

Introduction

Good morning. My name is John Garcia and I am the Project Director for the Home and Community Based Services (HCBS) Waivers program at the MassHealth Office of Long Term Services and Supports within the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on proposed amendments to regulation 101 CMR 359.00: *Rates for Home and Community Based Services Waivers*. The proposed amendments are anticipated to be effective for dates of service on or after November 7, 2025.

Background

Regulation 101 CMR 359.00 contains rates for services provided to participants of the Acquired Brain Injury (ABI) and Moving Forward Plan (MFP) Waivers. The ABI and MFP Waivers are HCBS Waiver programs authorized under section 1915(c) of the Social Security Act. The ABI and MFP Waivers help transition eligible members from nursing facilities and chronic disease and rehabilitation (CDR) hospital settings to community-based care. The ABI program covers two waivers that help individuals with acquired brain injuries: ABI Residential Habilitation (ABI-RH) and ABI Non-Residential Habilitation (ABI-N). The MFP program also covers two waivers that help qualified individuals transition from long-stay institutions: MFP Community Living (MFP-CL) and MFP Residential Supports (MFP-RS).

Proposed Amendments

The proposed amendments to 101 CMR 359.00 include the following changes:

Updated Rate References

Rates for Day Services, currently established in 101 CMR 359.00, are proposed to refer to rates for similar services in 101 CMR 348.00: *Rates for Day Habilitation Services*. The agency rate for Day Service Per Diem is proposed to reference the rate for code S5102-U2- Skills training and development per diem, Level 2. The agency rate for Day Service Partial Per Diem is proposed to reference the rate for code S5101-U2- Skills training and development half per diem, Level 2.

Updated Rates

Eight services for which rates are established in 101 CMR 359.00 are proposed to be updated as follows:

- Current rates for Assisted Living, Home Delivered Meals, and Independent Living Supports services are proposed to be increased by a prospective cost adjustment factor (CAF) of 2.48%. The CAF was calculated using a base period of quarter three of calendar year 2025 and a two-year prospective rate period of quarter four of calendar year 2025 through quarter three of calendar year 2027. This CAF is calculated using the Spring 2024 optimistic forecast of the Massachusetts Consumer Price Index (CPI) developed by S&P Global Market Intelligence.
- Proposed rates for Adult Companion, Chore Services, Homemaker, Laundry, and Personal Care services are calculated based on the Executive Office of Aging & Independence (AGE) data for comparable services purchased through the statewide network of Aging Services Access Points (ASAPs) under AGE's state-funded Home Care Program. Data from January 2024 through June 2024 was annualized to develop the proposed rates for these services. The proposed agency rates for Adult Companion, Chore Services, and Laundry are set at the median statewide unit cost. The proposed agency rates for Homemaker and Personal Care services are also set at the median statewide unit cost for these services, with an additional increase by the two-year prospective CAF of 2.48%. The additional CAF was applied to Homemaker and Personal Care median statewide unit costs to account for anticipated annual increases in the ASAPs contracted rates for these two services. Additionally, the rates for individual and self-directed providers for Adult Companion, Chore and Homemaker services are proposed to be set at 80% of the respective agency rates, which are updated from the current percentage of 89.75%. The rates for individual and self-directed providers for Personal Care services will continue to reference 101 CMR 309.00: *Rates for Certain Services for the Personal Care Attendant Program*.

Establishment of a Rate for a Certain Assistive Technology Service

The proposed amendments establish a rate for the Assistive Technology-Evaluation and Training services provided by non-agency based individual providers. The rate for individual providers is proposed to be set at 89.75% of the agency rate.

Rates for all other services are proposed to remain at their current levels.

Lastly, EOHHS proposes to amend 101 CMR 359.00 to reflect updated terminology and current policy.

The proposed rate amendments are in compliance with M.G.L. Chapter 118E, Sections 13C and 13D, which require EOHHS to establish rates by regulation for health care services that are “adequate to meet the costs incurred by efficiently and economically operated facilities providing care and services in conformity with applicable state and federal laws and regulations and quality and safety standards and which are within the financial capacity of the commonwealth.”

Fiscal Impact

The estimated aggregate fiscal impact of the proposed amendments is \$6.1 million, which is a 1.82% increase relative to the SFY 2024 base spending of \$334.6 million.

This concludes my testimony.

Thank you.