



October 22, 2021

Secretary Marylou Sudders
Executive Office of Health and Human Services
100 Hancock Street, 6th Floor
Quincy, MA 02171

Re: Providers' Council testimony on:

101 CMR 415.00, *Rates for Community-Based Day Support Services*
101 CMR 419.00, *Rates for Supported Employment Services*
101 CMR 422.00, *General Programs – Disability Services*
101 CMR 417.00, *Rates for Certain Elder Care Services*
101 CMR 416.00, *Rates for Clubhouse Services*
101 CMR 349.00, *Rates for Early Intervention Program Services*

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 all the work of EOHHS and the Baker Administration in setting rates for human services programs, and we appreciate being your partner in providing services to one-in-ten Massachusetts residents with our sector's workforce that fills more than 185,000 jobs in our state.

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 increasing the Bureau of Labor Statistics salary percentile used when building model budgets and ensuring an adequate cost adjustment factor is being applied to rates.

Using BLS 75th percentile 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. We appreciate EOHHS recently ensuring that it was using the most recent BLS data when setting rates, as this summer it began to use

Providers' Council

**Re: 101 CMR 415.00; 101 CMR 419.00; 101 CMR 422.00; 101 CMR 417.00; 101 CMR 416.00;
101 CMR 349.00**

October 22, 2021

the BLS 2020 state-specific data for Massachusetts that was released in early 2021.

Unfortunately, the workforce crisis in our sector – and in our state and nation – has worsened significantly since we presented testimony in May urging you to use the most recently available data. Additionally, we also asked EOHHS at that time to use the 75th percentile when creating its model budget. Even the latest EOHHS benchmarks for direct care salaries – just \$16.79 for a Direct Care I staff member – is not competitive with health care and state-operated human services programs. Sadly, this salary for our dedicated workforce even lags behind big box retailers, fast food restaurants, Whole Foods and Amazon. It is important to note that the well-respected MIT Living Wage calculator determines that a single parent with one child in the Boston area would need \$36.88 an hour to be sufficient.

While EOHHS updated its model budgets to use the BLS 2020 state-specific data for Massachusetts, it continues to use the median salary level from that data which is insufficient to attract and retain our workforce needs. We also are not clear on the blend of BLS positions that EOHHS uses to set rates for direct care staff.

#1 Recommendation: We urge EOHHS to re-review rates and benchmark salaries for human services workers to the 75th percentile of the most recently available BLS state-specific data for Massachusetts.

#2 Recommendation: We ask EOHHS to ensure a transparent rate-setting process and provide the blend of BLS positions it uses to benchmark salaries for human services workers and the rationale.

Increase cost adjustment factor

In the six public hearings EOHHS held on Friday, October 22, EOHHS used the following cost adjustment factors: 0.74 percent (twice), 1.06 percent (thrice) and 1.41 percent. It is unclear how these numbers were derived. We feel these cost adjustment factors are inadequate and must be increased to reflect more market rates like, at a minimum, the recently announced Social Security cost-of-living adjustment of 5.9 percent.

Our board member and Road to Responsibility President/CEO Dr. Chris White noted in his testimony on 101 CMR 415.00 (CBDS) and 101 CMR 419.00 (SE) about the cost-of-living adjustment that Social Security recipients will receive – a 5.9 percent increase – *which is the largest increase since 1982*.

While EOHHS continues to use IHS Economics for its forecasting, clearly there is a difference between the models IHS is developing and the models being used by the federal government. We hope EOHHS will take a closer look at the IHS Economics models and ensure the appropriate model is being used when setting cost adjustment factors for the human services sector. We are unclear

Providers' Council

**Re: 101 CMR 415.00; 101 CMR 419.00; 101 CMR 422.00; 101 CMR 417.00; 101 CMR 416.00;
101 CMR 349.00**

October 22, 2021

how there can be a massive difference between the federal government's number for a cost-of-living adjustment and the IHS Economics Forecast number that develops a cost adjustment factor to be applied to human services rates.

Further, our members are experiencing increases in food, heating oil, gasoline, housing and insurance costs just to name a few items that have clearly exceeded a 0.74 percent increase. We are also mindful that these rates are expected to remain in effect for the next two years.

#3 Recommendation: We ask EOHHS to review the IHS Economics model and determine if the Optimistic, Pessimistic, or other models developed by IHS or other industry experts are the most appropriate when creating a cost adjustment factor. Secondly, we must adequately reimburse programs for these non-negotiable costs or it may decrease the availability of funds for our workforce needs.

Tax/Fringe and Administrative Expenses

Throughout the testimony today – and in past testimony – we have questioned EOHHS benchmarking the tax and fringe rate at just 22.4 percent and the administrative allocation at just 12 percent. While EOHHS has created these benchmarks and used them across all Chapter 257 services, we continue to feel that these figures are inadequate for community-based human services providers operating effective and efficient organizations. We join our members in calling for an administrative allocation of between 15 and 18 percent and a tax and fringe rate of at least 25.61 percent, which was the median figure providers reported to EOHHS for FY '21 and listed in a report which EOHHS shared with the Joint Committee on Ways & Means.

#4 Recommendation: We ask EOHHS to meet with providers to determine a more appropriate level for tax and fringe – of at least 25.61 percent – and administrative allocation – of between 15 and 18 percent.

Other programmatic concerns

The Council shares some other concerns raised today by our members, *The Collaborative*, and other human services organizations. These include:

- 101 CMR 415.00, CBDS
 - We support the testimony of ADDP, our partner in *The Collaborative*, and our member Road to Responsibility that noted the need for an increased salary for the Community Connector/Navigator position; and additional funding per person for community activities – from the current levels of \$500 or \$750 to \$1,200 per person

Providers' Council

Re: 101 CMR 415.00; 101 CMR 419.00; 101 CMR 422.00; 101 CMR 417.00; 101 CMR 416.00;

101 CMR 349.00

October 22, 2021

- 101 CMR 419.00, Supported Employment Services
 - We support the testimony of ADDP and our members and request the elimination of the ongoing rate, as it is lower and does not provide enough funding to cover the cost of the service. We ask that only the initial rate be used and that it be used in place of the ongoing rate.
- 101 CMR 416.00, Clubhouse Services
 - We support the testimony of ABH and their proposed salary benchmarks for the program manager position;
 - We also support the creation of the functional program manager position and the salary proposed in testimony by our members; and
 - We ask EOHHS to explore the large clubhouse rate and how it may adversely impact the only large clubhouse provider, as well as if it discourages human services organizations from accepting more members and creating larger clubhouses.
- 101 CMR 349.00, Early Intervention Program Services
 - We support the request by the Massachusetts Early Intervention Consortium (MEIC) to restore the additional two days of sick time that were removed from the new proposed rate; to raise the developmental specialist salary to \$54,132; to increase the social work salary to \$58,375; and to leave the program supplies line item unchanged at \$1,545 per FTE.

Closing

Again, we thank the Executive Office of Health and Human Services for its review of these rates. We appreciate everything you have done to increase salaries for the community-based workforce, and we ask for your positive consideration of these above recommendations.

We appreciate EOHHS as a partner in state government, and we thank you for the opportunity to present testimony on these six human services programs. It is our hope that adequately funding these programs with our recommendation gives our providers the best opportunity to meet your mandates and serve the Commonwealth's residents with quality services from a stable workforce.

Sincerely,

Michael Weekes
President/CEO