



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

Implementing Chapter 257

Running Toward A Brighter Tomorrow

by Joshua Komyerov

Special to The Collaborative

PART TWO

A Long Race Worth Enduring

Qualifying to Run

In 2008, when Chapter 257 was approved by the Legislature and signed into law by Governor Patrick, it was tempting to declare victory. After all, a decade in the making, passing Chapter 257 - the landmark human services rate-setting reform legislation - felt like finishing the Boston Marathon.

But if getting Chapter 257 officially on the books was a milestone on the road to running a marathon, it was not akin to completing the 26.2 miles; *we had merely qualified for the race.*

Today, more than three years on, we still haven't finished the gargantuan task of restructuring the \$2.6 billion industry as prescribed by Chapter 257, but we have left the starting gate and a steady wind is at our backs. This



Passing Chapter 257 was akin not to completing a marathon, but to qualifying for it.

Implementing Chapter 257, Part Two

In this series, *The Collaborative* examines what the passage of the landmark Chapter 257 law will mean for the human services industry in Massachusetts once it is implemented. This article is the second of three parts.

Chapter 257 Links

[Mass. Information Site](#)

[Implementation Plan](#)

[Meetings and Events](#)

[The Bill](#)

[Executive Order No. 536](#)

progress is evidenced by the significant accomplishments we've made over the past year, most recently in the Governor's FY13 budget proposal. For the first time, Governor Patrick included in his spending plan at least partial funding for provider rate increases mandated by Chapter 257.

This step in the right direction is further proof that the governor and his Administration are more actively engaged in implementing rate reform.

Visualizing Victory

As with any test of endurance, marathoners know that one of the best ways to reach the finish line is to visualize having done it. That said, as we enter the grueling mid-section of *OUR* marathon, let us together imagine what victory feels and looks like. In other words, let's envision the human services industry in five years, when, because of our diligence and yours, the Commonwealth's rate-setting system is completely restructured.



The year is 2017. Here at the finish line, everything is different. Immediately, we are struck by how the industry has changed:

- Employees, now paid fair wages, go about their jobs with pride and pleasure. They are confident, in a way they couldn't be before, that the state has finally joined with their employers to value what they do.
- Programs are thriving. Providers now have fair contracts whose funding accurately reflects the costs of doing business. As a result, they are better able to provide the highest-quality services and better individual outcomes.
- The system is fully functional and efficient. All gears are operating smoothly, which relieves the strain that sometimes permeated the relationship between providers and the state.

The old system is nowhere in sight. We have left in the dust the practice of individually negotiating rates with no standard protocol. No more are the multiple contracts with the same providers across agencies. Somewhere between Hopkinton and Boston, we have dispensed with the insultingly low

What is the Collaborative?

The Collaborative is a coalition of the state's three major human service provider trade groups. They joined forces a decade ago primarily to champion rate-setting reform and ensure a bright future for the industry. Its members include [The Providers' Council](#), [The Association for Behavioral Healthcare](#) and [The Association of Developmental Disabilities Providers](#).

wages for direct care workers.

The View from the Podium

Now, as we stand on the winner's podium, we have a bird's eye view of the human services industry. From that vantage point, we notice a remarkable change.

Before the race, purchasing departments from any number of agencies would negotiate their own rates, a haphazard process that resulted in a confusing and confounding web of contracting requirements, reimbursement rules, and reporting timelines.

But after the restructuring, the entire system is streamlined, all rates determined jointly by the Division of Health Care Finance & Policy and the Executive Office of Health & Human Services using a standardized comprehensive analysis of cost and value, clear performance and quality benchmarks, and adjustments to account for cost changes over time. Rates are fair and adequate for all services.



The view from the winner's podium is enlightening

The difference is phenomenal.

The state-provider relationship, which was often tarnished by tension, is now defined by mutual respect and collaboration.

Next, we work our way through the crowd, where we are able to examine the nuts and bolts of the new system. We notice that the state, when setting reimbursement rates, is doing what has always made eminent sense, but had never been done. It routinely takes into account all the costs incurred by providers, calculating the price of specific governmental mandates, factoring in changes associated with inflation or deflation, and adjusting for geographic differences in the cost of delivering services.

Upon further inspection, we take note of the shrewdness that was required to set up such a streamlined rate-setting system from the ground up. First, the state created from scratch a new POS Classification System, one that makes wide use of cross-secretariat master agreement contracts. Second, it organized POS programs into groups of similar programs across the secretariat by common service populations, cost drivers, type of service delivery location, and intended outcomes. Finally, it built in flexibility by allowing each

"Service Class" to have multiple rates in order to accommodate the varying levels of service intensity and unique program characteristics.

Next Installment: What's At Stake

Nobody ever said that running a marathon would be easy. And that's exactly the point. Reforming the state's entire human services rate-setting scheme is indeed a daunting feat, but one that in the end will be well worth the pain and effort.

In the last of this three-part series, we will take a step back to consider what's at stake and why completing this race is so critical for the human services industry and the Commonwealth as a whole.

Joshua Komyerov is the Director of Strategic Online Communications & Operations for the [Massachusetts Down Syndrome Congress](#) and an Arlington-based non-profit consultant. He can be reached at jmyerov@gmail.com