



The Campaign to **STRENGTHEN
HUMAN SERVICES**
*IMPROVE CARE • RETAIN QUALITY STAFF
ENHANCE ECONOMIC IMPACT*

March 27, 2024

The Honorable Aaron Michlewitz
Chair, House Ways & Means
State House, Room 243
Boston, MA 02133

Re: Fiscal Year 2025 Budget

Dear Mr. Chairman:

We are writing on behalf of *The Collaborative*, composed of the Association for Behavioral Healthcare (ABH), the Association of Developmental Disabilities Providers (ADDP), the Children's League of Massachusetts (CLM) and the Providers' Council. Our joint membership provides critical safety net services to hundreds of thousands of residents across the Commonwealth. These include people with intellectual and developmental disabilities (IDD) and brain injuries; behavioral health needs including mental health and substance use disorders; those experiencing extreme poverty, homelessness, housing insecurity, and food instability; vocational rehabilitation and justice-involved individuals; and children, adults, and families in need of care, support, and protection from violence or abuse. The human services sector encompasses more than 160,000 jobs and is essential to the social infrastructure of the Commonwealth.

We recognize that you and the Ways and Means Committee members and staff will face significant challenges and difficult choices in crafting a balanced budget for FY25. The Collaborative appreciates those efforts and commends the Committee for its work. As the budget is developed, **we urge you to maintain the Governor's funding for Chapter 257 services** at line-item 1599-6903.

As you know, line-item 1599-6903 funds critical rate adjustments mandated by *Chapter 257 of the Acts of 2008*. This process helps to keep wages for staff providing essential services at a level sufficient to attract and retain qualified personnel. These rate adjustments occur on a two-year cycle, with roughly 65% of services being adjusted in odd-numbered fiscal years. This accounts for the significant change in funding in 1599-6903 – because so many large programs are affected, the normal inflation adjustment results in a large dollar increase. There was a similar bump the last time these programs were increased, in FY23. It is critical that FY25 funding be preserved because the current rate of investment is already insufficient to fully meet the demands of the human services system.

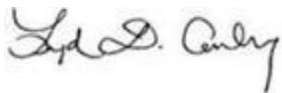
Under the Chapter 257 rates currently in effect, we are seeing unsustainable vacancy rates in our member organizations. These staffing shortages are especially acute for direct care and clinical roles, with vacancies of up to 25% for direct care positions, and 30% for nurses and clinicians. Wage rates for clinicians, as just one example, fall far short of market salaries, and as a result have some of the highest vacancies in the Commonwealth. Nursing shortages are also endemic throughout the system at similar rates. The overall staffing situation threatens service disruptions, unsuitable placements, and the possibility that individuals' service needs will increase rather than be ameliorated. The Governor's budget addresses some of this need, with adjustments for inflation for all positions, and a particular focus on Direct Care and CNA positions. Failing to fund Chapter 257 services at the House 2 level, when there are already significant gaps in the system, would result in real harm being done to the individuals and families we serve.

Human service work is as demanding as it is critical, and in an environment of dramatically increased costs for housing, food, and other necessities it is vital that rates are sufficient to attract and retain qualified staff. If the Commonwealth was not in such a difficult economic position, The Collaborative would be vigorously advocating for an adjustment to the rate methodology to more aggressively address staffing shortages. We believe strongly that the benchmark to determine wage rates for Chapter 257 programs should be the 75th percentile of comparable positions in Massachusetts established by the Bureau of Labor Statistics. We recognize that such an adjustment will not be feasible in FY25, but it remains an urgent goal. We look forward to discussing it with you in the future as we continue to work with EOHHS to increase rates to the 75th percentile.

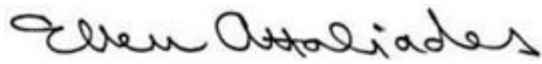
Finally, our consideration of this line-item takes into account \$95 million designated for FY25 rate development from reserve funds passed in the FY22 Economic Development bill for this purpose as communicated by the Administration with the release of House 2.

We appreciate your consideration of this request, and we would be happy to answer any questions you may have.

Sincerely,



Lydia Conley
President/CEO
Association for Behavioral Healthcare



Ellen Attaliades
President/CEO
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Providers



Rachel Gwaltney
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