



The Campaign to STRENGTHEN HUMAN SERVICES

IMPROVE CARE • RETAIN QUALITY STAFF
ENHANCE ECONOMIC IMPACT

CHAPTER 257 WATCH

Dispelling the Myths

Clouds on a Bright Horizon

For close to five years, *The Collaborative* has maintained a singular focus to make passage and implementation of the landmark Chapter 257 law a reality.

Signed into law by Governor Patrick and approved unanimously by the Massachusetts legislature in 2008, the rate-setting legislation is designed to restore the fiscal stability of the provider community by ensuring that the state pays fair and adequate reimbursement rates to providers.

Four years later, the goal remains the same: ensure fair and adequate reimbursement rates for provider organizations caring for the most vulnerable residents of Massachusetts.

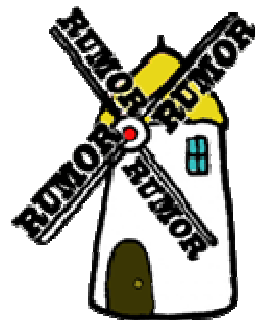
As is perhaps inevitable, however, with complex legislation like Chapter 257, it has sometimes been difficult to separate myth from reality.

Undone by the Myth-Making Factory

Perhaps you have heard the myths yourself:

- Chapter 257 mandates that human service programs must be redesigned before rates are set.
- Chapter 257 requires, as part of the rate-setting process, that state agencies re-procure all services.
- Chapter 257 forces component pricing when rates are set and also mandates the implementation of Master Service Agreements.

The reality is that Chapter 257 is about setting fair and adequate rates - nothing more, nothing less.



Dangerous Combination: the myth-making factory and the rumor mill

Chapter 257 Watch

In this ongoing series, *The Collaborative* offers the latest developments as the state proceeds with implementing the landmark Chapter 257 law and examines what implementation will mean for the human services industry in Massachusetts.

Chapter 257 Links

[Mass. Information Site](#)

[Implementation Plan](#)

[Meetings and Events](#)

[The Bill](#)

[Executive Order No. 536](#)

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

Here's a quick guide to help bust some of the myths around Chapter 257:

include [The Providers' Council](#), [The Association for Behavioral Healthcare](#) and [The Association of Developmental Disabilities Providers](#)

The Program Redesign Myth

Myth #1: Chapter 257 mandates that the *Executive Office of Health & Human Services* and other state agencies redesign human service programs as part of the rate-setting process.

Reality: NOT TRUE. For a number of reasons, state agencies - *of their own initiative* - have decided to redesign programs. These decisions, however, have nothing to do with Chapter 257. The Commonwealth is NOT required to redesign program models in order to set rates. There is no such legal mandate under Chapter 257.

The Re-Procurement Myth

Myth #2: Chapter 257 mandates that EOHHS and other state agencies re-procure services as part of the rate-setting process.

Reality: NOT TRUE. State mandates to re-procure services are already on an existing timetable. That schedule is governed by other pre-existing rules and regulations, which were created before Chapter 257. In fact, Chapter 257 itself says nothing about having to re-procure services as part of setting rates.

The Component Pricing Myth

Myth #3: Chapter 257 requires component pricing when setting rates.

Reality: NOT TRUE. In no way does Chapter 257 require what unit the Commonwealth uses as a reimbursement rate, including component pricing. It is the Commonwealth, and only the Commonwealth - through its Division of Health Care Finance & Policy - that determines whether to reimburse using component pricing or another model, like - in the case of DMH Clubhouses - a day rate.



The state alone decides whether to implement component pricing

The Master Service Agreement Myth

Myth #4: Chapter 257 compels the state to implement

Master Service Agreements.

Reality: NOT TRUE. Plain and simple, Chapter 257 only mandates that the state pay fair and adequate reimbursement rates to providers. In instances when EOHHS has put MSA's in place in conjunction with setting new rates, this decision was made entirely by EOHHS.

The "Extraordinary Services" Myth

Myth #5: Chapter 257 eliminates the state's ability to reimburse for extraordinary services to certain populations because all services are in one blended rate.

Reality: NOT TRUE. While Chapter 257 will encourage more rational rates, the law in no way limits the state's ability to pay for services to populations that have special or extraordinary needs.

Setting the Record Straight

It's important that we set the record straight about these myths with our friends and colleagues in the provider community and state government. If we don't, we risk undermining Chapter 257's credibility.



In the case of Chapter 257 implementation, myth-making is a dangerous game indeed.

The reality is that implementing Chapter 257 is essential to the survival of our human services industry - an industry that serves one in ten residents of the Commonwealth.

The new law is producing increased transparency and consistency in the rate-setting process, but we still have a long way to go to achieve our ultimate goal of fair and adequate reimbursement rates.

In the meantime, we cannot allow the myths that have built up around Chapter 257 to derail us because the reality is much different than what some would have us believe.

That's the truth.

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