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## Massachusetts settles lawsuit over rates for human service providers

Shira Schoenberg | [sschoenberg@repub.com](mailto:sschoenberg@repub.com) By Shira Schoenberg | [sschoenberg@repub.com](mailto:sschoenberg@repub.com)

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BOSTON - A coalition of **social service providers** has settled a lawsuit with the Massachusetts Executive Office of Health and Human Services over reimbursement rates for human service workers.

Under the agreement, which was signed on Monday, the state will have until June 30, 2017 to fully update all of the rates, with some portion of the rates being updated each year. But human service workers will be getting raises during that time.

"I think this settlement will be widely heralded by our provider community as an important victory not only for the community-based organizations that will be affected by it, but more importantly for the clients and the consumers who will undoubtedly receive a different level of services than they have before," said Michael Weekes, president and CEO of the Providers' Council, an umbrella organization representing human service providers.

Weekes said the extra money will help reduce turnover in the industry and help human service agencies compete for better workers, since workers will be better compensated. It will also help organizations strengthen their financial positions and improve programs and facilities.

The settlement sets different timelines and raises for different groups of providers, depending on whether their rates have been recalculated previously or not, and whether those rates have been updated. For example, those whose rates were never reset and do not have a new contract in place by June 30, 2015, will get a 3.75 percent raises in fiscal year 2016, which begins July 1. Providers will get another 3.75 percent raise the next year if their rates have not been set by then.

Rates are supposed to be updated every two years. Providers whose updates are more than two years overdue will get a retroactive, lump sum payment of 1.9 percent of their 2015 contract. Those whose rates are less than two years overdue will get a retroactive payment of 0.45 percent of their 2015 contract.

Weekes said there is no way to determine a bottom line cost until all the rates are recalculated – a process that generally takes into account the cost of services, inflation and other factors.

Gov. Charlie Baker, in his 2016 budget, has proposed setting aside \$30 million to resolve the litigation and adjust the rates.

The settlement must still be approved by a judge.

The Providers' Council wrote in an email to its members, "This is our best and strongest chance in nearly 30 years of uphill battles to get the state to fully set and fund these rates."

Weekes stressed that the settlement does not require the state to purchase any services. "What this agreement says is if you are going to buy those services, you have to pay a fair rate to do that," Weekes said.

The coalition **sued the state this summer**. The organizations argued that the administration of former governor Deval Patrick failed to fully implement a 2008 law that set a new formula for reimbursing workers who work with people who are homeless, elderly, have substance abuse problems, have disabilities, are at-risk youth or are otherwise vulnerable. The Patrick administration had updated the rates for some workers, but not others.

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 in July.

Baker, during his campaign, pledged to fully fund the law. The Baker administration, which took office in January, has been **negotiating with the human service providers** since then on a timeline to update the rates and on what payments would be made when.