



Executive Office of Health & Human Services

Governor Baker's FY2022 Budget Proposal
January 27, 2021



Secretariat FY22 Budget: Spending Summary

	FY21 Revised H.2	FY21 GAA	GAA Earmarks and Expansions Eliminated	Maintenance Adjustments	FY22 H.1 Rec.	H.1 vs. GAA	
Exec Office of Health and Human Services	359,623,703	389,098,704	(29,475,001)	3,959,803	363,583,506	(25,515,198)	-7%
Chapter 257 Rates	160,000,000	160,000,000	-	(81,000,000)	79,000,000	(81,000,000)	-51%
Department of Elder Affairs	575,465,917	598,926,183	(23,460,266)	18,801,897	594,267,814	(4,658,369)	-1%
Department of Public Health	687,645,221	769,034,718	(60,599,497)	(1,362,142)	707,073,079	(61,961,639)	-8%
Department of Mental Health	904,187,972	911,642,258	(7,454,286)	39,667,287	943,855,259	32,213,001	4%
Office of Refugees and Immigrants	1,026,574	1,741,575	(715,001)	(0)	1,026,574	(715,001)	-41%
Department of Youth Services	173,984,339	174,484,339	(500,000)	(4,913,128)	169,071,211	(5,413,128)	-3%
Department of Transitional Assistance	710,055,761	741,440,761	(31,385,000)	18,528,697	728,584,458	(12,856,303)	-2%
Department of Children and Families	1,062,530,832	1,084,138,226	(21,607,394)	25,197,790	1,087,728,622	3,590,396	0%
Massachusetts Commission for the Blind	24,989,854	26,552,598	(1,562,744)	641,405	25,631,259	(921,339)	-3%
Massachusetts Rehabilitation Commission	65,741,586	67,371,586	(1,630,000)	1,819,107	67,560,693	189,107	0%
Commission for Deaf and Hard of Hearing	6,857,791	6,857,791	-	337,160	7,194,951	337,160	5%
Chelsea Soldiers' Home	30,131,989	30,131,989	-	5,968,648	36,100,637	5,968,648	20%
Holyoke Soldiers' Home	25,458,194	26,858,194	(1,400,000)	1,671,177	27,129,371	271,177	1%
Department of Developmental Services	2,112,473,596	2,132,529,423	(20,055,827)	147,452,140	2,259,925,736	127,396,313	6%
Veterans' Services	92,683,436	94,941,935	-	(0)	94,941,935	(0)	0%
MassHealth Programmatic	18,260,854,980	18,280,384,980	(530,000)	(710,962,628)	17,568,892,352	(711,492,628)	-4%
Subtotal	25,253,711,745	25,496,135,260	(200,375,016)	(534,192,789)	24,761,567,455	(734,567,805)	-3%
MassHealth Hospital Supplemental Payments	598,495,500	598,495,500	-	29,146,550	627,642,050	29,146,550	5%
Total	25,852,207,245	26,094,630,760	(200,375,016)	(505,046,239)	25,389,209,505	(705,421,255)	-3%



FY21 House 1 – Across the Secretariat

House 1 (H.1) Budget

- H.1 funds EOHHS at \$24.762 B, a \$735 M (-3%) decrease below the FY21 GAA, excluding supplemental payments to hospitals
- EOHHS departments comprise approximately 54% of the total state budget.

	FY21 Est. Spending	FY22 H.1	H.1 vs FY21 Est	% Increase
HHS Total	25,496,135,260	24,761,567,455	(734,567,805)	-3%
Commonwealth Total	46,438,742,014	46,016,288,264	(422,453,750)	-1%
HHS as % of Total	55%	54%		



FY22 H.1 – Across the Secretariat

House 1 Budget

H.1 funds EOHHS at \$24.762 B, a \$735 M (-3%) decrease below the FY21 GAA, excluding supplemental payments to hospitals

