



The Campaign to **STRENGTHEN
HUMAN SERVICES**
IMPROVE CARE • RETAIN QUALITY STAFF
ENHANCE ECONOMIC IMPACT

New update on Chapter 257 Tier 3 rates

Dear Members:

As you will recall, the Providers' Council, the Association for Behavioral Healthcare (ABH), the Association of Developmental Disabilities Providers (ADDP) and the Children's League entered into an agreement for judgment with the Commonwealth to resolve past implementation issues under Chapter 257 of the Acts of 2008. Under that agreement, services that have not had a rate set pursuant to Chapter 257 were entitled to payment increases determined on the basis of the period of time the rate setting for the service was overdue.

On June 27 and July 1, we alerted you to an issue with Tier 3 rates (see below for list of affected services) contained in the Settlement Agreement between the state and *The Collaborative*. Tier 3 rates are the services that have not had a rate set pursuant to Chapter 257 as of June 30, 2016.

The Collaborative interpreted the settlement agreement to require that the 3.75% increase received in FY '16 be annualized and included in the base going forward for Tier 3 rates that remain unset in accordance with Chapter 257. The Commonwealth, however, asserted the 3.75% payment made to you in FY '16 was a one-time payment and should not be added to the base of contracts. Rather, FY '17 contracts would be adjusted over FY '15 rates solely by a Cost Adjustment Factor (CAF) of 1.137%. During the past many weeks, the Providers' Council, ABH, ADDP and the Children's League have continued to work with EOHHS regarding this issue with Tier 3 rates.

FY '17 Resolution

EOHHS maintains that its interpretation of the agreement is correct, but has offered an alternative 2.5% CAF in lieu of the previously offered 1.137% CAF.

Guided by our member represented Steering Committee and in consultation with counsel, *The Collaborative* has accepted the Administration's offer of a 2.5% CAF.

We've been advised that contract amendments reflecting the 2.5% CAF will be sent out the week of Labor Day.

FY '17 Impact

In the meantime, please consider what adjustments you may need to make to programs to accommodate this rate from the state. Please discuss these adjustments and information with your purchasing agency in regard to the level of service you'll be able to provide and/or how the quality of such services may be affected due to the rate reduction.

FY '18 and Beyond

The agreement for judgment expires on June 30, 2017. If Tier 3 rates are not set pursuant to Chapter 257 by that date, rate resolution must be sought through a separate agreement or in court.

The Collaborative's acceptance of the 2.5% CAF this year in no way impacts our ability to pursue legal action should the state fail to comply with deadlines established in the agreement for judgment.

For reference, the Tier 3 rates, activity codes and categories are:

- DMH
 - Program of Assertive Community Treatment (3031)
 - Respite Care Services (3048)
 - Recovery Learning Community (3014)
 - Adult Contracted Inpatient (3090)
 - Day Services (3068)
 - Community Based Flexible Supports (3054)
 - Individual Support (3056)
 - Community Rehabilitative Support (3059)
- DDS
 - Emergency Stabilization Residence (3182)

- Clinical Team - Mental Health Evaluations (3170)
- Corporate Rep Payee (3274)
- DCF
 - FBS Clinical (FBSC)
 - Young Parent Support; Community Connections (FBSS)
 - Comprehensive Emergency Services (CSSE)
 - Protective Investigations (CSSI)
 - Residential Shelter (RESS)
 - DV Community Based (DVCB)
 - Family Network Lead Agency (FNLA)
- DYS
 - Alternative Lock-Up (2507)
- MCD
 - Independent Living Service (2451)
- MRC
 - VR Independent Living (2208)
- DPH
 - Teen Pregnancy Prevention (3438)
 - Recovery High School (4927)
 - Environmental Health Assessment (4828)
 - SASI - Substance Abuse Shelter for Individuals (3389)
 - BSAS Supportive Case Management (4956)
 - Tewksbury Stabilization and Transportation (3329)
 - Youth Search (3382)
 - Youth Intervention Programs (4936)
 - Office Based Opioid Treatment Services (4929)
 - Batterer Intervention Program (3486)
 - Sexual Assault Prevention & Services (3361)
 - LGBT Domestic Violence Response (4785)
 - Refugee and Immigrant Safety (4749)
 - HIV/AIDS Corrections to Community Reintegration program (4915)
 - OHA HIV/AIDS Case Management and Health Related Support (4955)
 - HIV Prevention, Testing and Referral Services (4950)
- ELD
 - Guardianship (8010)
 - Money Management Assistance (8005)
- DTA
 - ESP - Young Parents Program (2833)

If you have any questions about this action, please feel free to contact one of us listed below.

Sincerely,

Michael Weekes, Providers' Council
 Vic DiGravio, ABH
 Gary Blumenthal, ADDP
 Erin Bradley, Children's League

And *The Collaborative* Steering Committee members:

Ellen Attaliades
 Bruce Bird
 Scott Bock
 Karen Jeffers
 Bill Lyttle
 Jane Phelps
 Andy Pond
 Bill Sprague
 Katherine Wilson

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