

Staff Testimony on proposed amendments to 101 CMR 415.00

RATES FOR COMMUNITY-BASED DAY SUPPORT SERVICES

Effective July 1, 2023 Public Hearing: May 19, 2023

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, which will amend rates purchased by the Department of Developmental Services (DDS), 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.

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 July 1, 2023.

The rates for community-based day support services (CBDS) and active treatment services are being updated to include an increase by a cost adjustment factor (CAF) of 2.78%, effective July 1, 2023. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2022 Forecast, optimistic scenario data. The CAF reflects the period between the rates' base period (calendar year 2023 Q2) and the prospective period of fiscal years 2024 and 2025. In addition to the FY24 CAF, the rates for all services have been updated to include all staff salaries. It is the Purchase of Service (Chapter 257) policy to utilize salary data from the most recent version of the Massachusetts Bureau of Labor Statistics Occupational Employment and Wage Statistics (OEWS) available at the time of the rate review. As such, the benchmarks are derived from the Massachusetts Bureau of Labor Statistics (BLS) wages dated May 2021 at the 53rd percentile. The community-based day services programmatic expenses are benchmarked to the FY19 Uniform Financial Statements and Independent Auditor's Report (UFR) and incorporate the most recent review's cost adjustment factor. Additional community-based supports services training funds of \$158 per direct service FTE were added into the rates based on the purchasers' recommendation.

The active treatment services rates have been revamped and consolidated into two rates, one rate for adults and the other for pediatrics. The active treatment programmatic expenses are benchmarked to the FY21 UFR. For all services, the administrative allocation has been benchmarked to 12% and the tax and fringe rate has been benchmarked to 25.39%. This benchmark is derived from the MA Comptroller's FY23 approved

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rate less terminal leave and retirement. This benchmark includes an additional 2% to be used to promote workforce initiatives such as retirement benefits. Lastly, rate provision language has been incorporated into this regulation to allow for administrative adjustments for extraordinary circumstances, to be consistent with other Chapter 257 rate regulations.

The total annualized cost to state government from the proposed amendments to this regulation is approximately \$18.5 million, which represents an increase of 14.47% over FY23 projected spending of approximately \$128 million.

This concludes my testimony. Thank you.