

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), the Massachusetts Rehabilitation Commission (MRC), and by 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, 2024.

The proposed amendments to 101 CMR 422.00 for general programs – disability services include an increase by a cost adjustment factor (CAF) of 2.71%. CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Spring 2023 Forecast, optimistic scenario data. The CAF reflects the period between the rates' base period (calendar year 2023 Q4) and the prospective calendar year 2024 Q1 through calendar year 2025 Q4. Salary benchmarks have been derived from the May 2022 Bureau of Labor Statistics (BLS) median salary, at the 53rd percentile. The tax and fringe rate has

been benchmarked to 27.38% and the administrative allocation has been benchmarked to 12%.

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The total annualized cost to state government from the increase in rates proposed by this regulation is approximately \$1.1M, which represents an increase of approximately 16.37% over FY23 rate spending of approximately \$7.1 million. These costs will not be realized until January 1, 2024, at which point the FY24 fiscal impact to state government will be \$575,097 for the increase to existing rates. The increase in spending in FY24 will be covered through the Chapter 257 Reserve Account. This concludes my testimony. Thank you.