



Legislative Endorsement

Bill No.	Bill Title	Sponsor(s)	Committee	Legislative history
S 774 H 737	An Act Clarifying Rate Setting Processes for Health and Home Care Services	Sen. Jehlen Rep. Gentile	Health Care Financing	Hearing:

Endorsed by 32 members of Dignity Alliance Massachusetts including:

<ul style="list-style-type: none">Boston Center for Independent LivingCenter for Living and Work, Inc.COP Amputee Association -COPAADisability Policy ConsortiumDisability Resource CenterEasterseals MassachusettsJohn Ford, Esq.Lachan Forrow, MDJudi Fonsh, LCSW, MSWWynn Gerhard	<ul style="list-style-type: none">Pamela GoodwinGreater Boston Chapter of United Spinal AssociationFred GrossJerry Halberstadt, Stop Bullying CoalitionSandy HoveyAnne JohansenJames Lomastro, PhDPaul J. Lanzikos	<ul style="list-style-type: none">Massachusetts Advocates for Nursing Home Reform, Arlene Germain, Policy DirectorMassachusetts Aging and Mental Health CoalitionMassachusetts Law Reform InstituteMetroWest Center for Independent Living, Paul Spooner, Executive DirectorRichard T. MooreSandy Alissa Novack, MSW, MBASeniorCare, Scott Trenti, CEO
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<https://malegislature.gov/Bills/192/S774>

<https://malegislature.gov/Bills/192/H737>

SECTION 1: Section 13D of Chapter 118E of the general laws is amended after the second paragraph by inserting the following new paragraph:

Such rates for home health agencies, as defined under section 51K of chapter 111, shall be established at least biennially. In setting such rates, the executive office shall use as base year costs for rate determination purposes the reported costs of the calendar year not more than 4 years prior to the current rate year, adjusted for reasonableness and to incorporate any new regulatory costs imposed since said base year costs. In establishing rates of payment to home health agencies, the executive office shall consider all costs which must be incurred by efficiently and economically operated providers. The rates shall also include an allowance for reasonable administrative expenses and a reasonable profit factor, as determined by the executive office. Such cost analysis shall include, but not be limited to, the following: costs of similar services provided in other care settings; use of national or regional indices to measure increases or decreases in reasonable costs incurred since the base year costs; the revision of existing historical cost bases, where applicable, to reflect changing norms or models of efficient service delivery; and other means to encourage the cost-efficient delivery of services. The Secretary shall, concurrent with the completion of setting such rates, provide a report to the house and senate committees on ways and means detailing how the rates issued under this paragraph were analyzed and revised; provided further, that the report shall compare the inflationary considerations made in the adopted rate with the most recent "Home Health Agency Market Basket" index posted by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services; provided further, that if the adopted rate does not rely on the "Home Health Agency Market Basket" index for the purpose of determining inflationary adjustments, then the report will simulate what the rate would have been if such index was a factor in rate development.

SECTION 2: Section 4 of Chapter 19A is hereby amended by adding after Section 4D the following new section:

SECTION 4E: In establishing rates of payment pursuant to the second paragraph of section 13C of chapter 118E of the M.G.L., the executive office shall consider changes to the state minimum wage or changes to employer payroll tax

obligations as governmental mandates that affect the costs of providing homemaker and personal care homemaker services to elderly clients under this section.

The executive office shall also consider and analyze rates of payment and wages associated with providing similar services in both the public and private settings. In calculating operating costs, the executive office shall consider costs of; health insurance, employee benefits and training, payroll taxes, technology costs, administrative allocation and staff salaries using the latest available national or regional indices and benchmarked to the latest available Bureau of Labor Statistics median wage data. Nothing in this section shall be construed as limiting consideration of other governmental mandates or operating costs that affect the cost of providing services pursuant to section 4 of chapter 19A of the General Laws.

The Secretary of Elder Affairs shall, concurrent with the promulgation of the final rates of payment for services under section 4 of chapter 19A, issue a report to the House and Senate committees on ways and means detailing how the rates promulgated were analyzed and determined in compliance with the provisions set forth in the second paragraph of section 13C of chapter 118E of the General Laws. The report shall detail the department's analysis of changes in the costs of providing homemaker and personal care homemaker services since the immediately preceding rate determination; provided further, that the report shall compare the inflationary considerations made in the adopted rate with the most recent "Home Health Agency Market Basket" index posted by the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services; provided further, that if the adopted rate does not rely on the "Home Health Agency Market Basket" index for the purpose of determining inflationary adjustments, then the report will simulate what the rate would have been if such index was a factor in rate development.