



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
One Ashburton Place, 11th Floor
Boston, Massachusetts 02108

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

Tel: (617) 573-1600
Fax: (617) 573-1891
www.mass.gov/eohhs

**Testimony of the Executive Office of Health & Human Services
Fiscal Year 2021 Revised Budget
Hearing of the Joint Committee on Ways & Means
Marylou Sudders, Secretary
October 21, 2020**

Good afternoon Chair Rodrigues, Chair Michlewitz, and other distinguished members of the Joint Committee on Ways and Means. It is a privilege to be with you today to provide a high-level overview of Governor Baker's Revised Fiscal Year 2021 (H.2) budget proposal for the Executive Office of Health and Human Services (EOHHS) and to continue to serve as Secretary of Health and Human Services.

EOHHS Overview

EOHHS is the largest secretariat in state government; our services directly touch the lives of more than 1 in 4 residents of the Commonwealth – including some of our most vulnerable children, youth, adults and elders. EOHHS is comprised of 12 state agencies, the MassHealth program, plus our two soldiers' homes. EOHHS represents more than half of our state's budget, making it vitally important to responsibly oversee services effectively and efficiently.

Throughout the secretariat, we are charged with improving health outcomes, building resilience and maximizing independence, thus contributing to the quality of life for the residents we are privileged to serve. We provide access to medical and behavioral health care, long-term services and supports and nutritional and financial benefits to those with little or no income. We connect elders, individuals with disabilities, and veterans with employment opportunities, housing and supportive services. We steer at-risk youth towards a more successful path and do everything possible to keep children in our child welfare system safe. We offer safe haven to refugees and open doors of opportunity for immigrants. We honor our veterans with gratitude and support. We support individuals who are developmentally or intellectually disabled, blind, deaf or hard of hearing, and those with addictions, mental illness or with a co-occurring illness. We are tasked with setting and executing policies on public health issues ranging from

the COVID-19 pandemic, overseeing a changing nursing home industry to improving behavioral health. We are taking important and appropriate steps to prepare our state to serve our growing older adult population with grace and dignity. We are committed to providing sustainable solutions for the MassHealth program and for affordable health care in our state.

I work with a diverse and dedicated group of subject matter experts; our agency heads and staff reflect the richness that is our state's diversity. Out of 22,828 employees, 68% of our total workforce are women, including 68% of our managers. 40% of our total workforce are minorities including 22% of our managers.

Since March, as head of the COVID Command Center, I have coordinated our cross-secretariat response to the pandemic. The Command Center has been the Commonwealth's single point of strategic decision making and coordination for the Administration's comprehensive COVID-19 response. Additionally, I provide executive leadership to the EOHHS agencies and chair a number of councils and commissions. They include: the Massachusetts Health Connector Board, the Autism Commission, the recently completed Nursing Facility Task Force, as well co-chair the Governor's Interagency Council on Housing and Homelessness and the Governor's Council on Aging. I am a member of the Health Policy Commission, the Merged Market Advisory Council and serve as the Governor's point person for the opioid epidemic.

COVID-19

We will be living with COVID for the foreseeable future and until there is a widely available, safe and effective vaccine or treatment. But, the Commonwealth's response to this pandemic continues to evolve as our understanding of the virus evolves and we have significantly expanded our public health toolkit since last Spring.

In March and April: The medical community was still learning nearly everything about the virus. Public health experts everywhere were scrambling to understand transmission, infection rates and to develop a medical response for testing and treatment. With little assistance from the federal government, states were left to concomitantly identify their own strategies, develop their own testing capabilities, scour for emergency supplies, including PPE and ventilators. I remember early on, before federal guidance emerged on face-coverings, we paved our own way on face coverings. That is just one of many examples.

Our emergency stockpile has always been intended for emergencies - a few days of supplies as a bridge until the supply chain is restored or available. It quickly became the only source for many health care organizations, human services providers, long term care facilities, first responders, homeless shelters and others not accustomed to relying on PPE for their daily operations. In the Spring, here in Massachusetts, we had serious limits on accessing personal protective equipment as well as ventilators and were left to

fight it out with a broken global supply chain. Supply orders literally vanished or were taken by the federal government under force majeure.

