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BOSTON - Gov. Charlie Baker's administration is continuing to negotiate with a coalition of social service providers to settle a lawsuit over reimbursement rates, even as both sides say they anticipate reaching an agreement.

"Now with this new administration, we're trying to really work things out with them," said Michael Weekes, president and CEO of the Providers' Council, an umbrella organization representing human service providers.

A coalition of human and social service providers sued the state this summer, arguing that then-governor Deval Patrick's administration failed to fully implement a 2008 law raising the reimbursement rates for human service workers who contract with the state. The law covers workers who work with people who are homeless, elderly, have substance abuse problems, have disabilities, are victims of domestic violence, are at-risk youth or others. The law requires the state hold a public hearing, then set rates that are reasonable to cover the costs incurred by social service providers. Although the rates were required to be fully updated by Jan. 1, 2014, fewer than 40 percent of rates had been updated by then.

The Patrick administration had set new rates for some workers, but not for others. The fiscal year 2015 budget contained \$15 million to raise the rates.

In January, a Suffolk County Superior Court judge ruled that the state had failed to properly set the rates. The ruling ordered the state to go forward with the proper rate setting process by the beginning of fiscal year 2016, which begins this July. The ruling also found that the law did not require the state to actually set aside money to purchase the services. The court declined to order the state to pay money retroactively.

During his gubernatorial campaign, Baker, a Republican, pledged to fully fund the law.

Now Baker, in his 2016 budget, has proposed setting aside \$30 million to resolve the litigation and adjust the rates. "Going forward, the Commonwealth will comply with the provisions of Chapter 257," Baker wrote in his budget summary.

During a briefing with reporters in early March, Secretary of Health and Human Services Marylou Sudders said administration officials had reached out to the human service organizations and resolved the lawsuit in principle, and they planned to file a joint plan for implementing the rate increases with the court.

The plan has not yet been filed. Rhonda Mann, a spokeswoman for the Executive Office of Health and Human Services, said, "We are actively working with the providers to resolve the case."

Weekes said the providers are negotiating with the administration on a timeline to make the changes to reimbursement rates. Weekes said the proposed \$30 million is "a good start." The providers are still doing an analysis to determine exactly how much is needed.

David Jordan, chairman of the Providers' Council's research committee, said the \$30 million would come close to fully funding the rates, but "we're not quite there." "We're debating about where do we get the final tranche of funds to fully pay adequately our 145,000 workers," Jordan said, referring to the total number of human service workers in Massachusetts.

Jordan said the providers are grateful to the administration for the additional funding, and he believes they will reach a final agreement. "We're confident that we will reach that accord," Jordan said.