



EOLEC 047 09 13 - 0010

COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

April 9, 2013

Erie County Legislature
92 Franklin Street – Fourth Floor
Buffalo, New York 14202

RE: Authorization to enter into an Escrow Agreement with the New York State Department of Health for the Early Intervention Program

Dear Honorable Members:

The 2012-2013 New York State Budget made a number of modifications to the county based Early Intervention program. As part of these changes, a fiscal agent hired by the New York State Department of Health will assume responsibility for fiscal management and payment of early intervention claims, including assisting providers in claims submission and adjudication to third party payers, and managing municipal payments owed to providers for services not reimbursed by third party payers. Erie County will make payments into a designated escrow accounts for this purpose.

Pursuant to amendments made to Section 2557 by Chapter 56 of the Laws of 2012, Erie County must enter into an agreement (attached) with the State Department of Health authorizing this new arrangement. The resolution seeks authorization to formalize that agreement. The Comptroller's Office has been notified of the changes to the process.

Please be advised that the County's participation in this process is not voluntary and is required by the State and Erie County has no choice in this matter.

If you have any questions, please contact Commissioner of Health Dr. Gale Burstein.

Sincerely,


Mark C. Poloncarz, Esq.
Erie County Executive

MCP/bs
Enclosure

cc: Health Commissioner Gale R. Burstein, MD

MEMORANDUM

To: Honorable Members of the Erie County Legislature
From: Department of Health
Re: Authorization to enter into an Escrow Agreement with the New York State
Department of Health for the Early Intervention Program
Date: April 4, 2013

SUMMARY

Authorization is requested to enter into an agreement with the NYS Department of Health to implement changes to the Early Intervention program.

FISCAL IMPLICATIONS

Based on NYS Department of Health calculations there will be no fiscal impact on County finances. The County Health Department Division of Special Needs will closely monitor the implementation of the changes to assure there will be no increase in County cost for the Early Intervention Program.

REASONS FOR RECOMMENDATION

Changes in State law necessitate this agreement with New York State.

BACKGROUND INFORMATION

The 2012 NYS budget took steps to consolidate fiscal operations for the Early Intervention program. As part of these consolidations, NYS has hired a fiscal agent that will manage all payments and billings on behalf of municipal Early Intervention programs. The County will make payments to the State fiscal agent for the County share of Early Intervention expense. Service providers who had previously been paid by the County will now receive payments from the fiscal agent acting on behalf of the State. The County share is equal to the approved payment less third party insurance reimbursement.

CONSEQUENCES OF NEGATIVE ACTION

The Department of Health would be in violation of Section 2557, Chapter 56 of the Laws of 2012.

STEPS FOLLOWING APPROVAL

The Health Department will work with the Division of Budget and Management and the County Comptroller to implement this request.

**A RESOLUTION SUBMITTED BY
HEALTH DEPARTMENT**

Re: Authorization to enter into an Escrow Agreement with the New York State Department of Health for the Early Intervention Program

WHEREAS, the Early Intervention program is a critical component of Erie County's Public Health apparatus; and

WHEREAS, the Early Intervention program assists any child with special needs and is a State-mandated service; and

WHEREAS, New York State has taken step to streamline and cut costs associated with early intervention; and

WHEREAS, amendments to Section 2557, by Chapter 56 of the Laws of 2012 authorizes the New York State Department of Health to contract with a fiscal agent for the fiscal management and payment of early intervention claims.

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive is hereby authorized to enter into an agreement with the New York State Department of Health to facilitate payments to New York State and/or the New York State Department of Health's chosen fiscal agent under the Early Intervention Program; and be it further

RESOLVED, that the term of this contract shall commence on April 15, 2013; and be it further

RESOLVED, that certified copies of this resolution be forwarded to the County Executive, the Office of the Comptroller, the Division of Budget and Management, the Department of Law, and to Dr. Gale R. Burstein, Commissioner of Health.