H.1 Budget Highlights

- Removes \$219.9 M in earmarks (\$44.9M) and one-time expansionary funding (\$175M) added in the FY21 GAA
- Maintains sustainability of MassHealth program without reducing benefits
- Continues Chapter 257 commitments for human service providers, and maintains rate methodology which benchmarks direct care and clinical staff wages to the Bureau of Labor Statistics median salary to support the workforce
- Fully funds Turning 22 classes at DDS and other disabilities agencies, and maintains funding for the American Sign Language initiative at MCDHH
- Includes \$1M in expansion for the v-logs through the Executive Office and MCDHH
- Increases funding for TAFDC benefits at DTA to support projected caseload increases in FY22
- Supports new, 75-bed Men's Recovery from Addiction Program (MRAP) at Taunton, planned to open in July 2021
- Maintains support for the Commonwealth's veterans and makes critical staffing and infrastructure investments at the Chelsea and Holyoke Soldiers Homes



Across the Secretariat: Roadmap for Behavioral Health Reforms

Roadmap for Behavioral Health Reform: Ensuring the *right* treatment *when* and *where* people need it

Today, many people struggle to figure out what kind of treatment is available and right for them and find a provider that accepts their insurance. Too often, people end up finding mental health or substance use treatment when they experience an emergency, and these longstanding challenges have been exacerbated by the COVID-19 pandemic.

The Baker-Polito Administration is announcing a Roadmap for Behavioral Health Reform: Ensuring the right treatment when and where people need it.

Highlights

- Calls for the creation of a “front door” to treatment—a new, centralized service for people or their loved ones to call or text to get connected to mental health and addiction treatment
- Proposes reforms to make outpatient assessment and treatment more readily available
- These reforms do not replace or disrupt existing services or provider relationships—rather they aim to improve access to these services

Together with our diverse stakeholders, EOHHS will continue to update this Roadmap-- a living document—to ease the burden on individuals and families when accessing treatment by creating a front door to care, ensuring readily available outpatient care in the community for people of all ages and backgrounds so that every resident can have their behavioral health care needs met.



Executive Office (EOHHS)

House 1 Budget

H.1 funds EHS at \$363.6 M, a \$25.5 M (-7%) decrease below the FY21 GAA, and includes an additional \$79.0 M in the Chapter 257 Reserve

H.1 Budget Highlights

- \$79.0 M in Chapter 257 reserve funding maintains an updated rate methodology benchmarking wages to the Bureau of Labor Statistics median salary and supports providers' ability to hire/retain quality direct care and clinical staff
- Maintains \$14.2 M for the Health Information Technology Trust Fund, which includes the state share of the HIX operating and maintenance costs
- Adds \$700 K to expand the production of vlogs in American Sign Language and increase communication access to public services for individuals who are Deaf and Hard of Hearing; additional \$300 K funded at MCDHH
- Provides \$10.0 M for the Safe and Successful Youth Initiative
- Includes \$143.3 M for EOHHS IT for maintaining critical investments, including DCF's iFamilyNet mobility application, continued modernization of DTA's Benefit Eligibility And Control Online Network (BEACON), and desktop modernization across the EOHHS agencies
- Eliminates earmarks and one-time expansionary funding added in the GAA, including \$10.0 M for new inpatient behavioral health beds and \$10.0 M to fund the Behavioral Health Outreach, Access, and Support Trust, and is otherwise level funded to FY21 H.2 Revised



Department of Mental Health (DMH)

Agency Summary

DMH provides clinical treatment and supportive services to meet the needs of individuals with serious mental illness of all ages, enabling them to live, work and participate in their communities. DMH provides community-based and continuing care inpatient services for approximately 21,000 individuals throughout Massachusetts.

