

What is Chapter 257?

Chapter 257 of the Acts of 2008 is the historic act that reformed how the Commonwealth funds essential social services for our most vulnerable residents. It was passed unanimously by the Legislature to address more than 20 years of chronic underfunding of the human services sector

Background

Hundreds of thousands of Massachusetts residents face challenges that require the attention and assistance of social service providers. Many community-based providers contract with the agencies of EOHHS to deliver a large and comprehensive system of vital services.

For 20 years (1987-2007), the Commonwealth did not adjust reimbursement rates to reflect actual costs, leaving providers underfunded for essential expenses like salaries, rent, heat, and health insurance.

In 2007, the Executive Office of Health and Human Services (EOHHS) released a report highlighting a looming financial crisis for the state's human service providers, describing a service delivery system deteriorating under inadequate reimbursement rates.

In response, the Legislature unanimously passed Chapter 257 of the Acts of 2008, *An Act Relative to the Rates for Human and Social Service Programs*, which was signed into law by Governor Patrick on August 4, 2008.

Chapter 257

Chapter 257 established a transparent, uniform and evidence-based process for the establishment of rates “which are reasonable and adequate to meet the costs which are incurred by efficiently and economically operated social service program providers.”

The Secretary of EOHHS holds sole responsibility for setting reimbursement rates, guided by testimony received during public hearings on each proposed rate. The Providers' Council assists our members by submitting testimony based on their data.

Chapter 257 mandates that contracts be adjusted to reflect economic conditions and requires full rate reviews at least every two years. The state must implement a Cost Adjustment Factor (CAF) to account for cost-of-living increases. The law also ensures that contracts cover all reasonable costs needed to deliver effective and efficient services.

We continue to advocate for increased Chapter 257 funding to ensure fair rates, competitive wages, and sustainable human services.