



Commonwealth of Massachusetts
Executive Office of
Health and Human Services

FY25 H.2 Budget Overview

Executive Office of Health and Human Services

January 2024



Executive Office of Health and Human Services (EOHHS)



Mission

The Executive Office of Health and Human Services (EOHHS) is the largest secretariat in state government, with 11 agencies, over 22,000 employees, and over **\$30 billion** in projected FY25 spending. It is responsible for the health, resilience, and independence of people across Massachusetts. It directly serves 1 in every 3 Massachusetts residents and touches every community in the state through public health programming.

Overview

The Healey-Driscoll Administration's FY25 House 2 budget proposal recommends funding EOHHS at **\$30.08 billion**, a **\$1.29 billion (+4%) increase from the FY24 GAA**, excluding MassHealth supplemental payments.



EOHHS Key Budget Drivers

H.2 is aligned with EOHHS's key priorities, maintaining the following core commitments:

 Prepare for aging MA population	 Support high-need youth & adolescents	 Invest in economic empowerment and prevention	 Transform behavioral health	 Improve resident "front door" across agencies
Analyze impact of aging on program demand & budgets; incorporate aging analysis into program planning; and identify targeted investments to build support for aging population	Identify most common profiles of youth with high ED Boarding and establish cross-agency case management and continuum of care investments needed	Identify profiles of families most "at risk" and identify most impactful intervention points; consider place-based approach for agency coordination and investment	Build strong governance and project management structure to support BH Interagency Coordination Committee and conduct portfolio review of BH investments	Identify "front door" vision and business needs; clarify role of existing IE&E system in vision; and execute strategy to provide seamless access to EHS services



Targeted Program Investments

- **\$10 million** for the development of intensive residential program models for youth with complex needs whose needs are not being met with the programs currently available
- **\$5 million** to make aging in MA more affordable by eliminating Home Care Program copays for over 10,000 low-income clients
- **\$3.6 million** to support DPH's school-based behavioral health programming
- **\$3.1 million** investment in postpartum services for families affected by substance use disorder and involved with DCF
- **\$450,000** expands the Massachusetts Youth Diversion Program to provide more community-based alternatives and avoid juvenile justice involvement of young people accused of low-level offenses



Workforce Investments

- **\$485 million** FY25 investment for Chapter 257
 - **\$390 million** filed via H.2 and \$95 million supported by off-budget reserve
 - Assumes a lowest model wage of no less than \$20/hour
- **\$44.9 million** for Community Day and Work at the Department of Developmental Services (DDS) which connects people with developmental disabilities to employment services, job training, and counseling
- **\$26.2 million** for Vocational Rehabilitation at the Massachusetts Rehabilitation Commission (MRC) which connects disabled residents with job skill retraining programs and employment services
- **\$24.4 million** for employment services at the Department of Transitional Assistance (DTA). Through specific programs for different populations, these services connect DTA clients with career pathways and resolve barriers to continued employment.
- **\$4.9 million** investment for nursing workforce development
 - **\$3.2 million** funds certificate programs and recruitment bonuses to expand the nursing educator workforce
 - **\$1.7 million** expands access to Certified Nursing Assistant (CNA) licensing by offering the CNA exam in multiple languages and paying for test costs for first time test takers
- **\$300,000** for workforce development of ASL interpreters at the Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH)



