

House Bill No. 2 (H.2) – FY 2027 Budget

Integrated Analysis and Advocacy Concerns for Older Adults, People with Disabilities, and Caregivers

Prepared by Dignity Alliance Massachusetts
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Overview of the FY 2027 Budget Proposal

Governor Maura Healey filed **House Bill No. 2 (H.2)** on January 28, 2026, proposing approximately **\$62.8 billion** in total appropriations for Fiscal Year 2027. The proposal reflects modest overall growth and continues to frame health and human services as a core Commonwealth priority. The budget again relies in part on **Fair Share surtax revenues** to support education and health and human services, though detailed, line-by-line impacts for aging and disability services require closer scrutiny.

For advocates focused on older adults, people with disabilities, and caregivers, the FY27 proposal raises a familiar concern: while baseline funding is largely preserved, it is increasingly difficult to discern a clear, affirmative policy commitment to sustaining and expanding services for low-income elders and people with disabilities as demographic need continues to grow.

Executive Office of Aging & Independence (AGE): Transparency and Program Capacity

A recurring issue in recent budget cycles is the lack of transparency regarding the actual service capacity supported by proposed appropriations. In FY27, this concern is particularly acute with respect to home care programs administered by the Executive Office of Aging & Independence (AGE).

State Home Care Program and ECOP

AGE has confirmed that it is now administering waitlists for both the **Basic State Home Care Program** and the **Enhanced Community Options Program (ECOP)**. A public records request revealed that by the end of September 2025, the ECOP waitlist alone had reached **950 individuals**; by early 2026, it likely exceeded **1,100 people**.

Despite this growth, the FY27 budget proposal does not clearly identify:

- The level of **home care enrollment** supported by line items **9110-1630** and **9110-1633**, or
- The **projected waitlist levels** assumed in the Administration's funding recommendations.

This represents a marked departure from earlier periods when the emergence of home care waitlists generated public attention, media coverage, and corrective action by state government.

Advocacy Concern: Stakeholders are urging that AGE be required to publicly post **monthly home care waitlist data**, as well as disclose projected waitlists embedded in its FY27 budget assumptions.

Potential Policy Solution: A proposal under development would convert ECOP into a **Medicaid-reimbursable service**, potentially generating **at least \$38 million annually** in new federal revenue from existing service obligations. Advocates argue that such revenue should be dedicated to reducing home care waitlists and strengthening public guardianship programs.

MassHealth, Long-Term Services and Supports (LTSS), and the Personal Needs Allowance

MassHealth Senior Care and LTSS

House 2 continues to fund **MassHealth Senior Care** and related LTSS programs that serve older adults and people with disabilities, including Senior Care Options and nursing facility services. However, advocates have identified proposed **rate freezes or constrained growth** across several community-based LTSS programs, including:

- Personal Care Attendant (PCA) services
- Adult Foster Care
- Adult Day Health programs

These services are essential to enabling older adults and people with disabilities to live safely in the community rather than in institutional settings. Fiscal pressure on Medicaid-funded services—driven by federal policy uncertainty and constrained state revenue growth—appears to be influencing these recommendations.

Personal Needs Allowance (PNA)

Within the MassHealth Senior Care appropriation, H.2 explicitly directs that funds be used to maintain the **Personal Needs Allowance (PNA)** for eligible residents of nursing homes and rest homes.

For FY27, the budget maintains the PNA at:

\$72.80 per month for MassHealth-eligible residents receiving SSI or EAEDC.

The PNA represents the amount a resident may retain from their income for personal items and services not covered by Medicaid, such as toiletries, clothing, phone service, or modest recreation. While federal Medicaid law requires only a **\$30 minimum**, most states set higher levels.

Key Concern: The \$72.80 PNA has not been increased in many years and remains far below the real-world cost of basic personal needs. By maintaining—but not increasing—the PNA, the FY27 proposal effectively continues a long-standing erosion of residents' purchasing power due to inflation.

Prescription Advantage, ADRC Options Counseling, and SHINE

Prescription Advantage (Line Item 9110-1455)

One of the most striking changes in H.2 is the proposed reduction to the **Prescription Advantage** line item, from **\$19.8 million in FY26 to \$6.6 million in FY27**—a **66 percent decrease**.

Prescription Advantage coordinates state subsidies with Medicare Part D and operates on a **calendar-year basis**, with the state's subsidy costs concentrated between September and December. To achieve savings consistent with the proposed reduction, changes to benefit design would have needed to take effect on **January 1, 2026**.

Advocacy Concern: The budget proposal does not include a public explanation of whether, or how, Prescription Advantage benefits are being modified to accommodate this funding reduction.

ADRC Options Counseling

Complicating matters, the Administration shifted a long-standing **ADRC Options Counseling earmark** into the Prescription Advantage line item. In FY25, approximately **\$5.05 million** was spent on Options Counseling through Aging and Disability Resource Centers.

Questions raised by advocates include:

- What is the policy rationale for moving Options Counseling into the Prescription Advantage account?
- Of the proposed \$6.6 million in FY27 funding, how much is intended for Options Counseling versus prescription assistance?

SHINE Program

The FY27 proposal does not clearly identify funding for the **SHINE program**, which provides counseling to help older adults navigate health insurance options. In FY25, approximately **\$1.0 million** in SHINE funding flowed through the same line item.

Advocacy Concern: If Prescription Advantage benefits are being altered, advocates argue that SHINE counseling should be expanded—not diminished—to support affected beneficiaries.

AGE Administrative Account (9110-0100)

The FY27 budget proposes a significant increase to the AGE Administrative Account, from **\$5.9 million to \$19.4 million**.

Key questions raised by stakeholders include:

- How much of the **\$13.5 million increase** reflects cost shifts from other line items versus new investments?

- Does this increase reflect expanded regulatory or oversight activity, particularly for **Assisted Living Residences (ALRs)**?

Following the ALR Commission Report, advocates anticipated expanded certification or oversight activity in FY27. If such investments are embedded in this proposal, the Administration has not yet specified how the funds will be used.

Support for Caregivers

The Governor’s baseline FY27 proposal does not include new, targeted caregiver support initiatives such as stipends, expanded respite services, or tax credits. While overall health and human services funding may indirectly benefit caregivers, advocates note that meaningful caregiver-specific investments will likely need to emerge through legislative amendments rather than the Governor’s initial proposal.

Summary Assessment

Issue Area	FY27 H.2 Proposal	Implications
MassHealth & LTSS	Baseline funding with constrained growth	Community-based supports remain under pressure
Home Care Programs	Funding proposed without enrollment or waitlist clarity	Risk of growing unmet need
Personal Needs Allowance	\$72.80/month maintained	Continued erosion due to inflation
Prescription Advantage	66% funding reduction proposed	Unclear benefit design changes
ADRC & SHINE	Funding shifts and omissions	Transparency and access concerns
Caregiver Supports	No new initiatives	Legislative advocacy required

Bottom Line

Governor Healey’s FY27 House 2 budget maintains baseline protections for essential services serving older adults and people with disabilities. However, it does so without a clear strategy for addressing growing demand, persistent waitlists, or the declining real value of key supports such as the Personal Needs Allowance.

Early analyses from aging and disability advocates underscore the need for **robust legislative scrutiny and sustained advocacy** as the FY27 budget moves through the House and Senate. Without greater transparency and targeted reinvestment, Massachusetts risks allowing its historic commitment to elder care and disability services to erode quietly at a time of accelerating demographic need.

For more information

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