There was essentially zero testing infrastructure available and it was hard to quickly diagnose this new strain of Coronavirus. Given the early testing constraints and federal guidelines, only symptomatic individuals were tested - not once but twice – in order to confirm the diagnosis. Tests had to be sent to Atlanta with a wait time up until 14 days for processing. In the absence of a federal public health playbook and a public health and medical infrastructure that was prepared to deal with the all of these issues concomitantly, Governor Baker made the difficult but necessary decision to close non-essential businesses and schools and encouraged people to stay home.

Over the past 9 months, we have built significant infrastructure to respond to this pandemic. Massachusetts is now #1 or #2 in COVID tests performed per capita in the U.S. We were the first state in the nation to build out a state-wide contact tracing program. We were one of the first states to issue a statewide order for face-coverings back in May. We provide, on a daily and weekly basis, a robust set of data and statistics to the public to track infection rates, with a breakdown by community and for settings like nursing homes, child care providers, colleges and universities and public schools. The COVID tracking project, a national database, gives our data quality a ranking of A+.

Today, we deploy teams to the persistently highest risk communities to promote public health awareness and to step up enforcement. We deploy rapid response teams to skilled nursing facilities when there are acute staffing shortages. We have created stop the spread testing sites and can deploy mobile testing in response to clearly identified clusters. We maintain strict guidance for all businesses to safely re-open and have approached this in a more cautious way than most other states. We have issued hundreds of pages of guidance, endorsed by Massachusetts Chapter of the American Academy of Pediatrics, to safely get our children and youth back to school to learn in a classroom.

The administration has infused \$1.139 billion through the Executive Office of Health and Human Services agencies, including MassHealth, in critical stabilization funding to support health care and human service providers impacted by and responding to COVID-19. Providers across the Commonwealth stepped up in historic ways while experiencing a significant impact on their utilization, revenue and operations. This funding supported hospitals, nursing facilities, primary care providers, behavioral health providers, home and community-based providers, and non-MassHealth service providers, including residential and congregate care programs. This additional funding helped support increased staffing, enhanced infection control procedures, and PPE.

Hospitals

In April, the number of COVID patients being treated in the ICU reached a maximum of 1,085. As of yesterday, there were 94 patients in ICUs – a ~90 percent reduction.

Last spring, we saw a peak of about 4,000 patients being treated in our hospitals for COVID. To ensure that our hospitals were able to maintain enough capacity, we created temporary spaces to accommodate patients by setting up 5 alternative medical sites, with the capacity to serve over 1,000 individuals. These sites are decommissioned now, but MEMA has equipment ready to rapidly stand up a facility if we need to in the future.

Today, we have about 500 patients in our hospitals who have either tested positive for COVID – or are suspected of having COVID. This represents a reduction of more than 90% from last spring's peak. Hospital occupancy statewide is at 65.6%, and ICU occupancy is at 48.7%. The Commonwealth is in a strong position to quickly expand capacity to care for more COVID patients if necessary. If needed, at least an additional 450-470 ICU beds could be made available by converting medical/surgical beds.

Nursing Homes

The COVID-19 pandemic has laid bare the unique vulnerability of nursing homes and the needs of the residents and staff. Our state has just under 400 skilled nursing facilities serving 36,000 older adults, many with compromising medical conditions. The Commonwealth of Massachusetts has provided unprecedented resources, supports, and oversight to protect nursing home residents and staff and continues to hold facilities accountable for infection control and quality of care.

On March 31, the Administration launched a first-in-the-nation Mobile Testing Program utilizing the Massachusetts National Guard to provide testing for nursing home residents. This program gave us early insight into the rate of infection in nursing facilities. In April, the program was expanded to include assisted living residences and rest homes. The mobile testing program was available through June 15, and in total collected more than 57,000 on-site tests at 493 locations.

In the spring, we created an unprecedented Accountability and Supports package for nursing homes that provided significant funding dependent upon performance in clinical infection control audits. Clinical staff performed over 1,000 audits of these facilities during May and June.

Throughout the spring and summer, the Commonwealth committed over \$260 million in new funding to support nursing home residents and staff, in addition to at least \$180 million in federal funding.

Our administration has provided 2.8 million pieces of PPE to nursing homes since March –more than we have provided to any other health care provider group.

In September, we announced a second round of reforms for long term care facilities to make sure their residents and staff have the supports to stay safe, including new requirements for the flu vaccine. Many of these reforms include recommendations from the legislatively created Nursing Facility Task Force which culminated last February.

