

**Commonwealth of Massachusetts
Executive Office of Health and Human Services**

NOTICE OF PUBLIC HEARING

Under the authority of M.G.L. c. 118E and in accordance with M.G.L. c. 30A, the Executive Office of Health and Human Services (EOHHS) will hold a remote public hearing on Friday, May 29, 2026, at 10:00 a.m. relative to the adoption of amendments to the following regulation.

101 CMR 432.00: Rates for Certain Lead Agency Services

The proposed regulation contains rates effective for dates of service on or after January 1, 2027. There is no fiscal impact on cities and towns.

101 CMR 432.00 governs the payment rates for certain lead agency services provided to publicly aided individuals by governmental units. The Department of Children and Families (DCF) purchases services governed by these regulations.

Pursuant to M.G.L. Chapter 118E, Section 13D (f/k/a Chapter 257 of the Acts of 2008), EOHHS is required to establish, by regulation, and biennially review the rates to be paid by governmental units for social service programs. In accordance with this statutory requirement, the lead agency rates established at 101 CMR 432.00 are being updated to include an increase by a cost adjustment factor (CAF) of 3.00%, effective January 1, 2027. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2025 Forecast, baseline scenario data. The CAF reflects the period between the rates' base period (calendar year 2026 Q2) and the prospective period of fiscal years 2027 and 2028. In addition to the FY26 CAF, the rates for all services have been updated to include all staff salaries, benchmarked to the most recent Massachusetts Bureau of Labor Statistics (BLS) wages dated May 2024 at the 53rd percentile. The administrative allocation has been benchmarked to 12% and the tax and fringe rate has been benchmarked to 24.97%. This benchmark is derived from the MA Comptroller's FY25 approved rate less terminal leave and retirement.

The estimated fiscal impact of the proposed amendments to 101 CMR 432.00 for the second half of FY27 is \$3.432 million. DCF has this built into their operating budget so there is no anticipated additional draw from the Chapter 257 Reserve Account.

To register to testify at the hearing and to get instructions on how to join the hearing online, go to www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings. To join the hearing by phone, call (646) 558-8656 and enter meeting ID 935 397 8200# when prompted.

You may also submit written testimony instead of, or in addition to, live testimony. To submit written testimony, please email your testimony to ehs-regulations@mass.gov as an attached Word or PDF document or as text within the body of the email with the name of the regulation in the subject line. All written testimony must include the sender's full name, mailing address, and organization or affiliation, if any. Individuals who are unable to submit testimony by email should mail written testimony to EOHHS, c/o D. Briggs, 100 Hancock Street, 6th Floor, Quincy, MA 02171. Written testimony will be accepted through 5:00 p.m. on Friday, May 29, 2026. EOHHS specifically invites comments as to how the amendments may affect beneficiary access to care for MassHealth-covered services.

To review the current draft of the proposed regulation, go to www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings or request a copy in writing from MassHealth Publications, 100 Hancock Street, 6th Floor, Quincy, MA 02171. To view or download related supporting materials, go to www.mass.gov/info-details/proposed-regulations-supporting-materials.

Special accommodation requests may be directed to the Disability Accommodations Ombudsman by email at ADAaccommodations@mass.gov or by phone at (617) 847-3468 (TTY: (617) 847-3788 for people who are deaf, hard of hearing, or speech disabled). Please allow two weeks to schedule sign language interpreters.

EOHHS may adopt a revised version of the proposed regulation taking into account relevant comments and any other practical alternatives that come to its attention.

In case of inclement weather or other emergency, hearing cancellation announcements will be posted on the MassHealth website at www.mass.gov/info-details/executive-office-of-health-and-human-services-public-hearings.

May 8, 2026

Small Business Impact Statement (As required by M.G.L. c. 30A §§ 2, 3 & 5)

CMR No and Title: 101 CMR 432.00: Rates for Certain Lead Agency Services

Estimate of the Number of Small Businesses Impacted by the Regulation: 15

- Will small businesses have to create, file, or issue additional reports?
No. Small businesses will not have to create, file, or issue additional reports as a result of the proposed regulation.
- Will small businesses have to implement additional recordkeeping procedures?
No. Small businesses will not have additional responsibilities to keep records as a result of the proposed regulation.
- Will small businesses have to provide additional administrative oversight?
No. Small businesses are not required by this regulation to provide additional administration oversight as a result of the proposed regulation.
- Will small businesses have to hire additional employees in order to comply with the proposed regulation?
No. This regulation does not require small businesses to hire additional employees to remain in compliance.
- Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?
No. Small businesses are not required by this regulation to hire other professionals.
- Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?
No. This regulation does not require small businesses to purchase any particular product or make any capital investments.
- Are performance standards more appropriate than design/operational standards to accomplish the regulatory objective?
(Performance standards express requirements in terms of outcomes, giving the regulated party flexibility to achieve regulatory objectives and design/operational standards specify exactly what actions regulated parties must take.)
No. The regulation is required by statute under M.G.L. Chapter 118E, Section 13D, and establishes the rates to be paid by governmental units to providers of certain social service programs.
- Do any other regulations duplicate or conflict with the proposed regulation?
No regulations duplicate or conflict with this regulation.
- Does the regulation require small businesses to cooperate with audits, inspections or other regulatory enforcement activities?
Yes. The regulation requires providers to periodically file cost data to enable EOHHS to develop rates for certain social service programs. This cost reporting requirement is applied uniformly to all providers to enable EOHHS to develop accurate rates that reflect cost data from all providers.
- Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements?
No. This regulation does not require small businesses to provide educational services to keep up to date with the regulatory requirements.
- Is the regulation likely to *deter* the formation of small businesses in Massachusetts?
No. The regulation is not likely to deter or encourage the formation of small businesses in Massachusetts as this regulation establishes rates by which providers of certain social service programs are to be paid when services are purchased by governmental units.
- Is the regulation likely to *encourage* the formation of small businesses in Massachusetts?

No. The regulation is not likely to deter or encourage the formation of small businesses in Massachusetts as this regulation establishes rates by which providers of certain social service programs are to be paid when services are purchased by governmental units.

- Does the regulation provide for less stringent compliance or reporting requirements for small businesses?
No. The regulation contains requirements to report cost data to EOHHS to enable EOHHS to develop rates for certain social services. This cost reporting requirement is applied uniformly to all providers to enable EOHHS to develop accurate rates that reflect cost data from all providers.
- Does the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses?
No. The regulation contains requirements to report cost data to EOHHS to enable EOHHS to develop rates for certain social services. The time frame for cost reporting is applied uniformly to all providers to enable EOHHS to timely develop accurate rates that reflect cost data from all providers.
- Did the agency consolidate or simplify compliance or reporting requirements for small businesses?
No. The agency did not consolidate or simplify compliance or reporting requirements for small businesses. The requirement to report cost data to EOHHS is applied uniformly to enable EOHHS to timely develop accurate rates that reflect cost data from all providers.
- Can performance standards for small businesses replace design or operational standards without hindering delivery of the regulatory objective?
No. The establishment of rates for certain social service providers by regulation is a statutory requirement under M.G.L. Chapter 118E, Section 13D.
- Are there alternative regulatory methods that would minimize the adverse impact on small businesses?
No. The regulation does not have an adverse impact on small businesses. The regulation establishes rates by which certain social service providers are to be paid when services are purchased by governmental units. The establishment of rates for these social services by regulation is a statutory requirement under M.G.L. Chapter 118E, Section 13D.