House 1 Budget

H.1 funds DMH at \$943.9 M, a \$32.2 M (+4%) increase above the FY21 GAA

H.1 Budget Highlights

- \$18.6 M for the annualized cost of operating the new Men's Recovery from Addiction Program in Taunton, 75 treatment beds for men who are civilly committed under Section 35
- \$14.3 M of adult mental health continuing care and community services spending funded from the Behavioral Health Access, Outreach, and Support Trust Fund; of this \$14.3 M, \$6.4 M would support the creation of a 30 bed continuing care unit at the Worcester Recovery Center and Hospital necessary to offset the loss of a commensurate number of beds at Shattuck and Tewksbury Hospitals due to COVID infection control requirements
- \$4.0 M to re-procure Children, Youth, and Family Intensive Community Services (ICS)
 - Redesigned treatment model will allow DMH to meet currently unmet needs of children and adolescents with serious behavioral health challenges
 - ICS provides clinically intensive treatment and outreach support to help build, strengthen, and maintain youths' connections to family, home, and community to avoid lengthy and costly congregate care stays



Department of Developmental Services (DDS)

Agency Summary

DDS creates opportunities for individuals with intellectual disabilities to participate in and contribute meaningfully to their communities. DDS supports approximately 42,000 adults and children with intellectual and developmental disabilities including those with Autism Spectrum Disorder. DDS also provides residential services to individuals with acquired brain injury. Services include day programs, employment support, residential, family support, and transportation. Services are provided through state operated facilities and 253 community-based state operated programs, under contract with more than 229 private provider agencies.

House 1 Budget

H.1 funds DDS at \$2.260 B, a \$127.4 M (+6%) increase above the FY21 GAA

H.1 Budget Highlights

- For the fifth consecutive year, H.1 fully funds the Turning 22 class of 1,233 new members in FY22
- Includes \$133.6 M to annualize Chapter 257 Adult Long-Term Residential (ALTR) rates, implemented in January 2021
 - › The ALTR rate increase is an approximately 10% increase to 100 private providers operating 2,200+ 24/7 group homes supported by over 15,000 direct care support professional staff and serving over 7,700 individuals with intellectual and developmental disabilities



Department of Children and Families (DCF)

Agency Summary

DCF protects children from abuse and neglect and ensures child safety. DCF serves approximately 47,000 children at any given time, primarily children ages 0-17, and youth ages 18-21 previously involved with the Department.

House 1 Budget

H.1 funds DCF at \$1.088 B, a 3.6 M (+0%) increase above the FY21 GAA

H.1 Budget Highlights

- Includes \$20.0 M increase to support a new congregate care network designed to achieve safety, permanency, and well-being outcomes for 2,000 DCF-involved children, adolescents, and young adults
 - › Will align DCF services with requirements in the federal Family First Prevention Services Act of 2018
- Includes \$8.0 M to support social worker staff, assumed to return to normal caseload patterns in FY22, to continue progress towards a 15:1 caseworker ratio, and to provide clinical support and oversight to DCF social workers and techs
- Provides \$1.4 M for OSD-promulgated Chapter 766 rates for placements of children in residential schools



Department of Transitional Assistance (DTA)

Agency Summary

DTA assists and empowers low-income individuals and families to meet their basic needs, improve their quality of life, and achieve long-term economic self-sufficiency. DTA works with individuals and families to provide services through a combination of federal and state-funded programs with the ultimate goal of achieving economic mobility for DTA clients. DTA serves one out of every eight people in the Commonwealth – including working families, children, elders, and people with disabilities.

House 1 Budget

H.1 funds DTA at \$728.6 M, a \$12.9 M (-2%) decrease below the FY21 GAA

H.1 Budget Highlights

- Supports a projected 19% caseload increase in TAFDC vs. pre-COVID levels, as UI benefits, which supported families in FY21, will expire for many in spring/summer 2021 and result in former clients returning to caseload for FY22
- Returns to pre-COVID-19 benefit levels for TAFDC and EAEDC (-\$13 M)
- Funds the Healthy Incentives Program (HIP) at \$5.0 M, level to FY21 H.2 in addition to anticipated PAC into FY22 of unspent funding from the \$8 M increase included in the FY21 GAA



Executive Office of Elder Affairs (EOEA)

Agency Summary

EOEA promotes the independence, empowerment, and well-being of older adults and their caregivers. EOEA's strategic goals include supporting aging in community; preparing for evolving demographic trends; empowering healthy aging; preventing injury, violence, and exploitation; strengthening "no wrong door" access to services; and ensuring quality, value, and person-centered care.

