

Committee on Finance

Re: ARPA Proposals (Art. 1, Section 16) - Early Intervention Recovery

Chairman Abney:

The Rhode Island Parent Information Network (RIPIN) thanks the House Committee on Finance for the opportunity to submit this testimony regarding the Governor's proposed ARPA Early Intervention investments (Art. 1, Section 16). The Early Intervention system is currently in crisis. We are thankful for the Governor's proposal to invest into Early Intervention (EI), and also very concerned that no sustained rate increases have been proposed.

RIPIN was founded in 1991 by a group of parents of children with special needs, and we now serve about 45,000 Rhode Islanders across the lifespan every year. Our "peer model" is what makes RIPIN special: a majority of our board and about three-fourths of our staff are parents or caretakers of a loved one with a special need. About 95% of RIPIN clients say that they would recommend us to friends or family.

Rhode Island's EI system provides clinical services to about 4,000 infants and toddlers (birth to age 3) annually who are experiencing developmental delays. RIPIN is deeply involved with the EI system and see the struggles families are facing, but we are not an EI provider. We have parent-peers (all parents of EI "graduates") embedded into EI provider agencies to help families navigate the system. None of this proposed APRA investment or potential rate increases would impact RIPIN financially.

Today's EI crisis started long before COVID, with a system that has not seen rate increases since 2002 (and even saw a 3% cut in 2009). Between 2002 and 2020, the average price of a movie ticket went up 61% (from \$5.81 to \$9.37), the median price of a home in Rhode Island went up 80% (\$184,000 to \$331,000), and average per capita income went up 50% (\$22,794 to \$34,103). EI rates went down 3%. That was **all before COVID**.

Then COVID arrived and provided two additional blows to the system. First, the **sudden** interruptions in service and billing revenue made it nearly impossible to keep the workforce together, even with COVID relief money. Second, recent labor shortages and wage inflation have made it extremely difficult to bring staff back. Inflation is currently at 7.5%, and EI providers operate in a competitive labor market for skilled clinicians like physical, speech, and occupational therapists.

A small general revenue investment in EI rates could have a huge impact. Roughly speaking, about half the children receiving EI services have commercial insurance (which must pay at least the Medicaid rate for the services), and the costs for the other half receive Federal Medicaid match of 50%. These two factors combined (the federal Medicaid match and the private insurance component) mean that each \$1.00 general revenue investment brings



an additional \$2.50 to \$3.00 in non-general revenue funds into the EI system. The total cost of the EI system (pre-COVID) was about \$15 mil. Quick calculations indicate that even a 70% rate increase could be accomplished with between \$3 mil and \$4 mil in annual general revenue spending. According to RI Kids Count, we actually spend less General Revenue on EI today than we did in 1999.

While one-time funding is welcome, it is **very difficult to build a workforce without investing in wages**, which **requires sustainable long-term revenue streams**. One-time investments on this order of magnitude (about $1/3^{rd}$ of the typical annual budget) can be particularly difficult to deploy effectively for long term impact.

Meanwhile **infants** and **toddlers** (and their parents) are waiting for services. The impact of missing the opportunity for timely intervention for an 18-month-old who isn't talking or for a 2-year-old who isn't walking has literal life-long consequences. **They simply do not get the time back.**

Thank you for the opportunity to present this testimony. Please do not hesitate to reach out to me if I or RIPIN can be helpful in any other way.

Sincerely,

dan feller

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