

Staff Testimony on proposed amendments to 101 CMR 419.00

Rates for Supported Employment Services

Effective July 1, 2025    Public Hearing: July 11, 2025

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 419.00: Rates for Supported Employment 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, by regulation, rates of payment for social service programs.

The effective date of the proposed amendments to the regulation is July 1, 2025.

The rates for all the supported employment services are being updated to include an increase by a cost adjustment factor (CAF) of 3.25%, effective July 1, 2025. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2024 Forecast, baseline scenario data. The CAF reflects the period between the rates' base period (calendar year 2025 Q2) and the prospective period of fiscal years 2026 and 2027. In addition to the CAF, the rates for all services have been updated to include staff salaries benchmarked to the Massachusetts Bureau of Labor Statistics (BLS) wages dated May 2023 at the 53<sup>rd</sup> percentile. The administrative allocation has been benchmarked to 12% and the tax and fringe rate has been benchmarked to 24.97%. This benchmark is derived from the MA Comptroller's FY25 approved rate less terminal leave and retirement. The language in the Severability section has also been updated for consistency across EOHHS rate regulations.

The total annualized cost to state government from the proposed amendments is approximately \$9.1 million, which represents an increase of 16.16% over FY24 and FY25 spending of approximately \$56.7 million.

This concludes my testimony. Thank you.