



Proposed Regulation 101 CMR 350.00 Rates for Home Health Services

Written Public Comment

Submitted by: Home Care Alliance of Massachusetts

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Introduction

The Home Care Alliance of Massachusetts (the “Alliance”) submits this testimony in response to the Executive Office of Health and Human Services’ proposed amendments to 101 CMR 350.00, which would maintain MassHealth home health services rates at their current levels established in 2023.

The Alliance represents over 200 home health, home care, and hospice providers serving MassHealth members across the Commonwealth. Our members account for the vast majority of services delivered and they support individuals with complex medical, behavioral health, and long-term care needs and are essential infrastructure for the state’s health care system.

The Alliance acknowledges that this year’s rate proposal comes at a uniquely challenging moment for the Commonwealth. With state revenue uncertainty, and forthcoming federal cuts to MassHealth—we submit these comments with collaborative intent, but clear in our principle that services provided in the community serve as budgetary savers and essential to long term cost-containment for the overall health care system.

In this environment, flat funding of home health services under 101 CMR 350.00 is not fiscally neutral. It is a missed opportunity to strengthen one of the most cost-effective assets available to the Commonwealth. Strategic investment in home health reimbursement is not simply a workforce issue—it is a statewide cost-containment strategy, without which Massachusetts will face higher overall spending in hospitals, nursing facilities, and emergency settings.

Proposed Regulation 101 CMR 350.04 Rates of Payment for Home Health Services:

Home Health Services Rate Codes: G0299, G0300, G0299-UD, G0300-UD, T1502, T1503, 99058, G0151, G0152, G0153, G0156, G0156-UD, G0493

Overview

As proposed, maintaining the current rate schedule in 101 CMR 350.00 amounts to a payment reduction operationally. If finalized, this will shift home health provider strategies from a posture of growth to a posture of contraction and survival as their margins are further pressured. From 2020 to 2023, MassHealth commendably invested significantly into this rate schedule through temporary and, eventually, permanent rate enhancements. Because so much of that investment was clouded by unusual circumstances imposed by the public health emergency, it is still worth considering the positive impact it had on provider operations. Not only did these investments help to maintain access and alleviate facility-based capacity throughout the pandemic, they enabled providers to better compete for workforce as we emerged. In fact, the home health workforce grew faster nationally in May 2024 than any other month in history.¹ This illustrates that demand for services in the post-pandemic era drove the need to hire, and investments in the industry across the country enabled such hiring.

However, access to care challenges persist and pressures on home health providers should alarm EOHHS and the broader healthcare delivery system. Increases to the cost of delivering care, and broader economic inflationary factors will have a significant impact on MassHealth members and the providers who care for them if the regulation is adopted as proposed.

Access to Care & State of the Workforce

Since the February 2023 public hearing on this regulation, the home health industry has remained in a fragile state, facing persistent structural challenges. Inadequate reimbursement across all payers places significant downstream pressure on provider operations, limiting providers' ability to offer competitive compensation, increasing productivity demands, and exacerbating administrative and regulatory burdens. These pressures hinder workforce recruitment and retention ultimately affecting the broader health care system and the Commonwealth's health care budget.

State of the Workforce

Workforce shortages across the state and country persist across all industry sectors. There is a significant focus and concentration in shortage within the health care sector, including

¹ 2024 The Evolution of Care: An Annual Care Delivery Report from Wellsky

our industry. While some of these shortages have improved in recent years, it remains an existential threat to our ability to care for a rapidly aging population. In addition, uncertainty around federal immigration policy has unnecessarily impacted hiring and retention of our dedicated workforce, of which is a high percentage of foreign-born workers.