Chapter 257 Reserve Overview

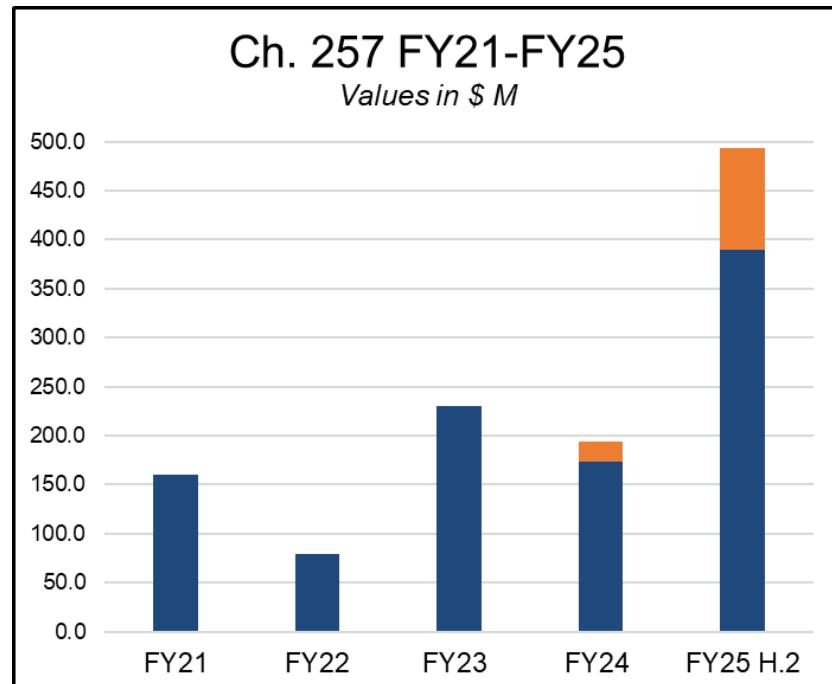
The Chapter 257 Reserve is used to support agencies to fund rates to human service providers that will be increased during the upcoming fiscal year.

H.2 funds the Chapter 257 Reserve at \$390 million, a \$217 million (+125%) increase over the FY24 GAA:

- The total Chapter 257 Reserve investment for FY25 is \$485 million:
 - \$390 million filed via H.2 and \$95 million supported by off-budget reserve
- The FY25 investment assumes a lowest model wage of **no less than \$20/hour**
- The FY22 Economic Development Bond Bill increased the BLS benchmark from the 50th to 53rd percentile and included \$125 million on a reserve to fund this increase in FY24 and FY25. H.2 assumes \$95 M of this reserve will be used to offset the projected Ch. 257 need in FY25.

16 service rates are up for review in FY25 that totaled \$2.59 billion in FY23 spending, including:

- Adult Long-Term Residential (DDS, MRC, MCB), \$1.614 billion in FY23 spending
- Adult Community Based Mental Health Services (DMH), \$389 million in FY23 spending
- Placement and Shared Living Support Services (DDS, MRC, MCB, DCF, DYS), \$188.4 million in FY23 spending



*Areas in orange denote spending appropriated on the FY22 Economic Development Bond Bill.



Supporting Children and Families

- **\$10 million** to fund the development of intensive residential program models for high-need youth
 - This addresses a gap in current continuum of care for children and adolescents with complex medical conditions, certain disabilities and/or behavioral health challenges who too often are boarding in emergency departments because the lack of appropriate residential services
- **\$6.1 million** to support projected caseload placement growth across DCF services (foster care, congregate care, guardianship subsidy, adoption subsidy, and support and stabilization)
- **\$4.6 million** investment in foster care supports
 - **\$3.4 million** to support +3.7% foster care daily rates and quarterly clothing allotments
 - **\$1.15 million** for the doubling of annual birthday and holiday payments (increasing to \$100 and \$200 respectively)
- **\$3.1 million** investment in a new Postpartum Care Services program within DCF
 - Will provide service to families impacted by Substance Use Disorder (SUD) that will benefit from a continuum of care simultaneously addressing postpartum and SUD needs
- **\$2.1 million** to support and expand the Massachusetts Youth Diversion Program (MYDP) previously funded through OCA
 - Helps improve life outcomes for youths by aiding in delinquency prevention efforts through diversion
 - Supports the addition of 3 new sites, bringing the program to 10 sites across 14 counties
- The administration recently published a regulation to cover doula services for MassHealth members beginning in FY24.
 - House 2 includes **\$1.1 million** to support this investment in FY25 and provide doula services to an estimated 1,700 members
- Supports the establishment of ABLE accounts, which allow social security benefits to go directly to children in foster care. Children can accrue savings in the accounts for use when they transition to adulthood to pay for college, housing, and other expenses.



