

Good morning, my name is Marie Lenane and I am a Purchase of Service Pricing Analyst at the Executive Office of Health and Human Services. I am here to present staff testimony on the proposed amendments to 101 CMR 431.00: Rates for Certain Respite Services, which governs the payment rates for certain respite services provided to publicly aided individuals by governmental units. These services are purchased by the Department of Mental Health. Respite services provide temporary, short-term, community-based clinical and rehabilitative services that enable an individual to live in the community as fully and independently as possible. Respite services are available in both site-based and mobile settings.

Amendments to this regulation are being proposed at this time in accordance with M.G.L. Chapter 118E, Section 13D, which requires the Secretary of the Executive Office of Health and Human Services to establish, by regulation, and biennially review the rates of payment for social services.

The effective date of the proposed amendments to the regulation is July 1, 2025.

The rates for certain respite services are being updated to include an increase by a cost adjustment factor (CAF) of 3.25, effective July 1, 2023. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2024 Forecast, baseline scenario data. The CAF reflects the period between the rates' base period (calendar year 2025 Q2) and the prospective period of fiscal years 2026 and 2027. In addition to the FY24 CAF, the salary benchmarks used were derived from the Massachusetts Bureau of Labor Statistics (BLS) wages dated May 2023 at the 53rd percentile. The programmatic expenses are benchmarked to the FY23 Uniform Financial Statements and Independent Auditor's Report (UFR). The administrative allocation has been benchmarked to 12% and the tax and fringe rate was benchmarked to 24.97%. This benchmark is derived from the MA Comptroller's FY25 approved rate less terminal leave and retirement. The language in the Severability section has also been updated for consistency across EOHHS rate regulations.

The total annualized cost to state government from the proposed amendments to this regulation is approximately \$5.2 million, which represents an increase of 15.6% over FY24 projected spending of approximately \$33.3 million. The increase in spending in FY26 will be covered through the Chapter 257 Reserve Account.

This concludes my testimony. Thank you.