October 30, 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 418.00: Payments for Youth Short-Term Stabilization and Emergency Placement 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 more than 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 most human services positions, though the Direct Care I benchmark would have decreased under the most recent BLS data. We appreciate EOHHS maintaining the $22.52/hour rate for direct care workers – the 53rd percentile of the May 2024 BLS — as the most recent figures would have gone down.

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 that 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 holding the DC I benchmark harmless from last year and 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 2.7 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 26.93 percent. We appreciate the increase in the tax and fringe rate from 24.97 percent to 26.93 percent as it supports our providers with their operational costs and service delivery.

We urge the state to include an additional 5.1 percent for retirement on top of the tax and fringe rate. This means we are requesting a total tax and fringe rate of 32.03 percent. 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, setting the overall rate at 32.03 percent, and for an administrative allocation between 15 and 18 percent.**

Closing

Again, we thank EOHHS 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 and 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.

Sincerely,



Bill Yelenak
President/CEO