

TESTIMONY OF
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**S. 65, "AN ACT RELATIVE TO RATES FOR HUMAN
AND SOCIAL SERVICE PROGRAMS"**

JUNE 24, 2008

I rise in support of Senate 65, a bill that I'm happy to say has garnered much support among our colleagues. The changes proposed in this legislation have been a long time coming, so I would like to provide a little background on the issue.

As we sit here this morning, one in ten Massachusetts men, women and children needs a caretaker. This morning, more than 185,000 Massachusetts human service providers are on duty providing that care. They care for the most vulnerable among us by delivering a range of human, social, health, and rehabilitative services. Their families and friends, millions of them, are counting on those human service providers to be there to meet some of the greatest challenges of the human condition.

We know better than most how desperately this population of workers is needed and how woefully underpaid they are. Their plight is well known to all of us. Many of them report that they love their work, and care deeply about their clients, but must leave the caretaking profession because they simply can't sustain themselves and their families on the exceptionally low wages. With the exception of small, stop-gap increases to the human service salary reserve in past years' budgets, no new funding has been appropriated for this purpose in twenty years.

And each day, these 185,000 human service providers are deployed by contract agencies, many of which are struggling to remain open.

More than 20% of our contract providers are operating at a deficit and 60% have no more than one month's salary reserve on hand. The cost of living has risen steadily over the past two decades while rates paid to contract providers have remained largely flat. As a consequence, the providers-- the people who bathe, clothe, feed and transport many of our elderly disabled constituents-- are losing their businesses and their homes.

Our direct caregivers and contract providers constitute a market sector that is too large and too vital to the Commonwealth's future to ignore. Earlier this decade, employment by the Commonwealth's contract providers grew by 18%, while the Commonwealth's overall workforce grew by less than 2%.

The huge population of baby boomers on the horizon-- individuals who will, reportedly, live longer and be sicker than any other population-- will almost certainly require hundreds of thousands of caregivers. The vast number of workers that will be needed to meet this and other care-giving challenges in the Commonwealth, like those presented by the *Rosie D* case, make the development and stabilization of this workforce a priority. In Western Mass and throughout the Commonwealth, we do not have the structure or the workers to fully implement *Rosie D*, and *Rosie D* is only the tip of the iceberg.

Looking to the future, human service provider jobs will be an important economic engine in Massachusetts, and the development and

stabilization of this workforce is critical to disabled and older people, who need competent and reliable caregivers to survive. This will be especially true as we continue to shift the model of care for people in need of services from institutional to home-based. This legislature and, indeed, this entire government has accepted the premise that affording elders and disabled citizens the opportunity to receive services in their communities is best for them, their families, and the Commonwealth. Developing and stabilizing this workforce will foster and implement these goals, and do great things for Massachusetts and its people.

These could be great jobs for young people who are striving for an education, for immigrants who come from cultures of caring and respect for the elderly and disabled, and for people who want to have another career closer to home. The only way to develop and stabilize this workforce is to make it clear that these are good steady jobs that pay a living wage. Nothing else will work.

Kathy Wilson at Springfield's Behavioral Health Network told me that when an employee of that agency submits her two weeks notice, Kathy is rarely able to fill the vacancy immediately at the rate they are able to pay. In order to meet the needs of the client, Kathy is oftentimes obliged to have staff fill in at time and a half or use a relief staffing agency at rates that are almost double what Kathy is allowed to pay. This practice is neither cost-effective nor sustainable, and Kathy knows this is no way to run a business, but she has no choice.

The low wages and concomitant high turnover among human service employees places an enormous burden on contract providers. In Fiscal Year 2007, roughly 25% of all professional staff and direct care workers left their jobs. These people are leaving for higher paying jobs in schools, hospitals, and other professional settings, oftentimes outside of the State.

Senate 65 has, as its goal, the creation of a system that will restore fairness and coherency in rate setting. This bill shifts responsibility for setting rates to be paid by government agencies to the Division of Health Care Finance and Policy, under the direction of the Secretary of Health and Human Services. Currently, prices paid by state agencies are determined through a bid process controlled by the Division of Purchased Services and the Operational Services Division within the Executive Office of Administration and Finance. Under A & F's bid process, providers are required to bid to a state agency's pre-set contract prices, which are based solely on budgetary considerations and bear no relation to the cost or value of the services purchased.

At present, there is no assurance of rate adequacy and no right for contract providers to appeal inadequate rates. There is no transparency in the rate setting process and no checks or balances against unfair, inadequate government payments. It is an understatement to suggest that these factors operate as disincentives to would-be providers.

The passage of Senate 65 will allow providers to pay their direct

care employees enough to retain them and it will afford them the opportunity to make basic improvements and conduct long overdue routine maintenance on buildings that house community-based programs. A more coherent rate structure will help grow and stabilize the number of providers and the workforce we will need in the 21st century.

The passage of Senate 65 represents an important investment in the Commonwealth's future, and an important first step in averting the provider crisis looming ahead. This legislation could help provide the economic engine to lift a large, underpaid workforce into the middle class while saving the Commonwealth millions of dollars by helping to keep people out of institutions and in their communities and in their homes, which is the option they and their families want and deserve.

Before concluding my comments, I would like to thank the chair of the Committee on Children and Families for her efforts in this endeavor. The chairwoman held multiple hearings held on this bill across the Commonwealth, and has also been a tireless advocate in support of Senate 65. I am confident that we would not be taking this vote today without her hard work and commitment to this issue. I also want to thank the Chairman of the Ways and Means Committee for his assistance in refining this legislation and striking a balance between the urgent needs of direct care workers and the fiscal realities which face the

Commonwealth. Finally, I would like to thank you Madam President, and on behalf of the 185,000 direct care workers in Massachusetts, thank you for making this bill a priority in the Senate. I urge my colleagues to join me in supporting Senate 65.

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