



May 24, 2021

Secretary Marylou Sudders  
Executive Office of Health and Human Services  
c/o Debby Briggs  
100 Hancock Street, 6<sup>th</sup> Floor  
Quincy, MA 02171

Re: Providers' Council testimony on 101 CMR 429.00, *Rates for Certain Sexual and Domestic Violence Services*; 101 CMR 428.00, *Rates for Certain Independent Living Communities and Services*; and 101 CMR 346.00, *Rates for Certain Substance-Related and Addictive Disorders Programs*

Dear Secretary Sudders:

Thank you for the opportunity to provide testimony on the above listed rates.

On behalf of the Providers' Council's more than 200 members across Massachusetts, thank you for your historic support and close working relationship with community-based human services organizations.

We appreciate EOHHS holding rate hearings today on the above-mentioned rates, and while our members may submit testimony regarding programmatic concerns with these rates, the Providers' Council will provide brief comments today on how these rates affect our workforce development efforts. Our sector is experiencing unusually high turnover and considerable challenges in recruiting talent. Our testimony is directed at out-of-date information used to build these rates that suppresses providers' ability to provide an adequate wage, as well as the low salary benchmarks being proposed for direct care staff.

#### *BLS data*

After working with members of the human services sector in early 2020, EOHHS noted it would begin to use salary benchmark information from the Bureau of Labor Statistics to set benchmark salaries for direct care workers and other positions. The Council and other human services trade associations had noted that the past practice of relying on UFR data provided inaccurate information about the employment market, and in effect, created a huge disparity between the salaries of our workforce in comparison to state positions. Further, a University of Massachusetts report, *Health through Human Services*, noted the median salary for all wage earners in Massachusetts was \$13,000

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more than workers in the community-based human services sector. This gulf, which continues to exist today, makes it difficult to recruit and retain an adequate workforce to fulfill the Commonwealth's expectations. The Council and other trades welcomed the use of the Bureau of Labor Statistics data.

After meeting with EOHHS, we assumed their rate analysts would use the most recently available BLS data when setting rates. Instead, EOHHS began setting rates by using a blend of 2017 and 2018 state-specific data for Massachusetts. The formula for this blend and justification remains unknown.

Now, 16 months after EOHHS announced it would use BLS benchmarks, the state continues to use this same 2017/2018 blend to set rates in the human services sector. The 2019 BLS Massachusetts state-specific data has been available for more than a year; even the 2020 BLS Massachusetts state-specific data was released in two months ago.

In fact, EOHHS held a public hearing in early April – *Team Evaluation Services*, which impacts relatively few human services organizations. For that rate, it chose to use the 2019 BLS data. Unfortunately, for eight other rates heard in April and three heard today that greatly impact community-based human services organizations, EOHHS continues to use the 2017/2018 blend. Additionally, EOHHS is increasing all rates being heard today by a CAF of 2 percent; this is the same CAF that was applied to *Team Evaluation Services*, even though it was based on a different BLS year. This will have a major impact, as these rates are not likely to be reviewed again for another two years.

*#1 Recommendation:* We urge EOHHS to re-review rates using the most recently available BLS information (BLS MA 2020 data released in March 2021). Please also define the blended categories and benchmark rates to the 75<sup>th</sup> percentile. Using data from 2017/2018 is outdated and does not set a fair salary.

*#2 Recommendation:* Since the human services rates are built on outdated BLS 2017/2018 figures and will not be reviewed for two additional years (2023), the CAF should be greater than 2 percent – and more for each year that out-of-date BLS data was used.

*Benchmark direct care salaries not keeping pace with wages paid in sector.*

In early April, the Executive Office of Health and Human Services shared with the House and Senate Committee on Ways & Means a report detailing wages in the human services sector in FY '19, FY '20 and FY '21. In examining direct care salaries reported by providers, it becomes clear that the state is not accurately setting benchmark salaries for these positions.