Preparing for an Aging Population

- **\$5 million** to make aging in Massachusetts more affordable by eliminating copays for over 10,000 low-income Home Care clients
- **\$2.2 million** investment for continuing new home and community-based service programs
 - **\$1.93 million** investment in the Community Transitional Liaison Program (CTLP) enables older adults and people with disabilities to reside in the most appropriate, least restrictive location based on their needs and health
 - **\$308,000** investment in the ePOLST program supports end-of-life care and decision-making for older adults
- **\$750,000** for additional staffing for the Mass Options program due to an increase in call volume
 - Connects older adults, individuals with disabilities, and their caregivers with agencies and organizations that can best meet their needs
- Maintains FY24 investment to expand COA formula grant to \$14 per older adult



Empowering Citizens with Disabilities

House 2 fully funds the following agencies that strive to deliver high-quality care to meet the needs of each individual

- **\$86.4 million** for the **MA Rehabilitation Commission (MRC)**, a \$1.5 million (+2%) increase above the FY24 GAA
- **\$28.3 million** for the **MA Commission for the Blind (MCB)**, a -\$1.3 million (-4%) decrease below the FY24 GAA
 - Excluding legislative earmarks, MCB is funded at \$1.2 million above the FY24 GAA
- **\$11 million** for the **MA Commission for the Deaf and Hard of Hearing (MCDHH)**, a \$1.6 million (+17%) increase above the FY24 GAA

Department of Developmental Services (DDS) H.2 Budget Highlights

- **\$90.3 million** to support the annualization of the FY23 Turning 22 class and the new FY24 class, which includes 500 individuals with autism spectrum disorder (ASD)
 - FY23 was the largest Turning 22 class on record and FY24 is estimated to be similar. Enrollment has increased due to multiple possible factors, including population growth, diagnosis accessibility, and community outreach
- **\$2.5 million** investment for continuing new home and community-based service programs to help DDS clients remain in their homes or with their families
 - \$2 million for 24/7 respite care services
 - \$500,000 for assistive technology supports to help individuals with ASD learn, communicate and carry out daily functions.
- **\$800,000** to support expansion in the Children's Autism Waiver Program to serve an additional 75 children



Investing in Behavioral Health Capacity

House 2 fully funds the following agencies that provide behavioral health supports across the Commonwealth

- **\$1.24 billion** for the **Department of Mental Health (DMH)**, a \$105.4 million (+9%) increase above the FY24 GAA
- **\$967.3 million** for the **Department of Public Health (DPH)**, a -\$1.3 million (-0%) decrease from the FY24 GAA
 - Excluding legislative earmarks, DPH is funded \$31.9 million over FY24 GAA

Behavioral Health Investment Highlights

- **\$17 million** to support the DMH multi-year capacity expansion initiative
 - Goal to bring an additional 35 inpatient beds and between 275 and 300 community placements online by end of FY25
 - The effort is projected to reduce wait times for inpatient services by up to 60%
- **\$6 million** for the DPH Suicide Prevention Program, including the 988 Crisis Lifeline
- **\$3.7 million** investment to expand DMH's Emergency Room Diversion and respite services
 - This is in addition to the \$11.3 million investment from FY24 GAA
- **\$3.6 million** investment in DPH school-based behavioral health program
 - Will fund additional behavioral health staff in schools and support efforts to embed behavioral health services into school nursing services and school-based health centers



Investing in Economic Empowerment and Resilience

H.2 funds the Department of Transitional Assistance at \$1.158 billion, a \$88.9 million (+8%) increase above the FY24 GAA.

