

Good morning. My name is Marie Lenane. I am the Policy Pricing Analyst at the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on the proposed amendments to 101 CMR 417.00: Rates for Certain Elder Care Services, which will amend rates purchased by the Executive Office of Aging & Independence (AGE).

Massachusetts General Laws, Chapter 118E, Section 13D requires the Secretary of the Executive Office of Health and Human Services to establish rates of payment by regulation for social service programs. The effective date for the proposed amendments to the regulation is January 1, 2026.

The rates for certain elder care services are being updated to include an increase by a cost adjustment factor (CAF) of 2.53% and to incorporate salary benchmarks derived from the Bureau of Labor Statistics (BLS) median salary, May 2024 edition at the 53rd percentile. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Spring 2025 Forecast, baseline scenario data. The CAF reflects the period between the rates' base period (calendar year 2025 Q4) and the prospective period of calendar years 2026 and 2027. The tax and fringe rate has been benchmarked to 24.97%, and the administrative allocation has been benchmarked to 12%.

Please note that the Central Intake and Assessment Program rate was incorrectly updated on the proposed regulation and will be reverted back to its current rate of \$138.85. This rate had previously been updated effective January 1, 2025.

The total projected annualized cost to state government from the increase in rates under the proposed regulation is \$10.72 million, which represents an increase of 6.85% over FY25 spending of approximately \$156.6 million. As these rates are effective January 1, 2026, the FY26 cost to state government will be \$5.36 million, which will be covered through the Chapter 257 Reserve Account.

This concludes my testimony. Thank you.