



The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1054

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Senator Cindy F. Friedman, Chair
Joint Committee on Health Care Financing
State House, Room 313
Boston, MA 02133

Representative John J. Lawn, Jr., Chair
Joint Committee on Health Care Financing
State House, Room 236
Boston, MA 02133

Dear Chair Friedman and Chair Lawn,

I write to urge the Committee to act favorably on H.1195 and S.755, *An Act clarifying rate setting processes for home health and home care services* which Senator Jehlen and I have filed in our respective chambers. For several years now the Commonwealth has funded supplemental rate add-ons for home care and home health workers through the budget process because the existing rate setting process has been and continues to be inadequate to meet their needs. H.1195 and S.755 seek to improve the rate setting process so that it will work and provide consistent rates that more accurately reflect the true cost of providing home care and home health services by requiring review and appropriate adjustments at least every other year.

Agencies that provide home health and home care services are suffering a severe workforce shortage. Seventy-two (72) percent of human service providers report trouble filling job openings over the past three years. Many community-based non-profits have substantial job vacancies because they cannot recruit and retain enough staff. These vacancies harm the quality of care for the Commonwealth's most vulnerable residents, including our elders, persons with disabilities, and individuals with medically complex conditions. Populations receiving services often get inconsistent care because turnover rates in this sector are incredibly high.

These turnover rates are high because wages and benefits for home health and home care jobs are exceptionally low. Starting wages for positions with many providers are at minimum wage or slightly higher, even though these jobs often require a bachelor's degree and can be emotionally and physically exhausting. When service sector jobs in retail and fast food offer higher salaries and better benefits, many individuals burn out and leave the sector within a year or two of starting. Low wages and benefits are especially problematic because the majority of the Commonwealth's home health and home care workers are women, and the sector also has disproportionately high numbers of people of color and immigrants.

At the core of the staffing problem is the rate setting process for home health and home care services. This is because rates set by Mass Health and EOHHS determine the capacity for providers to offer fair and adequate wages and benefits to their workforce. In theory, the process works effectively

because providers offer their comments and concerns about proposed rates through testimony at state hearings. In practice, however, the rules and procedures of the rate setting process fail to lead to adequate rates. For example, until 2020, the home health aide rate had not been adjusted in 13 years despite rapidly increasing costs and higher demand for services. Functionally, providers are operating in a monopsony where the Commonwealth is the sole buyer of services. In such a system, the rules and procedures of the rate setting process have an enormous impact on providers, their staff, and the client populations they serve.

H.1195 and S.755 do not set rates for Mass Health or EOHHS. Instead, these bills seek to improve the rate setting process by increasing the transparency, consistency and accuracy of the methodology used to determine rates.

First, this legislation requires rates to reflect all operating costs incurred by home health and home care providers, including government mandates. These costs include changes to the state' minimum wage, the Paid Family and Medical Leave Act, health insurance, employee benefits and training, and increased technology costs. This allows providers to be compensated for these expenses and provide better testimony at rate hearings. For example, a provider could note that the cost adjustment factor for "technology costs" is insufficient to keep pace with inflation and increased technology use by programs.

Second, this legislation also requires that new home care and home health service rates must be accompanied by reports filed with the legislature. The rates themselves are often abstract and difficult to conceptualize. Reporting would offer the legislature and public a better image of how home care and home health service rates directly impact access to services.

By improving the transparency of the rate setting process, stakeholders such as providers, st and the legislature can better understand the methodology used to calculate rates. These stakeholders can also advocate more effectively for better rates, which would improve wages and benefits for low-income workers, improve quality of services for vulnerable populations, and reduce financial strain on provider agencies.

I humbly request that the Joint Committee on Health Care Financing report these bills favorably. Thank you for consideration of this written testimony and I look forward to the opportunity to discuss this matter with you further.

Respectfully submitted,



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13th Middlesex District