

**HOUSE . . . . . No.**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Carmine Lawrence Gentile*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act clarifying rate setting processes for home health and home care services.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Carmine Lawrence Gentile</i>	<i>13th Middlesex</i>	<i>1/10/2025</i>

**HOUSE . . . . . No.**

[Pin Slip]

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-Fourth General Court  
(2025-2026)**

An Act clarifying rate setting processes for home health and home care services.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1: Section 13D of Chapter 118E of the general laws is amended after the  
2 second paragraph by inserting the following new paragraph:

3 Such rates for home health and continuous skilled nursing agencies, as defined under  
4 section 51K of chapter 111, shall be established and reviewed at least biennially. In setting such  
5 rates, the executive office shall use as base year costs for rate determination purposes the  
6 reported costs of the calendar year not more than 4 years prior to the current rate year, adjusted  
7 for reasonableness and to incorporate any new regulatory costs imposed since said base year  
8 costs. In establishing rates of payment to home health agencies, the executive office shall  
9 consider all costs which must be incurred by efficiently and economically operated providers.

10 The rates shall also include an allowance for reasonable administrative expenses and a  
11 reasonable profit factor, as determined by the executive office. Such cost analysis shall include,  
12 but not be limited to, the following: costs of similar services provided in other care settings; use  
13 of national or regional indices to measure increases or decreases in reasonable costs incurred

14 since the base year costs; the revision of existing historical cost bases, where applicable, to  
15 reflect changing norms or models of efficient service delivery; and other means to encourage the  
16 cost-efficient delivery of services. The Secretary shall, concurrent with the completion of setting  
17 such rates, provide a report to the house and senate committees on ways and means detailing  
18 how the rates issued under this paragraph were analyzed and revised; provided further, that the  
19 report shall compare the inflationary considerations made in the adopted rate with the most  
20 recent “Home Health Agency Market Basket” index posted by the United States Department of  
21 Health and Human Services, Centers for Medicare and Medicaid Services; provided further, that  
22 if the adopted rate does not rely on the “Home Health Agency Market Basket” index for the  
23 purpose of determining inflationary adjustments, then the report will simulate what the rate  
24 would have been if such index was a factor in rate development. In determining the methodology  
25 for setting rates, the Secretary shall consult with stakeholders impacted by the rates.

26

27 SECTION 2: Section 4 of Chapter 19A is hereby amended by adding after Section 4D the  
28 following new section:

29

30 SECTION 4E: In establishing rates of payment pursuant to the second paragraph of  
31 section 13C of chapter 118E of the M.G.L., the executive office shall consider changes to the  
32 state minimum wage or changes to employer payroll tax obligations as governmental mandates  
33 that affect the costs of providing homemaker and personal care homemaker services to elderly  
34 clients under this section.

35

36           The executive office shall also consider and analyze rates of payment and wages  
37 associated with providing similar services in both the public and private settings. In calculating  
38 operating costs, the executive office shall consider costs of; health insurance, employee benefits  
39 and training, payroll taxes, technology costs, administrative allocation and staff salaries using the  
40 latest available national or regional indices and benchmarked to the latest available Bureau of  
41 Labor Statistics median wage data. Nothing in this section shall be construed as limiting  
42 consideration of other governmental mandates or operating costs that affect the cost of providing  
43 services pursuant to section 4 of chapter 19A of the General Laws. In determining the  
44 methodology for setting rates, the Secretary shall consult with stakeholders impacted by the  
45 rates.

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47           The Secretary of Elder Affairs shall, concurrent with the promulgation of the final rates  
48 of payment for services under section 4 of chapter 19A, issue a report to the House and Senate  
49 committees on ways and means detailing how the rates promulgated were analyzed and  
50 determined in compliance with the provisions set forth in the second paragraph of section 13C of  
51 chapter 118E of the General Laws. The report shall detail the department’s analysis of changes in  
52 the costs of providing homemaker and personal care homemaker services since the immediately  
53 preceding rate determination; provided further, that the report shall compare the inflationary  
54 considerations made in the adopted rate with the most recent “Home Health Agency Market  
55 Basket” index posted by the United States Department of Health and Human Services, Centers  
56 for Medicare and Medicaid Services; provided further, that if the adopted rate does not rely on  
57 the “Home Health Agency Market Basket” index for the purpose of determining inflationary

58 adjustments, then the report will simulate what the rate would have been if such index was a  
59 factor in rate development.