

Good morning, my name is Marie Lenane and I am a Policy 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 429.00: Rates for Certain Sexual and Domestic Violence Services. The amendments will update the rates for all sexual and domestic violence services purchased by the Department of Public Health (DPH).

Massachusetts General Laws Chapter 118E, Section 13D, requires the Secretary of the Executive Office of Health and Human Services to establish by regulation rates of payment for social service programs that are reasonable and adequate to meet the costs incurred by efficient and economically operated social service providers.

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

The rates for all the sexual and domestic violence services are being updated to include an increase by a cost adjustment factor (CAF) of 3.25%. 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 FY26 CAF, the rates for all services have been updated to include all staff salaries, benchmarked to the most recent Massachusetts Bureau of Labor Statistics (BLS) wages dated May 2023 at the 53<sup>rd</sup> percentile. The administrative allocation has been benchmarked to 12% and the tax and fringe rate has been benchmarked to 24.97%. This benchmark is derived from the MA Comptrollers 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 is \$4.8M, which represents an increase of 11.36% over FY24 spending of approximately \$42.6 million. The increase in spending in FY26 will be covered through a combination of the Chapter 257 Reserve Account and the purchasing agency's operating budget.

This concludes my testimony. Thank you.