



H.1195/S.755 - An Act Clarifying Rate Setting Processes for Home Health and Home Care Services

Introduced by: Senator Patricia Jehlen and Representative Carmine Gentile

Purpose: This legislation would clarify the rate setting processes that are already in place for both home health and home care services. This legislation does **not** set the rates or dictate the amount for future rates set by Mass Health and EOHHS. It does make the rate setting process more transparent and ensures rates set by the state follow the rate setting laws and reflect the actual operating costs incurred by home health and home care providers.

The single largest cost factor impacted by the rate setting process is staffing - the ability for providers to ensure fair and adequate wages and benefits for their dedicated home-based workforce. The rate setting process directly impacts and determines the ability of providers to retain and recruit sufficient staff to meet the Commonwealth's need to ensure the provision home health and home care services to vulnerable elders, persons with disabilities and children and individuals with medically complex needs.

Section 1 of the legislation deals with Home Health rates set by Mass Health which are reviewed every two years. Prior to 2020, the home health aide rate had not been adjusted since 2007 with no explanation or insight into the rate determination analysis. **Section 2** deals with Home Care purchase of service rates set every two years by EOHHS under Chapter 257 of the Acts of 2008.

Transparency: This legislation adds transparency so providers, consumers and the Legislature can better understand the methodology and criteria used to set home care and home health rates.

Methodology: The methodology for rate setting should reflect **all** operating costs and governmental mandates that affect the cost of providing essential home care and home health services. This legislation articulates the cost factors that should be included in the methodology and rate setting process including new regulatory costs and governmental mandates. Recent examples include changes in the state's minimum wage, the Paid Family and Medical Leave Act, health insurance, employee benefits and training, and increased technology costs.

In determining the methodology for setting rates, the Secretary shall consult with stakeholders impacted by the rates.

Reporting Requirement: This legislation requires that reports be filed with the Legislature concurrent with the promulgation of new home care and home health services rates. This reporting will increase transparency and foster a better understanding of the true cost of providing home care and home health services and how the rates directly impact access to services for consumers.

Goal of this Legislation: To end the need for the Legislature to fund supplemental rate add-ons for home care and home health workers every year through the state budget process. The goal is to ensure the existing rate setting process works and provides consistent rates that accurately reflect the true cost of providing home care and home health services to consumers across the Commonwealth.

This bill was discussed and developed with input from a variety of stakeholder engagements and built off a Home Care Licensure Commission report (as established by the legislature).

Co-Sponsor H.1195/S.755 - An Act Clarifying Rate Setting Processes for Home Health and Home Care Services

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