PPE

Once COVID arrived in the US, overnight, global supply chains were disrupted– and states were left to track down these critical materials. Massachusetts pursued every piece of equipment we could find. And we haven't stopped. To date, the Commonwealth has distributed over 36 million pieces of PPE, including almost 11 million gloves, nearly 800,000 gowns, and over 24 million face masks to hospitals, first responders, long term care providers and others. Based on the PPE we have now and shipments we expect this fall, we have sufficient PPE to support the emergency supply needs of health care and human service providers and first responders from now until the end of 2021. We also have more than a sufficient supply of ventilators should the need arise.

Testing

The Commonwealth is a leader in testing capacity. At the end of March, we were conducting about 2,000 tests a day. By May, we were conducting about 13,000 tests a day.

Now, we are regularly testing about 60,000 individuals a day.

Over 5 million tests total have been reported to DPH to date.

Over 2.4 million individuals have been tested –about one in three of our residents have gotten tested at some point over the past seven months. These capabilities are being supported by \$374 million in federal funding from the Paycheck Protection Program and Health Care Enhancement Act of 2020.

Our average turnaround time for testing is less than 2 days.

We have over 250 testing sites in the Commonwealth and free Stop the Spread testing sites in 18 communities to increase access to testing.

COVID-19 Command Center Food Security Task Force

With your support and collaboration, we have committed \$56 M to address food supply and access needs across the Commonwealth:

- \$36 million supported the COVID-19 Food Security Infrastructure Grant Program with a goal of ensuring that individuals and families have access to food. Eligible services include: increasing capacity for food direct delivery, food banks and pantries, and local food distribution partners; innovative solutions to enable those receiving SNAP and WIC benefits to receive food more easily; and solutions for urban farming and farms, retailers, fisheries and other food system businesses.

- \$12 million for the provision of 25,000 family food boxes per week through a regional food supply system. Each family food box contains 30 to 35 meals.
- \$3 million in funding as an immediate relief valve to food banks.
- \$5 M expansion of the Healthy Incentives Program (HIP) at the Department of Transitional Assistance (DTA). This is in addition to the \$5 M for HIP included in revised H.2. This investment supports opening the HIP program to new vendors to fill access gaps for communities of color and older adults. Of 91 applicants, 39 vendors were selected to provide new access points for SNAP clients to purchase healthy, locally grown fruits and vegetables.

As we look ahead to the fall and winter months, together, we are in a much stronger position than we were in February and March to face a resurgence. We have built-in protections today that we did not have early on. Our understanding of the virus – the way it spreads and how to best respond – is stronger today and continues to improve every day.

We are prepared for a resurgence, but it is important for us all to remember that “WE” have the power to prevent a resurgence. This virus kills, this virus causes tremendous economic hardship for those who have to isolate and quarantine. Every time a school or business has to temporarily halt operations due to COVID it has a negative impact on families. We have the playbook that will allow us to keep our schools open and keep our families safe – we must wear a mask and we must keep 6 feet of distance from others.

Asymptomatic transmission can occur anywhere – even in our home among those that we love most. We must remain vigilant in all settings. This pandemic will have significant impact not just on our state’s economic health but also on our residents’ social and emotional health.

EOHHS Revised H.2

The Governor’s revised budget recommendation focuses on stability in a time of pandemic. It acknowledges the increases in enrollment in MassHealth, maintains our health and human services safety net at a time when we need it most, and does not include a reduction in benefits.

Significant differences between when the Administration filed its budget last January and provided testimony last March include:

- A 9.2% increase in the MassHealth caseload since March, or 161,000 individuals. This is the first time that the caseload has reached 1.9 million members since 2016;
- An 11% increase in SNAP enrollees, from 458,000 to 508,000 between March and April 2020. This is the largest single month growth since July 2005. On a year over year basis, a 15% increase from September 2019 to September 2020;

- A 16% growth in the TAFDC caseload in May 2020 over May 2019. This represents the highest caseload since February 2016.
- A 1% decrease in DCF placement caseloads and a 5% decrease in adoption and guardianship subsidies relative to original FY21 H.2.

Additionally, the Commonwealth has supported the extraordinary expenses and the immediate viability of health and human services during the height of the pandemic – from foster parents to hospitals to long term care facilities to human services congregate care and day programs.

