



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

March 24, 2022

Dear Legislator,

Our four organizations – the **Association of Developmental Disabilities Providers (ADDP)**, the **Association for Behavioral Healthcare (ABH)**, the **Children’s League of Massachusetts** and the **Providers’ Council** – are writing you jointly as *The Collaborative*.

Our joint human services membership provides critical safety net services including mental health and addiction treatment services; care for individuals with intellectual and developmental disabilities; help for children, youth and families in need of support, care and protection; assistance to the elderly; operation of shelters for individuals experiencing homelessness; aid to our veterans and much more - affecting one-in-ten Massachusetts residents.

The state’s rates for these services must provide a sustained, competitive wage in order to attract and retain necessary talent, to support a career ladder for these workers, and to ensure continued availability of human services. Chapter 257 of the Acts of 2008 already provides a long-term framework for compensation of this workforce; now we must update that investment to reflect current economic and labor conditions. The Legislature must invest **\$581.6 million in the Chapter 257 Rate Reserve (1599-6903) as a long-term investment in the human services workforce**. This investment brings salaries to the 75th percentile of the FY2020 BLS benchmark for these positions, and represents an added \$351.6 million over the Governor’s FY23 budget allocation of \$230 million. (See details on these numbers attached).

By contracting for services, the Commonwealth has committed to providing programs that keep our families, friends, and neighbors safe and secure. A well-trained, highly educated workforce is required to deliver consistent and high-quality care for the long term. We look forward to continuing the conversation with you in the very near future.

Sincerely,

Lydia Conley
President/CEO
Association for Behavioral Healthcare

Ellen Attaliades
President/CEO
Association of Developmental Disabilities Providers

Rachel Gwaltney
Interim Executive Director
Children’s League of Massachusetts

Michael Weekes
President/CEO
Providers’ Council



The Collaborative's FY23 Chapter 257 Rate Reserve Request (Line Item 1599-6903)

The Human Service Workforce Provides Critical Services to Residents

- This includes mental health and addiction treatment services; care for individuals with intellectual and developmental disabilities; help for children, youth and families in need of support, care and protection; assistance to the elderly; operation of shelters for individuals experiencing homelessness; aid to our veterans and much more.

An Ongoing Workforce Crisis is Threatening our Human Service System

- Historically low rates of pay and the difficulty of filling jobs serving complex populations has resulted in high staff vacancy rates, frequent turnover, reduced service capacity, long waitlists, and the permanent closure of certain programs, all exacerbated by COVID-19.
- Our providers are disproportionately impacted by low state reimbursement rates, and must compete with minimum wage jobs in the private sector, community health centers, group and solo practices and acute care hospital settings for their workforce.

Chapter 257, Rate Setting and the Existing Human Service Workforce Crisis

- The landmark law established in Chapter 257 of the Acts of 2008 requires EOHHS to biennially review and set rates for social service programs, in order to address historic underfunding and rate stagnation.
- This framework created a sustainable, long-term methodology for setting reasonable salary benchmarks and reimbursement levels for delivering services.
- If the underlying salary assumptions are not competitive, the entire reimbursement structure is weakened and providers have difficulty retaining and recruiting staff.

Salaries Need to be Benchmarked at the 75th Percentile

- The Collaborative was grateful to work in partnership with EOHHS and other provider organizations to move rate salary benchmarks to Massachusetts Bureau of Labor Statistics (BLS-MA) salaries and to infuse temporary FY22 workforce investments. **These are crucial first steps to addressing the workforce crisis.**
- However, proposed salary benchmarks for human service worker rates utilize the 2020 BLS-MA median, or 50th percentile, salaries for rates that will be in effect from 2021-2023. These salaries are prospective – they will not receive another review or be changed again until spring 2024 to go into effect on July 1, 2024.
- The 75th percentile of the most recent benchmark data provides competitive salaries and considers inflation costs.

The Collaborative's FY23 Budget Proposal to Lift Up the Human Service Sector

- **We propose \$581.6 million in the Chapter 257 Rate Reserve (1599-6903) to approach salary adequacy.** This represents an added \$351.6 million to the Governor's FY23 budget request of \$230 million. It ensures salaries for this essential workforce are competitive now and sustainable in the long-term.
- This number was determined by analyzing all rates due to be implemented in FY23, which is between 60-70% of the funding in the Chapter 257 system.

The Collaborative FY2023 Budget Request

The Collaborative is proposing \$581.6 million for the Chapter 257 Rate Reserve (1599-6903) to approach salary adequacy, adding \$351.6 million to the Governor’s FY2023 budget request of \$230 million.

The increase in the Chapter 257 Rate Reserve is necessary to allow EOHHS to update its benchmarks for salaries in the human services sector. While EOHHS is using the Bureau of Labor Statistics state-specific information to set salary benchmarks, it uses the median or 50th percentile. The Collaborative is advocating for the state to use the 75th percentile due to the fact that BLS statistics are a year behind when rates are determined, and rates are prospective for two years. We feel the 75th percentile is more appropriate and reflective of actual market rates.

The chart at right compares these two figures using May 2020 BLS data for Massachusetts – the most recently published available data. In a report EOHHS sent to the Legislature last year, it reported the median salary being paid by providers to Direct Care I employees in FY ’21 was already \$36,470 annually or \$17.53 an hour. Yet **EOHHS is still proposing paying just \$16.79 an hour** to DC I workers until FY ’25.

The community-based human services sector has 185,000 jobs throughout Massachusetts, and is one of the most labor intensive sectors in our state. It has become increasingly difficult to recruit and retain workers, as our sector has long competed with health care, hospitals and state-operated health and human services positions. Unfortunately, we are now also competing with the retail, food service and other industries to recruit and retain direct care workers due to low salaries in the human services sector.

The chart at right illustrates some retail companies that have publicly announced **minimum or average starting wages** against which we must compete with a **median wage** for direct care workers with just \$16.79 an hour. Against this private sector labor market it becomes an impossible task to recruit direct care staff who perform essential, complex jobs caring for individuals with disabilities, those with mental health concerns, women and children in need of protection, older residents, people experiencing homeless, our state’s veterans and others. Additionally, contracted providers regularly lose staff to higher paying jobs in state agencies and schools who are not bound by Chapter 257 rates. **We must ensure human services workers receive an adequate wage, commensurate with the jobs they do to sustain the future of the human services delivery system.**

From Median to 75th Percentile		
Position Title	Median¹	75th Per.²
Direct Care I	\$16.79	\$20.30
Direct Care III	\$21.64	\$29.11
CNA	\$17.26	\$19.55
Case Worker	\$21.82	\$27.98
Case Manager	\$26.16	\$32.89
LICSW	\$30.59	\$39.80
Clinical Mgr.	\$40.57	\$51.87
LPN/LVN	\$28.80	\$31.73
RN	\$43.41	\$56.40
Nurse Prac.	\$59.60	\$68.34

Company minimum/ average starting wages	
Company	Wage
Amazon	\$18.50
Bank of America	\$20.00
Hobby Lobby	\$18.50
Target	\$24.00

¹ BLS 2020 median salary information – Used by EOHHS in rate hearings from August 2021 through present day
² BLS 2020 75th percentile salary information – The Collaborative seeking this figure to ensure salary adequacy