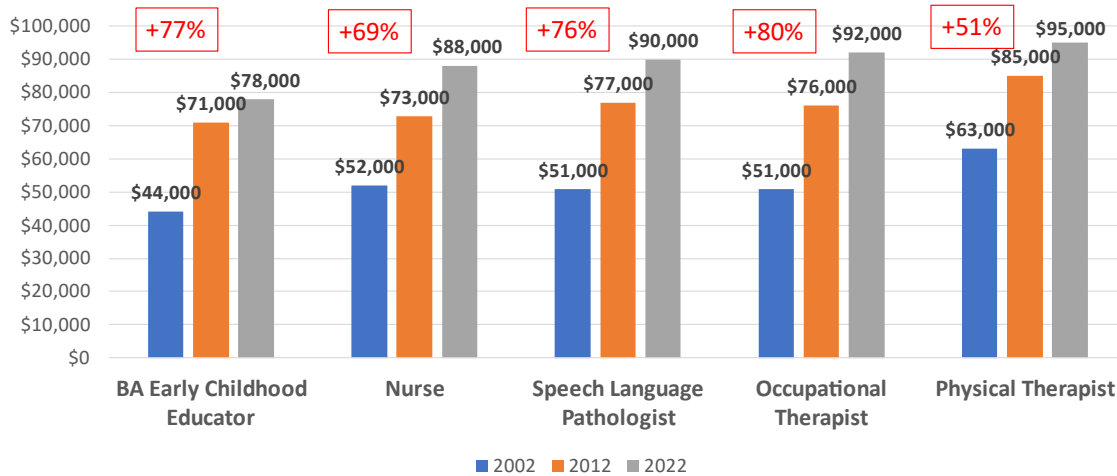
Child Outcomes, RI Early Intervention,
2019 and 2023



- The number of children receiving Early Intervention services in Rhode Island has **fallen by 21% since 2019**.
- The percentage of children enrolled in Early Intervention who demonstrate improved skills and knowledge has **dropped by about 10 percentage points since 2019**, most likely due to continued service delays and disruptions caused by inadequate staffing.
- ARPA funding for Early Intervention has ended.



Average Annual Wage of Relevant Professions for Early Intervention, Rhode Island



Sources: Bureau of Labor Statistics, Occupational Employment and Wage Statistics for RI in May 2002, 2012, 2022. Kindergarten teacher wage estimates were used for BA Early Childhood Educator.

Since 2002, average salaries have increased by 50 to 80% for many professions needed to deliver Early Intervention services.

Three Early Intervention legislative and budget proposals for 2024:

- 1) **Governor McKee's FY25 budget proposal includes \$3.8 million to fund a 13% to 18% Medicaid rate increase** for Early Intervention, 100% of the OHIC recommended rate increase.
- 2) **Rep. Cotter's and Sen. Valverde's bills (H7334 and S2359) propose a 25% Medicaid rate increase and an annual Cost-of-Living-Adjustment (COLA).** The bill also updates the Early Intervention statute to clarify that EOHHS is responsible for Early Intervention.
- 3) **Rep. Diaz's and Sen. DiMario's bills (H7123 and S2344) propose to add Early Intervention frontline staff to the Child Care for Child Care Educators program,** providing a strong incentive and support for parents of young children to work in Early Intervention.

In addition, Rep. Carson and Sen. Valverde have introduced a bill to establish an Early Childhood IDEA Task Force (H7438 and S????) to develop a financing and staffing plan for a coherent system of educational and developmental services for babies and young children with developmental delays and disabilities, from birth up to kindergarten entry (across both Early Intervention and Preschool Special Education).

Note: Under state law, private insurance rates must match or exceed state Medicaid rates for Early Intervention. About 60% of children enrolled in Early Intervention have Medicaid and 40% have private insurance coverage. **Any increase in Medicaid rates triggers an increase in funding for privately insured children too.**

Save First Connections & Family Home Visiting

H-???? (Giraldo) & [S-2360](#) (Valverde)

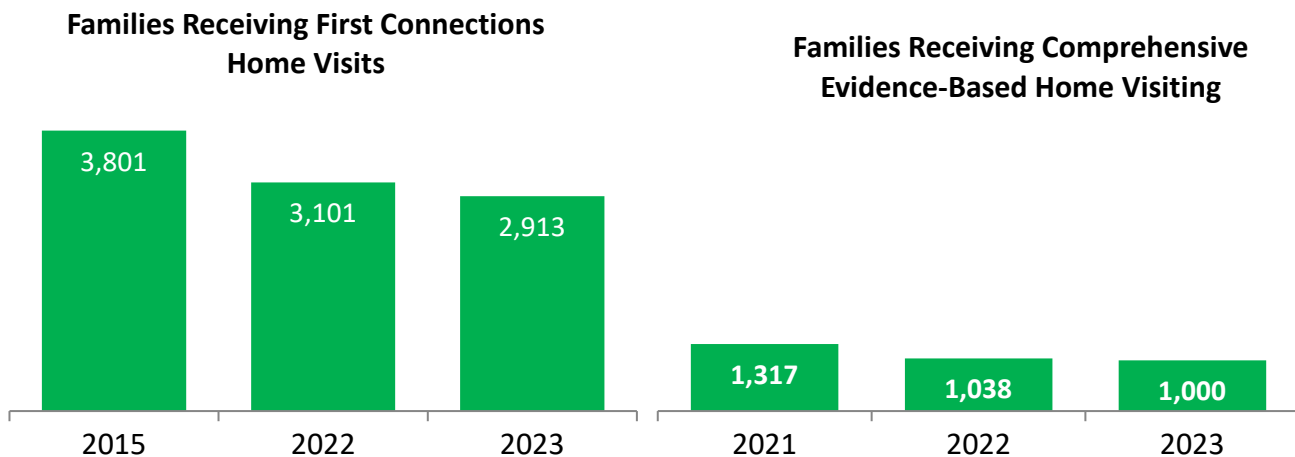


Right from the
Start

First Connections is Rhode Island's frontline home visiting service for families with newborns statewide. Currently delivered by four non-profit agencies, it is designed to identify babies' and families' needs as early as possible and connect them with services to address those needs, including mental health services, WIC, help with affordable housing, Early Intervention, and comprehensive evidence-based family home visiting programs.

Rhode Island's Evidence-Based Family Home Visiting programs (Early Head Start, Healthy Families, Nurse-Family Partnership, Parents as Teachers) **provide long-term, comprehensive services designed to help the whole family.** These programs follow rigorous research models that produce lasting improved outcomes for children and families including: significant reductions in child maltreatment, language delays, and emergency room visits for accidents; and improvements in school readiness, maternal mental health, and parental education and employment.

Fewer Rhode Island Babies and Families Are Getting the Help They Need



Since 2015, the number of families served by First Connections has dropped by 18%. Just since 2021, the number of families served by the comprehensive, evidence-based program has dropped by 21%.

The First Connections & Family Home Visiting 2024 bill will:

- 1. Make the long-needed (22 years!) rate increase permanent for the Rhode Island First Connections newborn home visiting program.** Prior to the temporary rate increase, First Connections programs had **an average operating loss of \$136.70 per visit**, causing a significant financial and staffing crisis that limits services for children and families.
- 2. Require the development of a plan to sustain and expand voluntary family home visiting services**, including meeting the **new state funding match requirements** for the federal Maternal Infant and Early Childhood Home Visiting funds (\$800K in 2024, \$1.1 million in 2025, \$1.6 million in 2026, \$2.4 million in 2027), so that high-quality programs are offered to all families who could benefit.