Revised H.2 funds EOHHS at \$25.209 B, a \$1.777 M (8%) increase above FY20 GAA and a \$1.430 B (+6%) increase above H.2 as originally filed. EOHHS departments comprise approximately 54% of the total state budget. Revised H.2 Highlights include:

- Support for the increases in enrollment in MassHealth, which we expect to continue through the end of the federal moratorium on redeterminations in February 2021. We have preserved MassHealth coverage for members since the start of the pandemic - no one on MassHealth has lost coverage.
- Continuing our commitment to meet the requirements of Chapter 257 rates for human service programs using a new rate methodology benchmarking wages to the Bureau of Labor Statistics median salary. Revised H.2 preserves the \$160 million for human services rates, resulting in more than \$469 million in rate increases since taking office.
- Maintaining level funding for the Safe and Successful Youth Initiative at \$10M. This youth violence prevention and intervention initiative operates in cities with the highest incidences of youth crime and has a record of significant positive impact on crime and victimization rates.
- Continuing funding, \$5M, for ten community providers to connect homeless youth with education, employment services and affordable housing. These providers have partnered with four state universities who are providing dorm rooms to homeless students attending community college through a state pilot.

Supporting Individuals with Disabilities

In recognition of the 30th Anniversary of the landmark Americans with Disabilities Act, the Baker-Polito Administration continues to support the creation of a new Disability Employment Tax Credit to support businesses that hire individuals with disabilities. This credit would be 30% of wages, up to \$2,000 per employee who works a minimum of 18 consecutive months, and would be available starting in tax year 2022, furthering the Administration's commitment to improve employment opportunities and economic security for individuals with disabilities. We know that individuals with disabilities have among the highest rates of unemployment, not just in Massachusetts, but across the country. This is a win-win for individuals with disabilities who are eager to work and for businesses who have jobs waiting to be filled.

Revised H.2 funds DDS at \$2.112 B, a \$10.2 (0.5%) increase above FY20 GAA. DDS supports more than 41,000 clients annually including over 10,000 individuals in full-time residential settings. Revised H.2 supports the DDS Technology Forward agenda by promoting innovative services and supports that will decrease reliance on 24/7 group home care. This includes \$500,000 in dedicated funding to scale supportive technology approaches using assistive technology and remote supports that can both strengthen independence and community integration, as well as ensure appropriate support at home. Revised H.2 continues support for DDS's FY20 efforts to leverage technology. For example, it supports providing laptops and smart phones to all 600 DDS Service Coordinators to increase the mobility and accessibility of DDS workers to better serve their clients. In FY21, DDS will expand these technology-driven efforts to better meet the needs of its service population, including individuals with Autism Spectrum Disorder.

Revised H.2 includes \$7.7 million to expand the number of individuals and families we support with our 34 Family Support Centers, 10 Cultural and Linguistic Family Support Centers and 7 Autism Support Centers across the state. Increased funding will be utilized to:

- Increase respite capacity to help families keep their loved ones at home and avoid costly residential placements;
- Increase staff capacities at the Centers to connect more families with local resources, supports and services;
- Increase outreach and engagement with families caring for individuals with Autism to better educate and assist them in caring for their loved ones; and
- Increase our ability to provide flexible funding to families to support their individual and unique needs.

For the fourth consecutive year, the budget proposal fully funds the Turning 22 Program at the Department of Developmental Services (DDS) and other agencies, supporting a class of over 1,300 young adults and continuing the Administration's commitment to fully support a program that was underfunded for nearly three decades.

Revised H.2 funds the Massachusetts Rehabilitation Commission (MRC) at \$65.7 M, a \$2.2 M (3%) increase above FY20 GAA. Moreover, the Capital budget will support MRC's new case management system (OneMRC) for Brain Injury, Supported Living, HomeCare, and Vocational Rehabilitation consumers. The new case management system will allow MRC to deliver efficient and streamlined supports and services to our consumers, while providing access to our consumers and our workforce during this remote environment.

Revised H. 2 proposes a \$530,000 increase to the Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH) to expand access to American Sign Language (ASL) interpreters. MCDHH will work with higher education institutions that offer ASL to

increase the interpreter workforce and develop a Communication Access Realtime Translation (CART) training and mentorship program. MCDHH is funded at a total of \$7.3 million in revised H.2, a \$824 K (13%) increase over FY20 GAA.

Revised H.2 funds the Massachusetts Commission for the Blind (MCB) at \$25.0 M, a \$758 K (-3%) decrease below FY20 GAA, maintain current staffing levels and all programs with no consumer impacts.