Budget Highlights

- **\$25.1 million** for the Healthy Incentives Program (HIP)
 - Over 100 new retailers have been added, resulting in more equitable access
- **\$974,000** to support in a Mobile EBT Payment Pilot
 - Supports the development and adoption of more secure payment technologies for SNAP and cash assistance clients that will help reduce benefits theft
- **\$44.1 million** above FY24 GAA to support current benefit levels and caseload for TAFDC and EAEDC benefits (average benefits increased 30% in FY21-FY23)
 - DTA's caseload has increased substantially in recent years due in part to aftereffects from the COVID recession
 - Expands TAFDC access for minors with children in multi-generational households (\$195,000)
- **\$24.4 million** above FY24 GAA to support the administrative needs, including translation and EBT processing costs, to deliver DTA's benefits programs
- Maintains support for Secure Jobs Connect, Pathways to Self Sufficiency, Two Generation Economic Mobility Programs, and the Teen Structured Settings Program



Building Equity and Capacity through Mass Health Investments

MassHealth priorities:

- Health Equity: Build on a first-in-the-nation health equity incentive program, where providers and health plans are accountable to measure and close disparities in quality and outcomes
- Simplify and Improve and Member Experience: Improve member experience by making MassHealth easier to access and simpler to navigate
- Behavioral Health and Primary Care: Strengthen outpatient access to (1) primary care, (2) urgent mental health care, focusing on children, (3) addiction support services
- Member Independence: Divert and discharge members with disabilities from nursing facilities

House 2 Budget: FY25 H.2 funds MassHealth at \$20.3 billion gross/\$8.2 billion net, an increase of \$730 million gross/\$440 million net above revised estimated FY24 spending. MassHealth faces significant fiscal headwinds in FY25, as federal revenues decline from pandemic-era highs and health care costs continue to grow.

- EOHHS must absorb ~\$1B of federal revenue decline following the end of the federal public health emergency, with more than \$820M net impact realized in FY25. Non-discretionary spending increases (e.g., Medicare premiums) contribute over \$120M net.
- MassHealth must address ~\$950M net in spending growth before even accounting for typical health care cost growth. The FY25 budget proposal is designed to be fiscally sustainable while ensuring ongoing access to high quality services for members.



Building Equity and Capacity through Mass Health Investments

MassHealth H.2 Budget Highlights

- **Sustains and builds on investments in behavioral health, primary care, and maternity.** MassHealth will sustain recent increases in payment rates for primary care services and continue to raise rates for outpatient behavioral health. The budget also supports further investment in addressing children's urgent needs (e.g., CBHI) and funds pay raises for nurse midwives.
- **Supports complex members in the community** by raising rates for nurses who provide continuous skilled nursing in patients' homes.
- **Invests in wheelchair repair rates** in order to shorten the turnaround time for members experiencing a wheelchair malfunction. This investment will complement ongoing work to streamline access to wheelchair services for our members.
- **Eliminates co-pays for the Children's Medical Security Plan**, a health care plan for low-income children not eligible for MassHealth or CHIP because of immigration status. MassHealth has now eliminated co-pays across all its programs.
- **Funds a public campaign to promote the Medicare Savings Program**, a valuable benefit that defrays up to 90% of Medicare costs for low- and middle-income seniors.
- **Recommends savings initiatives**, including administrative efforts to ensure program integrity and carefully manage expenses with providers and managed care plans. Also proposes targeted adjustments to the Personal Care Attendant program to ensure it can sustainably serve its most complex consumers.
- **Proposes reforms to generate additional revenue**, including changes to the hospital assessment that would generate more revenue for safety net hospitals. Also simplifies and restructures the payor surcharge, to benefit both insurers and the Commonwealth.



We look forward to working with you and the Legislature

to better serve people across the Commonwealth in a fiscally prudent manner and guided by our strategic plan policy directives:

- Centering equity
- Addressing workforce shortages
- Addressing growing caseloads
- Being realistic about timeframes required for complex projects
- Recognizing the need for improved data collection and helps further develop our analytic capabilities
- Compelling cross agency collaboration