House 1 Budget

H.1 funds ELD at \$594.3 M, a \$4.7 M (-1%) decrease below the FY21 GAA

H.1 Budget Highlights

- Maintains \$17.1 M to continue issuing grants of \$12 per elder to local Councils on Aging
- Increases funding by \$16.3 M for Community Choices, which provides MassHealth-eligible elders with nursing facility levels of need with home care support, to support caseload increases and annualize rate increases
- Continued Support of the Home Delivered Meal Program and fully funds expected caseload in the Elder Home Care Program



Department of Public Health (DPH)

Agency Summary

The Department of Public Health works to keep people healthy and communities strong. DPH promotes the health and well-being of all Massachusetts residents by ensuring access to high-quality public health and healthcare services, and using a data-driven approach to focus on prevention, wellness, and health equity in all people. DPH also regulates, licenses, and provides oversight of a wide range of healthcare-related professions and services.

COVID-19 Response - DPH has been working on COVID-19 vaccination planning since early August. Workgroups on logistics, allocation, communications, and clinical decision-making have been meeting seven days a week. DPH continues to work with the COVID Command Center and an External COVID-19 Vaccine Advisory Group on all of these activities. In addition, DPH continues to work on COVID testing and infection control response.

House 1 Budget

H.1 funds DPH at \$707.1 M, a \$62.0 M (-8%) decrease below the FY21 GAA and a \$19.4 M (+3%) increase above H.2 Revised

H.1 Budget Highlights

- Supports maintenance costs, including payroll increases, energy and space lease costs, drug and vaccine cost increases, annualization of Chapter 257 rate increases, and facilities costs
- Supports key new positions with a focus on the State Lab and Public Health Hospitals
- Maintains \$10 M in grants to local boards of health to support municipalities' capacity to respond to the COVID-19 pandemic



Department of Youth Services (DYS)

Agency Summary

DYS improves life outcomes for youth in care through investment in qualified staff and a service continuum that engages youth, families and communities in strategies that support positive youth development. As the juvenile justice agency, DYS provides a comprehensive and coordinated program of delinquency prevention and services to youth detained or committed to DYS by the courts.

House 1 Budget

H.1 funds DYS at \$169.1 M, a \$5.4 M (-3%) decrease below the FY21 GAA

H.1 Budget Highlights

- Supports relatively stable caseload levels
 - › Caseload remained level through the first three quarters of FY20 (prior to impacts of COVID-19) compared to the recent historical decline, though COVID-19-driven court closures caused a significant drop in the committed and detained caseload toward the end of FY20/early FY21
 - › H.1 funds an anticipated nominal increase in FY22 caseload due to youth awaiting trial, pleas, and arraignments
 - › Note: Raise the Age legislation would expand DYS caseload and require additional funding
- Includes \$6.0 M savings associated with the closure of two state-operated programs and one provider-operated program, as well as the closure of Allen Hall in Westborough, which DYS will implement with minimal impacts primarily due to program consolidation to align with caseload



Massachusetts Rehabilitation Commission (MRC)

Agency Summary

MRC promotes equality, empowerment and independence of individuals with disabilities by providing comprehensive services to help individuals maximize their quality of life and economic self-sufficiency in the community. These goals are achieved through enhancing and encouraging personal choice and the right to succeed or fail in the pursuit of independence and employment.

House 1 Budget

H.1 funds MRC at \$67.6 M, a \$189 K (+0%) increase above the FY21 GAA

H.1 Budget Highlights

- Includes \$1.5 M for standard staff payroll increases and provider rate annualization costs
- Fully funds Turning 22 (\$332 K)
- Supports changes in population needs, including \$192 K for additional supports to Independent Living Assistance consumers with progressive and severe disabilities and \$118 K to support changes in needs of individuals with traumatic brain injuries through SHIP
- Eliminates \$1.63 M in one-time funding added in the FY21 GAA



Massachusetts Commission for the Blind (MCB)

Agency Summary

MCB provides the highest quality rehabilitation and social services to individuals who are blind, leading to independence and full community participation.