It is important to provide the scope of the home health nursing workforce. According to the CHIA Integrated Nursing Dashboard, there are 5,004 registered nurses who indicate their primary practice setting as home health. This represents 9.26% of the overall nursing workforce in Massachusetts, and is the third highest setting. Home health LPNs represent a little over 18 percent of the LPN workforce, with 1,152 LPNs listing home health as their primary practice setting.²

Currently, according to 2025 Massachusetts data, turnover and vacancy rates among our workforce is as follows:³

Annual Turnover/Vacancy Rates

The following are the average annual turnover and vacancy rates as submitted by survey participants in Massachusetts.

	Turnover Rate %	Vacancy Rate %
Top Level Executives	--	--
RNs	21.62	14.09
LPNs/LVNs	23.40	14.79
Home Care Aides	24.69	14.27
Therapists	16.71	--
Social Workers	--	--
Administrative Support Staff	20.64	--
All Employees	21.76	14.69

The CHIA Integrated Nursing Dashboard reports the leading cause for turnover is lack of competitive salary/benefits. The second cause is burnout.⁴

This demonstrates an industry plagued by high turnover rates and vacancy rates. And according to BLS data, the home health and personal care aide employment is projected to grow 17 percent from 2024 to 2034, with more than 760,000 job opening annually.⁵

² 2026 CHIA Integrated Nursing Dashboard

³ 2025 Hospital & Health Care Compensation Service Home Care Salary & Benefits Report

⁴ 2026 CHIA Integrated Nursing Dashboard

⁵ U.S. Bureau of Labor Statistics. (2025). *Home health and personal care aides: Occupational outlook handbook*. U.S. Department of Labor.

Unfortunately, Massachusetts School of Nursing enrollment was just over 7,300 students in 2024. In 2019, 9,072 students were enrolled in Massachusetts nursing school programs.⁴

The path forward in solving this issue is multi-faceted, and includes adequate reimbursement which enables competitive compensation, career development, workplace safety and care delivery expectations focused on patients – not paperwork - to improve job satisfaction.

Until we address this issue, access to care issues will persist.

Access to Care

Referrals to home health continue to increase, up 4.6 percent since last year. By comparison, referrals to Skilled Nursing Facilities remained flat.⁶ Facilities, and patients, are referring services to the community at higher rates than ever, putting pressure on home health providers and leading to an increase in referral denials compared to pre-pandemic trends. Home health referral acceptance rates are still below 40 percent, meaning that 6 in 10 referrals to home health services are denied.

In Massachusetts, a December 2025 Massachusetts Health and Hospital Association (MHA) Throughput Report found that 746 patients were awaiting discharge in Massachusetts hospitals statewide. Of those, 198 patients were awaiting discharge to home health (26 percent of all patients).⁷ In 2023, when the Alliance last submitted comments on this regulation 891 patients were awaiting discharge, 200 to home health (22.4 percent of all patients).⁸ While these reports encompass patients with all insurances, it makes clear that access challenges remain, and in the context that home health referrals are increasing.

A recent Home Care Alliance survey shows that nearly half of referral denials are due to staffing shortages. Agencies also reported that additional driving factors such as ‘unable to accommodate frequency or duration of services’ were prominent. This affirms that staffing shortages, paired with an increase in patient acuity is posing challenges for home health providers in accepting new referrals.

There are also indications that providers are terminating contracts with more and more managed care entities (Medicare Advantage, Managed Medicaid) due to the insufficient reimbursement and administrative burdens. This all mounts to a dire situation for the Commonwealth and its residents who continue to experience access to care challenges

⁶ 2025 The Evolution of Care: An Annual Care Delivery Report from Wellsky

⁷ December 2025 Massachusetts Health and Hospital Association (MHA) Throughput Report

⁸ January 2024 Massachusetts Health and Hospital Association (MHA) Throughput Report

across the healthcare continuum. When access to healthcare services at home is limited, patients experience complications from chronic disease – initiating higher-cost facility presentations and admissions.

