

# DDS



## Summary of Financial Support for DDS Provider Programs

March 2020 to Current

December 19, 2022



## Finance Summary

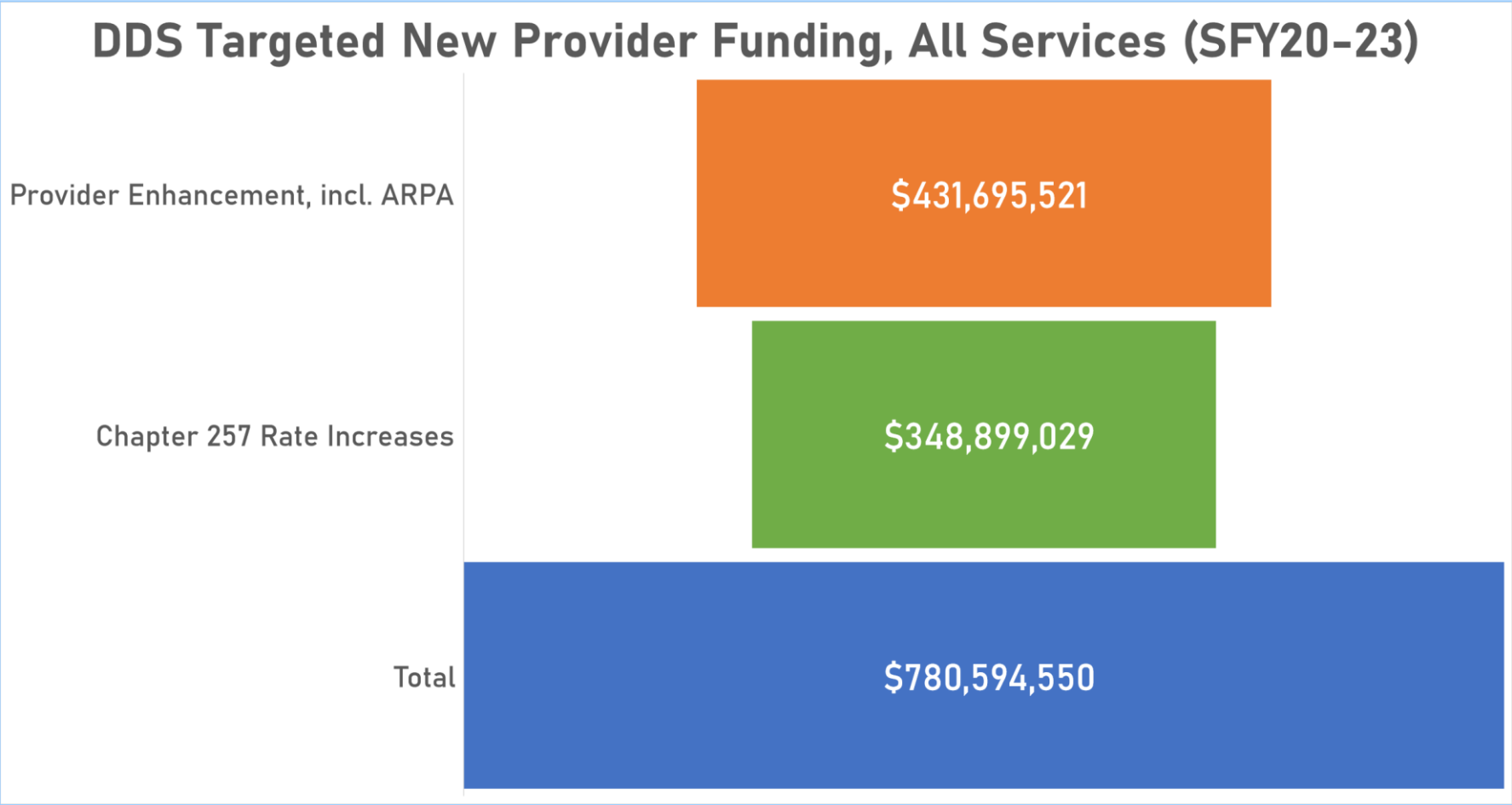
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Since the start of the Covid-19 pandemic (March 2020) to today, DDS has prioritized **\$780+ million** in targeted investments in the private provider industry to:

- Assist in immediate pandemic-related impacts like temporary closures or reduced service utilization in certain services, including DDS day programs (e.g. CBDS & Supported Employment).
- Stabilize agency providers financial condition to ensure consistent, safe, and reliable service delivery across the Commonwealth.
- Help address national workforce shortages through dedicated funding for recruitment or retention of direct care, nursing, or other impacted program and service staff.
- Establish significant, permanent rate increases across all services through Chapter 257 regulatory authorities to support higher staff salaries and benefits.



# Finance Summary





## Chapter 257 Rate Policy and Salaries

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The Executive Office of Health and Human Services (EOHHS) leads rate development for non-MassHealth contracted services under the authority of Chapter 257 (*Chapter 257 of the Acts of 2008*).

- Chapter 257 requires rate reviews every two years, where impacted agencies work with EOHHS within established parameters to develop new rates for regulated services.
- EOHHS establishes benchmark median salaries by position type (e.g. Direct Care Worker) informed by Federal Bureau of Labor Statistics (BLS) data for consistency and rate standardization.
  - In each review cycle, benchmarks for fringe benefits and service administration are also reviewed and increased.
  - Provider agencies must comply with mandatory reporting to EOHHS detailing new Chapter 257 expenditures, including wage information and relative comparison to BLS data.
  - In DDS Residential services (largest service) direct care staff salaries included in Ch.257 rates have increased 23% since FY20.