House 1 Budget

H.1 funds MCB at \$25.6 M, a \$921 K (-3%) decrease below the FY21 GAA

H.1 Budget Highlights

- Supports standard payroll increases, annualization of rate increases, and restoration of funding for operational needs and services reduced on a one-time basis in FY21
- Fully funds Turning 22 (\$15.3 M)
- Includes \$660 K savings realized through the closure of regional offices and maintaining staff in a remote work environment and supporting clients in the community, Boston parking space reduction, and reducing footprint at 600 Washington Street Boston office



Massachusetts Commission for the Deaf & Hard of Hearing (MCDHH)

Agency Summary

MCDHH provides accessible communication, education and advocacy to consumers and private and public entities, where a vision of universal access becomes the standard for Deaf and hard of hearing people to fully participate in all areas of life.

House 1 Budget

H.1 funds MCDHH at \$7.2 M, a \$337 K (+5%) increase above the FY21 GAA

H.1 Budget Highlights

- Adds \$300 K to expand the production of vlogs in American Sign Language and increase communication access to public services for individuals who are Deaf and Hard of Hearing; additional \$700 K funded at EOHHS
- Maintains \$530 K for American Sign Language initiative which aims to strengthen the state's ASL interpreter/CART workforce



Department of Veterans' Services (VET)

Agency Summary

VET supports annuity benefits to Gold Star families, transitional services and outreach to veterans, operates two veterans' cemeteries and acts as liaison on behalf of veterans seeking assistance from the Federal Veterans' Administration. Through the municipal veterans' agencies, Veterans' Services Officers (VSO) administers the need-based veterans benefits program (M.G.L. Chapter 115).

House 1 Budget

H.1 level funds VET to the FY21 GAA at \$94.9 M

H.1 Budget Highlights

- Annualizes GAA expansions and fully funds core services



Soldiers' Home in Chelsea

Agency Summary

The Soldiers' Home in Chelsea operates a VA and CMS certified 189 bed long-term care and skilled nursing facility that include services for Veterans with cognitive and physical impairment along with 305 beds in an independent living/domiciliary service.

House 1 Budget

H.1 funds CHE at \$36.1 M, a \$6.0 M (+20%) increase above the FY21 GAA

H.1 Budget Highlights

- Annualizes increases from FY21 for increased staffing levels to support infection control protocols
- Also funds staffing and ancillary services in preparation for the opening of the Chelsea Soldiers' Home Community Living Center (CLC)
 - › CLC will provide 154 long-term care beds for our veterans (an increase of 40)
 - › Increase in census and building size (+80,000 sq. feet) will require an increase in direct care staffing as well as in ancillary services (housekeeping, dietary, maintenance) needed to maintain facility



Soldiers' Home in Holyoke

Agency Summary

The Soldiers' Home in Holyoke operates a long-term care facility which includes long-term care beds, dementia units, comfort care services along with 30 beds in a domiciliary service.

The Baker-Polito Administration has been focused on preparing the Home for the future, including hiring new permanent leaders, improving clinical care, collaborating with the board and making both short and long term improvements to the building.

The Administration continues to plan for the future of the Home, working rapidly on an expedited capital project to reconstruct a new facility that is currently in the Design Phase, working toward the April 15 deadline for the VA State Home Construction Grant program.

The next steps include working with the Legislature on a bond bill because a project of this magnitude cannot be afforded within the existing bond authorization.

House 1 Budget

H.1 funds HLY at \$27.1 M, a \$271 K (+1%) increase above the FY21 GAA

H.1 Budget Highlights

Funds increased staffing levels at the Home to support infection control protocols



Office of Refugees and Immigrants (ORI)

Agency Summary

ORI promotes the full participation of refugees and immigrants as self-sufficient individuals and families in the economic, social and civic life of Massachusetts. Primarily funded through the federal Office of Refugee Resettlement, ORI administers the refugee resettlement program, which includes refugee cash and medical assistance, case management, employment services, English language training, and foster care for unaccompanied minors.