Increased Cost of Care Delivery & Proposed Rates in 101 CMR 350.04:

Since July 2023, when this regulation was last adjusted, prices in the United States have increased approximately 7.1 percent based on changes in the U.S. Bureau of Labor Statistics (BLS) Consumer Price Index (CPI-U).⁹ Simply put, any adjustment (or lack of adjustment) to the rate schedule less than the inflationary rate is a payment cut.

Like all Massachusetts residents, the price we paid for goods in July 2023 was generally less than the cost it will be when this proposed regulation goes into effect. It is painfully difficult for healthcare providers to sustain operations, let alone grow, when costs continue to increase – but reimbursement remains stagnant.

Importantly, we point out a few key direct and indirect costs that have significant implications to provider operating margins:

Registered Nurse (RN)/Licensed Practical Nurse (LPN) Wages:

- According to BLS, registered nurse wages in Massachusetts increased by approximately 5 to 6 percent since 2023.¹⁰ LPN wages have increased approximately 6 to 7 percent.¹¹

Home Health Aide Wages:

- According to BLS, Home Health Aide wages in Massachusetts have increased by approximately 8 to 9 percent since 2023.¹²
- The Alliance also highlights wages for Personal Care Attendants (PCA) in the PCA program. A new-hire PCA can start at \$20/hour. A PCA with seniority can make \$22.40/hour. And as of January 2026, PCA's now have the opportunity to make \$25.65/hour with a Complex Care Differential.¹³ This is not to disparage PCAs, but instead to raise significant concern that the reimbursement for Home Health Aide services under 101 CMR 350.04 is near impossible to compete with PCA wages in 101 CMR 309.00. It is also notable

⁹ U.S. Bureau of Labor Statistics, *Consumer Price Index for All Urban Consumers (CPI-U), U.S. city average*. The CPI-U increased from 305.691 in July 2023 to 327.460 in February 2026, representing a cumulative price increase of approximately 7.1 percent over that period.

¹⁰ U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics (OEWS), Registered Nurses (SOC 29-1141), Massachusetts*

¹¹ U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics (OEWS), Licensed Practical and Licensed Vocational Nurses (SOC 29-2061), Massachusetts*

¹² U.S. Bureau of Labor Statistics, *Occupational Employment and Wage Statistics (OEWS), Home Health and Personal Care Aides (SOC 31-1120), Massachusetts*

¹³ Massachusetts Executive Office of Health and Human Services, MassHealth Personal Care Attendant Program wage schedules, 101 CMR 309.00, Administrative Bulletins and Collective Bargaining Agreement effective 2023–2025.

that a PCA can start just slightly below the average home health aide wage in Massachusetts, which is \$23.12/hour,¹⁴ with only 4 hours of mandatory training and no annual ongoing training requirement. This compares to 75 hours of home health aide training and 12 hours of annual ongoing training required. As the PCA regulation and wage schedule is under negotiation, the Alliance strongly urges MassHealth to consider that these factors and any further wage compression among this portion of our workforce will continue to deplete the home health aide workforce.

Payroll Taxes, Health Insurance/Benefits:

- With steady wage growth, payroll tax exposure increases accordingly. This increase applies to direct care staff and operational staff. Per the *Centers for Health Information And Analysis (CHIA) Annual Report on the Health Care System*, health insurance premiums rose over 4 percent from 2023 to 2024.¹⁵

Mileage Reimbursement:

- Since 2023, the Internal Revenue Service business standard mileage rate increased from 65.5 cents per mile to 70.0 cents per mile, 6.9 percent.¹⁶

Technology Investments:

- Home health agencies continue to make investments in technology. These include Electronic Health Record (EHR) systems, cybersecurity, etc. These investments are critical to modernizing health care delivery, but also necessary, and in some cases mandated, to optimize efficiencies in a strained reimbursement environment and remain compliant.
- It is also important to note, that since MassHealth initiated implementation of Electronic Visit Verification (EVV), providers have seen drastic increases to technology costs. This is in the form of new technology, integration and configuration costs and new full-time staff dedicated to managing EVV. These are mandated costs.