MassHealth

Revised H. 2 protects the state's Medicaid (MassHealth) program by maintaining all program benefits and with no eligibility or benefit changes and ensuring continued coverage for members since the beginning of the pandemic. MassHealth's actual spending in FY20 was \$17.022B gross / \$6.395B net. Revised H.2 projects \$18.261B gross / \$6.617B net, or 7.3% gross / 3.5% net growth over FY20 actuals. This reflects a \$1.489B gross increase / \$0.123B net reduction compared to original H.2. \$1.672 B gross (10%) / \$6.0 M (0.1%) net vs FY20 GAA.

This increase is primarily driven by an increase in the caseload (already up 9.2% since March). Decreased utilization and provider stabilization efforts also impact FY20 and FY21 spend. MassHealth has experienced an overall decline in utilization over the course of the pandemic; overall utilization is down ~15% compared to 2019 (January to August). Much of this utilization decrease came in FY20 (particularly April-June) and partial – though not complete – resumption of services is expected to continue through FY21.

During the pandemic, MassHealth required Telehealth coverage across payers at rate parity; 75% of behavioral health visits were occurring via Telehealth at one point, with some providers experiencing up to 90% of their volume via telehealth. MassHealth also implemented several flexible policies, including moving to 90-day prescriptions, where feasible, and administratively extending a range of prior authorizations.

Revised H.2 contains many of the same key program initiatives originally filed, all of which are well underway:

- Additional \$150M in gross annualized rebates from supplemental rebate negotiations with drug manufacturers;
- Additional program integrity enhancements;
- Modest provider rate growth (almost all provider rates to remain flat); and
- Expanding eligibility for Medicare Savings Program (MSP) for low income seniors.

Enhanced FMAP, authorized by Congress under the CARES Act, will provide an estimated ~\$1.1B in additional federal revenue to MassHealth (\$0.4B in FY20, \$0.7B in FY21), helping to moderate the program's FY21 net growth despite significant caseload

growth. This funding is projected to end in FY21, creating a substantial fiscal cliff in FY22.

Executive Office of Elder Affairs (EOEA)

Revised H.2 funds EOEA at \$575.5M, which is \$645K (+0.1%) above the original FY21 H.2 and \$16.0 M (3%) above FY20 GAA. Revised H.2 preserves investments for the state's Home Care program, which serves approximately 60,000 older adults across the Commonwealth.

Revised H.2 includes \$16.5 million in support of grants to Local Councils on Aging and an increase of \$9.7 million above the FY20 budget to support consumer growth in the state Home Care Program, which provides care management and in-home support services to help eligible elders age in place. The proposal also includes a \$4.7 million increase for the Community Choices Program, which provides MassHealth-eligible elders with nursing facility levels of need with home care support.

The proposal also includes recommendations from the legislatively created Nursing Facility Taskforce, also filed in the FY20 supplemental budget, that provides the Department of Public Health with greater enforcement authority to take action against a nursing facility in order to protect resident health and safety. This includes authorizing the Department to restrict or suspend a license for cause rather than only when an imminent risk of harm exists and strengthening the suitability review process.

Revised H.2 further supports a:

- \$1.1M increase above FY20 for the Prescription Advantage program, which helps more than 14,000 older adults and younger people with disabilities afford their prescription medications;
- \$3M increase above FY20 for the Adult Protective Services program; and
- \$360K increase above FY20 to expand ombudsman services for nearly 17,000 older adults living in the 267 Assisted Living Residences (ALRs) across the Commonwealth.

Department of Transitional Assistance (DTA)

Revised H.2 funds DTA at \$710 M, \$27.6 M (4%) increase above FY20 GAA.

The pandemic led to caseload increases in the spring of 2020. Revised H.2 includes an additional \$24 M in funding over H.2 as originally filed to meet those elevated needs which continue into FY21:

- TAFDC is funded at \$231.5 M, a \$13 M (+6%) increase above H.2
- EAEDC is funded at \$85.2 M, an \$11.1 M (+15%) increase above H.2

Federally-funded SNAP benefits administered by DTA have also seen significant caseload increases (450,000 households to 521,319 in September of 2020) requiring staff overtime and significant costs for systems changes. DTA has issued more than \$293.2 M in SNAP Emergency Allotments (EA) to more than 295,000 families and more than \$250M in P-EBT food benefits.

