

Senate 65

The Campaign to Strengthen Human Services

improve care ♦ retain quality staff ♦ enhance economic impact

Fact Sheet

Senate 65 - An Act Relative to Rates for Human and Social Service Programs

The Environment

- Nearly one in six Massachusetts residents faces challenges that require the attention and assistance of human service providers.
- The challenges facing these residents are varied, ranging from child abuse to homelessness, developmental disabilities to health care problems to mental health issues to threats against personal safety.
- More than 1,100 human services providers, mainly community non-profit entities, contract with the state to deliver a large system of services, among them rehabilitation, education, and workforce training programs.

The Problem

- There has not been a statewide adjustment to rates paid to human services providers for the cost of their services since 1987 – that’s 20-plus years and counting.
- Human service providers are not being reimbursed for actual escalating costs – such as heat, rent and fuel. Instead, they are reimbursed based on prices that are extremely out-of-date. The providers themselves must absorb the difference between the actual cost and the reimbursed cost, plunging many of them into financial hardship.
- The Executive Office of Health and Human Services (EOHHS) released a report in late 2007 detailing the looming crisis facing the state’s human service providers. The report states that “human service organizations, like for-profit businesses, must meet certain basic requirements in order to survive.”
- The report paints a picture of a funding mechanism that is endangering the human services system. The report reveals, among other findings, that 60 percent of providers have less than 30 days cash on hand at the end of the year, and half of all providers have liabilities in excess of net assets – two very telling signs of businesses in crisis.
- This results in staff being paid low salaries, which in turn has made employee turnover a massive problem. When staff continually leave, care suffers from disruption as less-experienced personnel are hired.

The Solution

- Senate 65 creates an equal playing field for hundreds of community-based providers, allowing them to bid on contracts set by the state based on the actual cost of providing those services.
- The legislation ensures transparency in the rate-setting system and creates a system of appeals.
- It enables providers to more effectively budget, which ultimately empowers them to pay their staff better, retain effective employees and raise the level of care received by the most vulnerable residents in Massachusetts.