

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 410.00: Rates for Competitive Integrated Employment Services (CIES).

Amendments to this regulation are being proposed at this time in accordance with M.G.L Chapter 118E, Section 13D, which requires EOHHS to establish, by regulation, rates to be paid by governmental units for social service programs.

The proposed amendments to this regulation update the CIES rates for intake, evaluation, and assessment; job-targeted educational and skills training activities; job development and placement; initial employment supports; and ongoing and interim supports. These services are purchased by the Massachusetts Rehabilitation Commission (MRC), the Department of Transitional Assistance (DTA), and the Massachusetts Commission for the Blind (MCB).

The effective date for the proposed amendments to the regulation is July 1, 2024.

The proposed amendments update the rates for competitive integrated employment services and include the following changes.

- The rates for these services are being updated to include an increase by a cost adjustment factor (CAF) of 2.58%. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2023 Forecast, optimistic scenario data. The CAF reflects the period between the rates’ base period (calendar year 2022 Q2) and the prospective period of fiscal years 2025 and 2026.
- The rates have been updated with the weighted average expenses from the FY 20 and FY22 Uniform Financial Reports (UFRs) for services’ programmatic costs. Staff salaries have been benchmarked to the May 2022 Massachusetts Bureau of Labor Statistics (BLS) median wages at the 53rd percentile.,
- The tax and fringe rate has been benchmarked to 27.38%. This benchmark is derived from the MA Comptrollers FY24 approved rate less terminal leave and retirement.
- The administrative allocation has been benchmarked to 12%, which is the standard rate applied across all Chapter 257 regulations.
- Language in the severability section has been updated for consistency across EOHHS rate regulations.

Staff Testimony on Proposed Amendments to 101 CMR 410.00, Effective July 1, 2024

Rates for Competitive Integrated Employment Services, Public Hearing May 3, 2024

The total estimated FY25 annualized cost to state government from the increase in rates established by the proposed amendments is approximately \$3.64 million, which represents an increase of 15.85% over FY23 spending of approximately \$23 million.

This concludes my testimony. Thank you.