House 1 Budget

H.1 funds ORI at \$1.0 M, a \$715 K (-41%) decrease below the FY21 GAA

H.1 Budget Highlights

- This funding level supports ORI's state-funded citizenship assistance program for refugees and immigrants residing in the Commonwealth
- At this funding level, ORI expects to provide services to over 1,200 refugees and immigrants through grants to the agency's 19 partner organizations



MassHealth

Agency Summary

MassHealth offers essential health care coverage to 2.0 million members, including: 800,000 low and moderate income adults (40% of all members), 680,000 low and moderate income children (35% of all members) and 293,000 people with disabilities and 191,000 seniors (combined, 25% of all members)

Priorities

- **Continuing to support MassHealth members and providers** as part of the Commonwealth's response to the COVID-19 pandemic (e.g., flexibilities and member protections)
- Maintaining comprehensive, high quality, and affordable **coverage** for all members
- Increasing investments in behavioral health and primary care within the construct of the overall cost growth benchmark
- Continuing efforts to reduce prescription drug prices through direct negotiations with drug manufacturers, and holding drug companies accountable for unjustified price increases
- Continuing to implement restructuring through **integrated, accountable care models**, with investments supported by the 1115 waiver (\$1.8B over 5 years)
- Making the MassHealth program sustainable through ongoing **program integrity** and operations efforts
- Continuing management of and investments in **home and community based long term supports and services**



MassHealth

H.1 Budget Overview:

- MassHealth programmatic accounts are funded at **\$17.569 B gross / \$6.911 B net**, a decrease of -3.4% gross and +7.2% net over FY21 estimated spending
- \$628M in supplemental payments for hospitals funded by the Medical Assistance and Safety Net Provider Trust Funds, excluding intergovernmental transfers

H.1 Budget Highlights:

- **Ensures a sustainable MassHealth program while maintaining all eligibility and benefit levels at pre-COVID-19 levels**
 - Supports targeted investments in Community Health Center rates and the annualized impact of restoring full dental coverage for adults
 - \$50 M gross / \$25 M net commitment to new program integrity solutions.
 - Allows MassHealth to directly negotiate rebate agreements for certain medical supplies and with drug manufacturers that do not participate in the Federal Medicaid Drug Rebate Program, building on the success of direct negotiations authority passed in 2019
 - Due to fiscal cliff resulting from sunset of enhanced FMAP when the PHE ends, H.1 budget is smoothing impact across fiscal years by pulling forward \$377M net expenditures into FY21, and pushing \$138M net into FY23

*FMAP is the federal share of funding for Medicaid expenditures; the federal matching rate was increased by 6.2% during the PHE.



H.1 Budget Highlights (continued):

- **Addresses current behavioral health challenges that have been further exacerbated by the pandemic**
 - Invests \$84M for reforms to expand access to outpatient and urgent behavioral health services and connect people with the treatment they need, when and where they need it
 - Expands funding for Substance Use Disorder treatment and inpatient psychiatric services, including consistency of rates of payment for inpatient psychiatric treatment across the MassHealth system
- **Expands investments in hospital services for MassHealth members, preserve critical payments to safety net hospitals, and ensure ongoing sustainability for all hospitals.**
 - Proposes a \$100M increase to existing hospital assessment in FY22, and extends the assessment beyond FY22; EOHHS will work closely with our hospital partners to ensure that the assessment meets sustainability objectives prior to seeking federal approval
 - Restructures and extends the former Community Hospital Reinvestment Trust Fund (CHRTF), which sunsets at the end of FY21, into the Community Hospital and Health Center Investment Trust Fund (CHHCITF); The trust is supported by the H.1 proposal to hold drug companies accountable for unjustified price increases
 - » Community hospitals would initially receive \$35 million (consistent with recently enacted health care legislation) and community health centers would receive up to \$12.5 million in FY22
 - » Beginning in calendar year 2023, both community hospitals and community health centers would receive up to \$12.5 million per year (up to \$25 million total)