Administrative Staff, Contract Management, Compliance:

- An often-underappreciated aspect to care delivery are administrative staff. First, it is important for MassHealth to understand that wages and compensation for administrative staff have increased at similar paces to direct-care staff. As wages for direct-care staff increased, administrative

¹⁴ 2025 Hospital & Health Care Compensation Service Home Care Salary & Benefits Report

¹⁵ [CHIA Annual Report on the Health Care System](#)

¹⁶ Internal Revenue Service, *Standard Mileage Rates*, business use.

personnel reasonably expected similar compensation adjustments. It is equally important that the Department understand that reimbursement under this regulation is utilized by providers to cover indirect costs (such as administrative staff wages).

- Home health agencies are lean and efficient organizations, and it is impossible to operate a certified home health agency without these essential employees. Providers must employ staff across different departments to remain compliant with state and federal regulations. In addition, the payer landscape requires full-time employees to manage contracts, payer relations, quality reporting, audit and surveys, etc. The Alliance cannot emphasize enough the increase in administrative time and burden home health providers are dedicating to managing its payer mix. While this is not unique to our sector, it is steadily shifting provider operations from a patient-focused system to a payer-focused system. These are not issues that will be solved within this regulation, but they *are* issues that must be considered by the State in making rate schedule decisions for this regulation.

Social Worker Rates

Lastly, as it relates to the fee-for-service rate schedule. As proposed in the regulation and 101 CMR 403, the Department is proposing a Value-Based Payment (VBP) program. As part of that program, MassHealth is enabling the provision of social worker services by a Masters of Social Worker (MSW) professional. We are encouraged that the department is recognizing the value and importance of access to social worker services for this population. Nurses, LPNs, and agency staff have filled this gap for years, which as we have commented in the past – is outside of their professional expertise. But it is necessary in supporting the patients they care for.

We are flagging concern, however, that the department is not proposing a corresponding rate for social worker services under the fee-for-service schedule. This would mean that MassHealth members receiving home health services under fee-for-service would not have access to these services that MassHealth members eligible for the VBP program have. **We strongly urge MassHealth to consider amending the proposed regulation to open access to social worker services for all MassHealth members receiving home health services by promulgating a rate for social worker services.**

Value Based Payment (VBP) Proposed Rates in 101 CMR 350.04:

99600 VBP Rate-1, 99600 VBP Rate-2

The proposed regulation, and corresponding agency regulation at 101 CMR 403.00, introduces a VBP program. First, the Alliance wants to commend MassHealth for its innovative approach to care delivery. It is our understanding that this pilot program would be the first VBP model of its kind across the country. We also appreciate the Department's willingness to engage our association and several member agencies in development of this program. We have long advocated for alternative payment models across all payers, including MassHealth home health services. Fee-for-service care delivery poses reimbursement challenges and administrative burdens, all while shifting focus away from patient care and outcomes.

Patient Cohort

As proposed, the anticipated cohort of patients included in this pilot program is narrow and represents a small percentage of the overall MassHealth member population receiving home health services. Furthermore, we raise concerns that the anticipated cohort represents the most highly acute, and high-utilizers of care. This will pose challenges to the success of the pilot program and will prevent MassHealth and its provider stakeholders from fully understanding the potential that a broader VBP model of care can offer.

As the department knows, VBP operates on the basis of outcomes, not volume of services. Operationally, this means that providers are given flexibility in managing their patient population as they see necessary. Home health agencies may need to increase visit frequency for certain patients to improve outcomes while reducing frequency for other patients if it is safe, appropriate and would improve outcomes.

From a financial perspective, VBP succeeds when the available patient population has a wide range of needs – so that providers can operate with this flexibility to improve overall outcomes. But as proposed, the patient cohort includes high-utilizers and highly acute patients, limiting that provider flexibility.

