

DiGravio: Crucial state service floundering

By Vic DiGravio, Guest columnist

GHS

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MetroWest is one of the most thriving areas of the Commonwealth. Home prices are among the highest in the state, and while the economic downturn has hit all corners of Massachusetts, MetroWest appears to be weathering it better than most other regions.

The chief reason for that is jobs. More than a decade ago, state government determined that targeting growth for specific industries and specific areas could improve the economic climate for entire towns, cities and regions. Targeted tax breaks and state infrastructure investment helped convince Fidelity to move jobs and tax revenues to Marlborough, and Staples to expand its operations and tax base in Framingham. The results speak for themselves - solid jobs paying solid wages keep entire communities solvent in tough times.

Now is the time for Massachusetts state government to recognize another important industry that needs help. The human service industry - the workers who take care of people with developmental disabilities and mental illnesses, among many other afflictions - is in dire need of attention and investment. The non-profit organizations which provide these services are buckling under a tremendous strain of underfunding and overwork.

Massachusetts has not done a statewide adjustment of the rates it pays for services provided since 1987, meaning these non-profits are paying 2008 prices for heating fuel, gasoline, insurance and rent, and getting reimbursed based on 21-year-old costs. The current system does not come close to covering actual costs, forcing many of these non-profits to operate at a loss. They must pay low wages to their employees, prompting tremendous turnover in a system that counts on continuity for the highest quality of care.

An Executive Office of Health and Human Services report released late last year revealed that almost half of all human service providers do not generate enough revenue to pay for operations, and more than 60 percent have less than 30 days cash on hand at the end of the year. Anyone with business experience will acknowledge that is a sign of system-wide trouble.

But that is not only trouble for the individual providers. The human service industry is a massive part of the Massachusetts economy, totaling 3 percent of the workforce, the same as the telecommunications industry. The 185,000 human service workers contribute \$112 million to the Commonwealth's economy in state and local taxes. State government is putting a sizable economic engine at risk.

It is also putting the quality of care at risk. Unlike other economic sectors, demand for human service work is increasing. A 2007 report by the Massachusetts Council of Human Service Providers showed that the human service workforce grew by 18 percent between 1998 and 2003 (the most recent year for which figures are available). In the same time period, the rest of the state's workforce grew by 1.7 percent.

The growth means one thing - more and more Massachusetts residents are counting on human service workers to provide care for themselves or their loved ones. And if this already distressed system begins to crumble, who will be there to take care of our most vulnerable people? How can there be any level of quality to that care?

The solution lies in legislation. A bill on Beacon Hill, Senate 65, would create a fair playing field for community-based providers by enabling them to bid on contracts set by the state based upon the actual cost of providing such services. This would ensure transparency in the rate-setting system, and create an appellate process. Additionally, it would allow providers to more effectively budget, raise the salaries for low-paid workers, retain capable employees and ultimately heightened the level of care received by the people who need it the most in Massachusetts.

The state long ago recognized that for-profit businesses that create jobs and provide tax revenue are worthy of investment. The whole community reaps the rewards. It is high-time it realizes the same equation works for non-profits.

Vic DiGravio is president and CEO of the Mental Health and Substance Abuse Corporations of Massachusetts which is located in Natick.

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