



**Commonwealth of Massachusetts**  
**Executive Office of Health and Human Services**  
**Office of Medicaid**  
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**MassHealth**  
**Adult Foster Care Bulletin 24**  
**July 2022**

**TO:** Group Adult Foster Care Providers Participating in MassHealth

**FROM:** Amanda Cassel Kraft, Assistant Secretary for MassHealth

**RE: Group Adult Foster Care Provider Fiscal Soundness Requirement**

### **Introduction**

MassHealth incorporated the Group Adult Foster Care (GAFC) program rules into the Adult Foster Care program regulations at 130 CMR 408.000: *Adult Foster Care* effective July 1, 2022. This bulletin provides guidance about the statement of fiscal soundness requirement provided at 130 CMR 408.504(A)(10).

### **Statement of Fiscal Soundness**

Pursuant to 130 CMR 408.504(A)(10), GAFC providers must “submit to MassHealth or its designee a statement of fiscal soundness attesting to the financial viability of the GAFC provider supported by documentation to demonstrate that the provider has adequate resources to finance the provision of services in accordance with 130 CMR 408.000.”

To satisfy the fiscal soundness requirement, the GAFC provider must demonstrate:

- A cash reserve sufficient to meet one month of financial obligations in the operation of the provider’s GAFC program, including but not limited to timely payment of direct care aides and professional staff wages and the provider’s general and professional liability insurance coverage and workers’ compensation insurance coverage. If using a line of credit to meet the cash reserve requirement, the provider must demonstrate the line of credit has been approved by a financial institution.

The minimum amount allowed in available cash reserve is the average monthly cost of the provider’s GAFC program. The GAFC provider must attest that its available cash reserve will meet that average monthly cost at all times during the subsequent year. If the GAFC provider’s cash reserve average in a particular month falls below the minimum amount allowed, the GAFC provider must notify the MassHealth Group Adult Foster Care Program Manager immediately. The annual cash reserve report and attestation must be completed in the LTSS Provider Portal at [www.masshealthltss.com](http://www.masshealthltss.com) by October 1 each year.

GAFC providers who do not meet the fiscal soundness requirement pursuant to 130 CMR 408.504(A)(10) and as described in this bulletin, may face action from MassHealth. This action may include sanctions in accordance with 130 CMR 450.238 as well as termination of the organization as a MassHealth GAFC provider.

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**Questions**

If you have any questions about the information in this bulletin, please contact the Long Term Services and Supports (LTSS) Provider Service Center.

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