

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 415.00: Rates for Community-Based Day Support Services (CBDS), which will amend rates purchased by the Department of Developmental Services (DDS), MassAbility (formerly known as the Massachusetts Rehabilitation Commission/MRC), and by the Massachusetts Commission for the Blind (MCB). The CBDS program is designed to assist individuals to participate in community activities by improving communication, self-care, and relationship-building skills.

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 service programs.

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

The rates for community-based day support services and active treatment services are being updated to include an increase by a cost adjustment factor (CAF) of 3.25%, effective July 1, 2025. 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 salary benchmarks used were derived from the Massachusetts Bureau of Labor Statistics (BLS) wages dated May 2023 at the 53rd percentile. 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 \$17.8 million, which represents an increase of 9.32% over a combination of FY24 and FY25 spending of approximately \$187.4 million. The increase in spending in FY26 will be covered through a combination of the Chapter 257 Reserve Account and the purchasing agencies' operating budgets.

This concludes my testimony. Thank you.