PROVIDERS' COUNCIL

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July 10, 2026

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

Dear Secretary Mahaniah,

Thank you for the opportunity to provide testimony on *101 CMR 412.00: Rates for Family Transitional Support Services.*

On behalf of the Providers' Council's 220 members across Massachusetts, thank you for your continued support and close working relationship with community-based human services organizations. We appreciate the work of EOHHS and the Healey Administration in setting rates for human services programs, and we appreciate being your partner in providing services to hundreds of thousands of Massachusetts residents with our sector's workforce that fills nearly 150,000 jobs.

The Providers' Council will provide brief comments on how this rate affects the sector's workforce development efforts while our members may speak more directly to specific programmatic concerns.

Our sector is experiencing extremely high turnover and considerable challenges in recruiting talent. In January 2026, providers across Massachusetts reported high vacancies across all human services positions. Client-facing full-time positions had a 15 percent vacancy rate, and part-time positions had a 16 percent vacancy rate—far above the statewide job-openings rate of 3.3 percent in December 2025.

As a result of vacancies, some programs are unable to run at full capacity and residents needing support remain on wait lists. Our testimony is directed at increasing the Bureau of Labor Statistics salary percentile used, ensuring an adequate cost adjustment factor (CAF) is being applied to rates, and examining benchmarks used for the administrative allocation and tax/fringe costs.

While our testimony contains many "numbers," these figures represent real people in Massachusetts who are essential to helping community-based human services organizations fulfill their missions and provide critical care to hundreds of thousands of residents on behalf of the Commonwealth. We must also look at these numbers through a gender and racial lens; we know the state is committed to racial and gender equity, but these depressed salaries promote inequity.

A 2026 demographic study of our workforce by the University of Massachusetts Donahue Institute notes that our field is 78 percent women, compared to 43 percent in all other industries; 38 percent are people of color, compared to 29 percent in all other industries; and 8 percent of people have a disability, compared to 6 percent in all other industries. Our testimony not only supports a fairer economic policy but also a better social policy.

I. Using BLS 75th percentile data & maintaining prior benchmarks

We appreciate that EOHHS continues to use the Bureau of Labor Statistics (BLS) state-specific Occupational Employment and Wage Statistics (OEWS) for Massachusetts. Benchmark salaries continue to increase for human services positions, including Direct Care I workers, which are now benchmarked to \$22.52/hour – the 53rd percentile of BLS.

We do still urge EOHHS to use no less than the 75th percentile of BLS when setting benchmark salaries for all positions. As an example, this would mean a benchmark wage of \$26.03/hour for DC I workers using the May 2024 BLS data. We are seeking movement toward the 75th percentile, as we believe it is more reflective of market realities. We must ensure the people working in the community-based human service sector can earn a livable wage.

As the workforce crisis in the human services sector continues to worsen, it is imperative that rates of reimbursement allow community-based human services providers to pay fair and competitive wages to their staff members – relative to what the Commonwealth pays state employees holding similar job titles and performing similar work – to attract workers to the sector. Inadequate rates depress workforce salaries and increase staff turnover and vacancies, which means residents who need the safety net are on waiting lists or denied services. None of us either support or should be comfortable with that outcome.

Recommendation: We thank EOHHS for using the latest BLS benchmark for worker salaries, but we urge EOHHS to use the 75th percentile, at a minimum, to set fair and comparable salary levels using an adequate blend of BLS job classifications.

II. Increase cost adjustment factor

In today's hearing, EOHHS is proposing a cost adjustment factor (CAF) of 3 percent. The Council had long urged EOHHS to discard the optimistic scenario data and use the pessimistic scenario data, which we believe was more sufficient based on publicly available economic indicators.

We thank EOHHS for adopting the baseline data for this rate, which represents a compromise between the state previously using the optimistic scenario data and providers and trades requesting EOHHS use the pessimistic scenario data. We appreciate the consideration of this request, and we thank EOHHS for using the baseline scenario data moving forward as it more accurately represents economic conditions.

Recommendation: We thank EOHHS for discarding the inadequate CAF using the optimistic scenario data, and we appreciate the baseline scenario data being used as a compromise. We continue to request EOHHS evaluate this data moving forward to ensure it is sufficient when examining other market conditions.

III. Tax/Fringe and Administrative Expenses

In today's hearing, EOHHS is proposing a tax and fringe rate of 24.97 percent. We have several concerns with this figure, as you are proposing lowering it from 27.38 percent in the current rates to 24.97 percent.

We are concerned that there is a significant decrease in the tax and fringe rate while providers are experiencing exponential growth in health insurance and rising operational costs. While the state has more collective purchasing power through the Group Insurance Commission that has increased stability for health insurance rates, our members are seeing double-digit percentage increases for health insurance in their most recent renewals, and we're concerned that a decreased tax and fringe rate does not take this into account.

We also urge the state to include an additional 5.1 percent for retirement on top of the tax and fringe rate, and we ask that you hold the tax and fringe rate harmless from the last rate review. This means we are requesting a total tax and fringe rate of 32.48 percent (using last year's tax and fringe rate of 27.38 percent plus 5.1 percent for retirement benefits). The 5.1 percent is derived from an ABH survey noting the average plan match was 4.1 percent plus 1 percent for plan admin.

We also continue to support our members' request for an administrative allocation of between 15 and 18 percent, as 12 percent remains inadequate.

Recommendation: We ask EOHHS to include 5.1 percent for retirement in the tax and fringe rate and hold it harmless from last year, setting the overall rate at 32.48 percent, and for an administrative allocation between 15 and 18 percent.

Closing

Again, we thank the Executive Office of Health and Human Services for its review of this rate, and we appreciate the significant progress made to increase salaries for the community-based workforce.

We appreciate EOHHS commitment to improving our staff recruitment and retention. We hope that adequately funding these programs with our recommendations gives our providers the best opportunity to meet your mandates and serve the Commonwealth’s residents with quality and available services from a stable and essential workforce.

Sincerely,

Bill Yelenak
President/CEO