For example, providers reported paying Direct Care I staff a median wage of \$33,160 in FY '19, \$34,763 in FY '20, and \$36,470 in FY '21. However, in these rates, the state is proposing to reimburse providers for Direct Care I staff or

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their equivalents a median wage of just \$32,198 – *less than the median wages they were making two years ago in FY '19.*

*#3 Recommendation:* Proposed rates should not reimburse providers at staff pay rates less than what they're receiving now. Staff have more than adequately performed during this pandemic and they should not expect a pay cut. As an example, these rates propose paying Direct Care I workers or their equivalents \$32,198 – *this is 10 percent less than they are already making, according to an EOHHS report.*

### *Further salary impact*

The proposed rates are suggesting a median salary for DC I workers or their equivalents of \$32,198 or \$15.48 per hour for direct care staff – meaning half of workers are expected to be above this amount and half of workers will be below this amount. These rates are not scheduled to be reviewed again until mid-2023, going into effect not before July 1, 2023. Salaries at or slightly above minimum wage will not help to recruit or address staff turnover and vacancies.

We urge EOHHS instead to use the BLS Massachusetts 2020 information for Social and Human Service Assistants (21-1093) and the 75<sup>th</sup> percentile as we have repeatedly suggested. The Legislature referenced use of the most recent BLS data and the comparison with the 75<sup>th</sup> percentile in the Chapter 257 Rate Reserve (1599-6903) in its FY '21 budget, which Gov. Baker signed into law. This proposed wage would be \$20.94 an hour for DC I workers. As providers have already reported paying DC I workers an average of \$17.53 an hour in FY '21, we believe this is a more appropriate figure to use as a benchmark for DC I salaries – a benchmark that will guide reimbursement for up to two years until July 1, 2023.

*#4 Recommendation:* Proposed rates should be benchmarked to at least the 2020 BLS Massachusetts data 75<sup>th</sup> percentile, which is \$20.94 per hour for DC I. Currently, EOHHS is suggesting providers pay these workers an average of just 3 percent more than the state's minimum wage by January 1, 2023 and 10 percent less than they are already making today. These demanding jobs with often life-saving duties require compensation benchmarked at the recommended BLS (21-1093) category in the 75<sup>th</sup> percentile. *(Please remember that even the BLS 2020 rates are a compilation of their salary data for the past two years and will guide salaries for the next two years until reviewed again.)*

### *Social impact*

About 80 percent of those working in our sector are women; our field, too, is twice as likely as all other sectors to employ black/African American workers and 1.5 times as likely to employ Latinx workers than most other sectors.

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And yet, wages in our sector on average are about \$13,000 less than all other sectors, with one in eight sector workers living at or below 150 percent of the federal poverty level. This isn't just a fairness issue – it's a social justice issue, and we must insist that all workers are receiving a fair and equitable wage, commensurate with the complex, essential jobs that they perform.

We know this administration is committed to the values of racial and gender equity and fairness. It is an objective that we in the human services sector value as well. We know there are financial challenges – but we must lead with our values. We can – and in fact, we must – get closer to that objective by using the best and most fair information we have.

*#5 Recommendation:* We urge EOHHS to further support its commitment for equity by supporting salaries for our community-based human services workers that are fair, market driven and adequate. We want our essential staff to be adequately compensated through the lens of racial, social and gender fairness.

*Closing*

Again, we thank the Executive Office of Health and Human Services for its review of these rates, and we ask you to re-review the salary information, using the most recently available Bureau of Labor Statistics data (the 75<sup>th</sup> percentile of Massachusetts state-specific data for 2020). We recommend this to ensure a fair and equitable wage, commensurate the work being performed by these essential workers who care for our friends, family and neighbors – one-in-ten residents across the state. Together we can positively address workforce recruitment, retention and development to assure fairness and provide our residents quality, essential services.

Thank you for your time. We would be happy to connect with you further on this issue. We welcome a discussion and collaboration on a plan for fair and equitable salaries in the community-based human services sector. We think the time is right.

Sincerely,

Michael Weekes  
President/CEO