

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Patricia D. Jehlen

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:

Patricia D. Jehlen

DISTRICT/ADDRESS:

Second Middlesex

SENATE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 755 OF 2023-2024.]

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

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

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

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