In conclusion, **we strongly urge MassHealth to broaden the population cohort to include more MassHealth members. Or, MassHealth should reconsider the Clinical Eligibility Criteria in 101 CMR 403.00, so that the piloted cohort is more representative of the overall MassHealth population.**

Proposed VBP Rates

Because of the patient cohort concerns just discussed, we raise flag additional concerns regarding the feasibility of the proposed rates for VBP Rate 1 and VBP Rate 2. First, these rates are well below the average Medicare home health reimbursement per patient in Massachusetts, which averages 20 visits per patient. As noted above, the proposed population cohort typically averages far more than 20 visits per month. This in itself will

create challenges for home health agencies to operational true VBP care delivery – and strain our shared goal of expanding access to therapy, aide and social worker services.

As proposed, the 99600 VBP Rate-2 (\$3,286 PMPM) is more than \$1,000 per month below current FFS reimbursement for members requiring twice-daily medication administration—a reduction of approximately 23 percent. This creates a fundamental disconnect between payment and the intensity of medically necessary services already authorized by MassHealth. As structured, the proposed rate is not financially sustainable.

Conclusion on Proposed VBP Rates

The Alliance, urges MassHealth to consider the following:

1. **Reconsider the targeted patient cohort** to include a broader and more representative segment of the overall MassHealth population. Without doing so, the operational feasibility of the VBP pilot program as proposed will face significant challenges.
2. **Consider increasing the PMPM capitations.**
3. **Consider case-mix adjustments or outlier protections** which would enable providers the ability to address patient needs as they arise unexpectedly. As providers are carrying significant risk under VBP programs, these mechanisms would provide assurances that MassHealth members would maintain access to the full array of VBP services as necessary.

Although these recommendations may appear to increase short-term expenditures for this patient population, they must be evaluated within the broader objective of improving outcomes and reducing overall health care costs. Strategic investment in MassHealth members' care in community-based settings not only supports better patient outcomes, but also generates significant cost savings for the Commonwealth when compared to far more expensive facility-based care.

Overall Conclusion

The Alliance recognizes the complex budgetary pressures confronting the Commonwealth. However, difficult fiscal conditions present an opportunity to invest in home-based care, which offers both short- and long-term cost containment for the overall health care system in Massachusetts.

Home health services are a critical component of the MassHealth continuum, supporting access for medically complex individuals, older adults, and those who depend on care delivered safely in the community. Leaving fee-for-service rates unchanged—particularly

in the face of sustained inflation, rising labor costs, and ongoing workforce shortages—threatens provider stability and risks further constraining access to care. We urge EOHHS to reconsider maintaining home health fee-for-service rates at current levels and instead promulgate adjustments that meaningfully reflect cost-of-living increases and the true cost of delivering care. Without such action, providers will continue to face workforce erosion and operational strain, ultimately increasing reliance on higher-cost institutional settings.

While targeted and reasonable rate adjustments may increase near-term expenditures, home health services remain a proven asset to cost containment—preventing avoidable hospitalizations, delaying or avoiding facility placement, and enabling MassHealth members to receive appropriate care at a lower total cost. In a difficult fiscal era, investment in home- and community-based services is not an expansion of costs, but a strategy to manage them responsibly.

We also appreciate the Administration’s focus on value-based purchasing and support the movement toward payment models that reward quality, efficiency, and improved outcomes. As outlined in our recommendations, MassHealth should reconsider its approach to this pilot program and broaden the patient cohort to be more representative of the overall MassHealth home health population. This would provide a more accurate assessment of the feasibility and success of VBP, improve fairness for MassHealth members, and better reflect the operational realities for home health agencies participating in the program. In addition, the proposed VBP rates should be reconsidered to more accurately reflect the needs of this patient cohort, particularly in the context of providing a broader range of services.

We deeply appreciate our partnership with MassHealth and look forward to continued collaboration toward the shared goal of serving as many MassHealth members in the community as possible.

Sincerely,

Jake Krilovich
Chief Executive Officer
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