DTA issued the TAFDC clothing allowance this September in the same manner as last fiscal year: as a \$350 one-time payment to more than 48,000 children totaling over \$17.1M. Revised H.2 proposes line item language to continue this implementation.

Revised H.2 includes more than \$1 M in savings in security and leasing costs because of the temporary closing of DTA's offices due to the pandemic and current fully remote operations.

Department of Children and Families (DCF)

Revised H.2 funds DCF at \$1.062 B, a \$4.1 M (0.4%) increase above FY20 GAA, maintaining the Administration's commitment to DCF front-line social workers and to the children and families DCF supports. The reforecast caseload continues to reflect the pre-pandemic declining trend in placements for DCF children.

Revised H.2 provides:

- \$9 million to continue progress towards a caseload level of no more than 15 clients per caseworker;
- \$7.1 million to sustain investments made in FY20 for the expansion of support and stabilization services for foster parents, and services and supports for transition-age youth;
- \$6 million to support growth in the rate of adoptions and guardianships which provide permanent family connections for children in DCF's care and custody;
- \$5 million for community providers to connect homeless youth with education, employment services and affordable housing; and
- \$1.8 million for foster care rate increases for foster parents.

Department of Veterans' Services (DVS)

Revised H.2 funds DVS at \$92.7 M, a \$48 K (0.1%) increase above FY20 GAA. Revised H.2 includes \$2 M in support for clinical care, education and training related to veterans' mental and behavioral health, including post-traumatic stress, traumatic brain injury, substance use disorder and suicide prevention administered by Home Base.

The Chelsea Soldier's Home is funded at \$30.1 M, a \$265 K (+1%) increase above FY20 GAA. The Holyoke Soldier's Home is funded at \$25.5 M, a \$241 K (+1%) increase above FY20 GAA. This funding level supports collective bargaining and other salary increases at both Soldiers' Homes.

Behavioral Health

Revised H.2 continues the Baker-Polito Administration's commitment to increasing access to behavioral health treatment. The Administration is implementing significant changes to establish a true behavioral health system in the Commonwealth, creating a working "front door" for individuals who need real-time access to treatment, stronger integration of behavioral health treatment within primary care settings, and a functioning system of crisis and specialty outpatient behavioral health treatment.

The budget proposal includes language from the Governor's health care legislation that would make necessary behavioral health reforms such as encouraging practitioners to accept insurance by requiring all insurers to use a standardized credentialing form, so providers only need to complete one application. It also promotes timely access to appropriate behavioral health treatment by prohibiting payers from denying coverage or imposing additional costs for same-day behavioral health and certain medical visits.

Revised H.2 provides more than \$50 million to:

- Annualize MassHealth rate increases for psychiatry in community health centers at parity with medical services;
- Annualize rate increases in the Emergency Services Program (ESP) to expand access to mobile and community-based treatment;
- Provide funding for inpatient psychiatric hospital providers who create new bed capacity to help address the recent increase in emergency department boarding; and
- Maintain telehealth coverage.

Revised H.2 funds DMH at \$904.2 M, a \$12.2 M (+1%) increase above FY20 GAA. Revised H.2 provides \$4.5 million to fund DMH's jail and arrest diversion programs to improve first responders' ability to recognize signs of mental illness and to adopt strategies to de-escalate those crises, resulting in fewer arrests, better engagement in treatment, and increased public safety.

The Opioid Epidemic

In full partnership with the Legislature, the Baker-Polito Administration has made major investments to address the opioid epidemic. Since FY15, the Administration has increased funding for intervention, treatment and recovery supports by \$147M, an increase of 123%. The total includes funds made available through a federal 1115 waiver that allows Massachusetts to increase Medicaid funding for Substance Use Disorder (SUD) services, including covering residential rehabilitation services, recovery coaches, and recovery support navigators.

Revised H.2 proposes \$3.1M to support the creation of more than 70 new substance use disorder treatment beds at the Department of Mental Health for men who are civilly

committed under Section 35 of Chapter 123 of the General Law, similar to the WRAP program in Taunton for Women.

Department of Public Health (DPH)

Revised H.2 funds DPH at \$742.6 M, a \$2.1 M (0.3%) decrease below FY20 GAA.

