



The Campaign to **STRENGTHEN HUMAN SERVICES**

IMPROVE CARE • RETAIN QUALITY STAFF
ENHANCE ECONOMIC IMPACT



What is Chapter 257?

Chapter 257 of the Acts of 2008 is the historic act that reformed how the Commonwealth pays for essential social services for our most vulnerable residents. It was passed unanimously on roll call votes by the Legislature to address more than 20 years of chronic underfunding of the human services system.

Background

- Nearly one in six Massachusetts residents face challenges that require the attention and assistance of social service providers. More than 1,100 social service providers, most of whom are community-based nonprofit entities, contract with the agencies of EOHHS to deliver a large and comprehensive system of vital services.
- For 20 years (1987-2007) there had not been a statewide adjustment to the rates of reimbursement paid by the commonwealth to human service providers for their services. Providers were not being reimbursed for their actual costs to administer their programs, including such items as employee salaries, rent, heat, fuel and health insurance costs.
- The Executive Office of Health and Human Services (EOHHS) released a report in 2007 detailing the looming financial crisis confronting the state's human service providers. The report painted a picture of a service delivery system that was crumbling due to poor reimbursement rates.
- Responding to this crisis, the Legislature unanimously enacted Chapter 257 of the Acts of 2008, An Act Relative To The Rates For Human And Social Service Programs which was signed by Governor Patrick on August 4, 2008.

Chapter 257

- Chapter 257 established a transparent, uniform and evidence-based process for the establishment of rates “which are reasonable and adequate to meet the costs which are incurred by efficiently and economically operated social service program providers.” The Secretary of EOHHS has the sole responsibility for establishing rates of reimbursement after receiving testimony at a public hearing on each proposed rate.
- Chapter 257 established a four-year timeline for implementing the new rate setting process. Originally, not less than 10% of the contracts with social service providers were to be subject to the new rate setting process by October 1, 2009; not less than 40% of the contracts by October 1, 2010; not less than 70% of the contracts by October 1, 2011; and 100% of the contracts by October 1, 2012.
- The Legislature extended those timelines as follows: not less than 40% of the contracts by January 1, 2012; not less than 70% of the contracts by January 1, 2013; and 100% of the contracts by January 1, 2014.
- *As of January 1, 2014, only 37.3% of the system is being paid rates established under the law! The legal mandate and legislative intent of Chapter 257 has not been met.*



Human services workers, clients, supporters and others rally with Peter Yarrow and Paul Stookey from Peter, Paul and Mary in front of the State House, seeking increased revenue to fully fund essential human services.

Other facts about Chapter 257

- Chapter 257 does not require the procurement of social services. Indeed, Chapter 257 does not require the commonwealth to purchase any human services. However, when social services are purchased, the commonwealth must pay all providers of such services the same rate for a unit of service as established through the Chapter 257 process.
- Chapter 257 does not mandate the redesign of human service programs as part of the rate setting process nor does it prohibit the possible redesign of a program by any agency of EOHHS.
- Once a rate for a unit of service is set, the commonwealth must pay 100% of that rate when procuring the service.



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ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE



PROVIDERS' COUNCIL

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