

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 422.00: Rates for General Programs – Disability Services, which will amend rates purchased by the Department of Developmental Services (DDS), MassAbility(MBY), and the Massachusetts Commission for the Blind (MCB).

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 January 1, 2026.

The proposed amendments to 101 CMR 422.00 for general programs – disability services include an increase by a cost adjustment factor (CAF) of 2.53%. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Spring 2025 Forecast, baseline scenario data. The CAF reflects the period between the rates’ base period (calendar year 2025 Q4) and the prospective calendar years 2026 and 2027. Salary benchmarks have been derived from the May 2024 Bureau of Labor Statistics (BLS) median salary, at the 53rd percentile. The tax and fringe rate has been benchmarked to

24.97% and the administrative allocation has been benchmarked to 12%. We are also renaming the chapter to better align with how it's defined in the regulation.

The total annualized cost to state government from the increase in rates proposed by this regulation is approximately \$592,753, which represents an increase of 6.11% over FY25 rate spending of approximately \$9.6 million. These costs will not be realized until January 1, 2026, at which point the FY26 fiscal impact to state government will be \$296,376 for the increase to existing rates. The increase in spending in FY26 will be covered through the Chapter 257 Reserve Account

This concludes my testimony. Thank you.