Revised H.2 preserves:

- \$1.2M to support inspections, laboratory testing, and toxicology analysis for PFAS and other emerging contaminants at over 2,500 food and bottled water facilities and other buildings; and
- \$800K investment to upgrade, modernize, and enhance security of the state's Vital Records system is preserved. Additional IT capital funding also required for project.

Workforce Issues

Health and human service workers make up the largest occupational group (over 622,000 workers) in the Commonwealth and are a major economic driver. However, recruitment and retention of a qualified, well-trained workforce continues to be a challenge among the front-line workforce.

Through the Chapter 257 process, which over the past five years has invested \$469M (including the FY21 proposed budget appropriation), the Baker-Polito Administration continues to increase reimbursement rates in support of marketplace labor costs. Recognizing the importance and urgency of this work, Governor Baker includes \$160M in the Chapter 257 reserve in this revised budget to support providers' ability to hire/retain quality direct care and clinical staff by using an updated rate methodology, benchmarking wages to the Bureau of Labor Statistics. However, strengthening the health and human service workforce cannot be achieved solely by increasing rates of reimbursement; multiple strategies are needed to recruit and retain the right workforce. This includes: identifying and addressing worker skills gaps, diversifying the workforce to meet the changing needs of our population, creating career paths and advancing the use of technology.

Information Technology

EOHHS has a consolidated information technology infrastructure which supports over 22,000 state employees across 154 sites serving the most vulnerable populations. Our IT services are not just computers and monitors, but many public facing applications which enable clients to apply for benefits, enable agencies to ensure benefits are being appropriately administered, and ensure that sensitive data is being stored securely. Revised H.2 includes \$140 M, an increase of \$30.7 M from FY20 GAA to support the infrastructure to ensure the integrity of the critical applications and services being administered across 12 agencies and the two Soldiers' Homes.

Since March, EOHHS IT has worked alongside the Executive Office of Technology Support and Service to quickly support the remote provision of critical services. This included deploying over 4,700 devices to ensure citizens of the Commonwealth were able to continue to obtain benefits and maintain access to caseworkers.

There are a number of increased support costs which are necessary for the operations and maintenance of the IT infrastructure:

- \$2 M for DTA IT costs resulting from the completion of capital projects, including BEACON modernization;
- \$4.7 M to finance the Commonwealth's desktop modernization efforts which will replace approximately 17,000 outdated devices;
- \$3.8 M for EOHHS' share of the costs for use of Commonwealth's enterprise applications, MMARS, HRCMS, and the Warehouse;
- \$3.0 M to support DCF's iFamilyNet enterprise mobility application;
- \$2.8 M for the costs of MassHealth's electronic data interface which ensures the secure processing of member claims;
- \$2.4 M for software, maintenance and service costs across all EOHHS agencies; and
- \$1.3 M to fund MassHealth's MMIS (Medicaid Management Information System) modernization team who support operations and maintenance of the system

Integrated Eligibility and Enrollment (IE&E)

EOHHS, including MassHealth, DTA and DPH, in conjunction with the Commonwealth Health Connector, the Department of Housing and Community Development (DHCD) and the Department of Early Education and Care (EEC) have been engaged in a planning effort focused on improving the client experience of applying for publicly subsidized benefits across the Commonwealth. The strategic objective of this work, which is supported by the capital budget, is to enhance the delivery and administration of benefit programs across the state. The guiding principles on how the Commonwealth plans to achieve our strategic objectives include:

- Human centered approach – keeping the clients in the center;
- Maximize the use of data sharing;
- Leverage our existing capabilities; and
- Incremental system improvements over time.

This initiative will not result in a “rip and replace” of any of our major applications processing benefits today. This initiative will, however, improve the client experience and increase efficiency, enhance our ability to manage program integrity efforts across multiple programs simultaneously, and increase stability and predictability of benefits deliver and client outcomes.

Department of Youth Services (DYS)

Revised H.2 funds DYS at \$174.0 M, a \$5.2 M (-3%) decrease below FY20 GAA. The revised budget supports DYS programs including cost increases associated with inflation, Chapter 257 reimbursement rates, and its workforce. Through a reduction in census, DYS has realized operational savings in FY2021 without impacting its programs.

Office for Refugees and Immigrants (ORI)

Revised H.2 funds ORI at \$1.0 M, level funded to FY20 GAA.

Conclusion

As always, thank you for your commitment to the residents of the Commonwealth. It is an honor to work with you. It is a privilege and humbling to serve as Secretary of Health & Human Services.