## Community Day & Work - Finance Summary

From March 2020 through SFY22, DDS implemented a variety of financial stabilization strategies for its Community Day and Work providers to ensure continuity of service and operations, including:

- Administrative or retainer payments when programs were temporarily closed by the Commonwealth-wide public health order.
- Significant temporary rate enhancements to help off-set lower service utilization, backed up with permanent, off-cycle rate increases.

Enhancement or Rate	FY20 Spend	FY21 Spend	FY22 Spend
<i>Administrative Payments (50%) - CBDS and Supported Employment</i>	\$ 20,096,277	\$ 6,694,824	
<i>Day Habilitation Retainer</i>	\$ 9,716,886	\$ 3,974,432	
<i>Day Program Rate Enhancements (+40% &amp; +25%)</i>		\$ 9,899,216	
<i>Day Program Level Enhancements - CBDS and Supported Employment</i>		\$ 21,610,982	\$ 17,509,455
<i>ARPA July 2021 to January 2022 (CBDS, Supported Employment, Day Hab Supp)</i>			\$ 8,799,096
<i>Chapter 257 and Day/Work Redesign (CBDS and Supported Employment); permanent and annualized.</i>			\$ 34,596,041
<b>Total</b>	<b>\$ 29,813,163</b>	<b>\$ 42,179,454</b>	<b>\$ 60,904,593</b>
<b>Grand Total</b>	<b>\$132,897,210</b>		



## Permanent Rate Increases for CBDS and Supported Employment

During SFY22 multiple rate increases for Day and Employment programs were implemented. In January 2022, DDS pursued a significant, permanent rate redesign for Community Day/Work programs, developed with families and providers. These updates significantly increased salaries, support better community integrated programs through new funding for technology, transportation, and community activities, and expand program options for non-site-based services (i.e. “without walls”).

Cumulative CBDS & SE Rate Increases During FY22								
Service Level	FY21 Base Rate	1	FY22 July 1 Rate Review	2	FY22 Re-Based (433)	3	FY22 Jan 1 Review	Cumulative Increase
CBDS A	\$ 10.93	0%	\$ 10.95	8%	\$ 11.86	10%	\$ 13.04	19%
CBDS B	\$ 6.20	2%	\$ 6.34	8%	\$ 6.82	11%	\$ 7.58	22%
CBDS C	\$ 4.40	4%	\$ 4.58	7%	\$ 4.89	12%	\$ 5.46	24%
CBDS D	\$ 3.65	5%	\$ 3.85	6%	\$ 4.09	12%	\$ 4.60	26%
ISE: Initial Supports	\$ 12.97	5%	\$ 13.58	4%	\$ 14.16	1%	\$ 14.33	10%
ISE: Ongoing Supports	\$ 9.74	4%	\$ 10.16	4%	\$ 10.54	2%	\$ 10.73	10%
GSE: Standard	\$ 3.75	2%	\$ 3.83	7%	\$ 4.11	25%	\$ 5.14	37%
GSE: High Intensity	\$ 5.65	3%	\$ 5.82	7%	\$ 6.20	9%	\$ 6.76	20%
GSE: 1:1	\$ 8.25	8%	\$ 8.91	8%	\$ 9.62	11%	\$ 10.65	29%
GSE: 1:3	\$ 5.25	5%	\$ 5.53	7%	\$ 5.94	17%	\$ 6.97	33%

Weighted Increases by Service	
Service	1/1/22 Rates
CBDS	25%
ISE	10%
GSE	35%

1	Initial July 1, 2021 Rate Review
2	Re-Basing to 2020 BLS (433 regulation)
3	January 1 Rate Review



## Residential and Other Support Services - Finance Summary

From March 2020 to current (SFY23), DDS has implemented a variety of financial strategies for its Residential, Individual, and Family Support providers to assist in managing pandemic-related impacts, maintaining continuity of service, and promoting recruitment and retention of direct care staff, including:

- ARPA rate enhancements of \$160+ million where 90% of funding is dedicated to [direct care workforce compensation](#).

Enhancement or Rate	FY20 Spend	FY21 Spend	FY22 Spend	FY23 Committed
<i>Enhancement Rate Payments +10% and +15% (ALTR, Shared Living, Family Support, Respite, Individual Supports)</i>	\$ 75,143,843			
<i>Residential Day Staffing +5.25% add-on</i>		\$ 59,796,943	\$ 29,667,936	
<i>ARPA +10% Rate Enhancement for Waiver Services, not including Day/Work (ALTR, ABI)</i>			\$ 152,171,764	
<i>ARPA +10% Rate Enhancement for non-Waiver Services (Family Support)</i>			\$ 3,907,591	
<i>ALTR Supplemental Day Staffing</i>			\$ 12,706,275	
<i>Chapter 257 Rate Increases (ALTR, Shared Living, In Home Supports, Family Stabilization, NF Active Treatment)</i>		\$ 133,581,303	\$ 2,696,498	\$ 178,025,186
<b>Total</b>	<b>\$ 75,143,843</b>	<b>\$ 193,378,246</b>	<b>\$ 201,150,064</b>	<b>\$ 178,025,186</b>
<b>Grand Total</b>	<b>\$647,697,339</b>			