



Understanding Chapter 257: Pay Rates for Human Service Providers March 2025

Chapter 257 is a Massachusetts law passed in 2008, implemented by the Executive Office of Health and Human Services (EOHHS). It was created to reform how rates are set for human service providers, aiming to make the system fairer and more sustainable. The law focuses on improving transparency, making sure rates reflect the actual cost of services, and supporting the stability of service providers.

The primary goals of Chapter 257 are:

- **Fair Funding:** Ensure the state sets fair payment rates for human service providers that fully cover the cost of care while meeting quality and safety standards.
- **Transparent Process:** Ensure a clear, predictable system for setting rates to reduce uncertainty.
- **Workforce Support:** Fund competitive wages to attract and keep skilled workers.
- **Consistency:** Use a standard approach for rate setting across all programs.
- **Regular Rate Reviews:** The law requires rates to be reviewed and updated regularly. This helps to make sure funding keeps up with rising costs and changes in what services are needed.

How Does Chapter 257 Work?

Chapter 257 covers a wide range of private, community-based human service providers that contract with Massachusetts state agencies. These providers deliver essential services to individuals with disabilities, mental health needs, children in state care, and other vulnerable populations.

The main types of providers include:

- Disability service providers (residential programs, community day programs, employment and vocational training programs, etc.)
- Mental Health Service providers (outpatient counseling and psychiatric providers, community-based health providers, etc.)
- Children and Family Service providers (group homes and residential treatment for children and youth, foster care and adoption support services, etc.)

All these providers contract with state agencies such as the Department of Developmental Services (DDS), Department of Mental Health (DMH), Department of Children and Families (DCF), Massachusetts Rehabilitation Commission (MRC), and Department of Youth Services (DYS).

Rate Reviews

Under Chapter 257, the Executive Office of Health and Human Services (EOHHS) is responsible for setting reimbursement rates for these providers. The law requires:

- A review of rates every two years to make sure payments cover real costs like wages, benefits, and operating expenses.
- Adjustments for inflation, workforce needs, and service costs to keep payments fair.
- A public process, including hearings where providers and advocates can give input before rates are finalized.



Workforce Challenges

While Chapter 257 lays a solid and important foundation, challenges remain. Addressing the ongoing workforce crisis is a priority of The Arc of Massachusetts.

Staff shortages, rising costs, and unreliable funding make it hard for the human services field to keep enough staff. Many direct care staff leave for better-paying jobs in other industries, and low wages make hiring and retention difficult. As a result, providers struggle to meet demand, leading to long waitlists for services. Families are left without the support they need, often waiting months or even years for critical care. Funding must improve so agencies can offer competitive wages and keep a stable workforce.

What We Can Do

- **Advocate for Change:** Advocacy is needed to push for better funding and policy changes that support human service programs. Lawmakers must keep these programs a top priority when deciding how to allocate funding.
 - The Arc is continuing to push for higher rates in Chapter 257 through [budget advocacy](#) and our [legislative platform](#). Sign up for our [action alerts](#) to get involved.
- **Strengthen Workforce Initiatives:** Investing in programs that train and support workers in the human services field is important. Providing opportunities for skill development and career growth will help keep skilled staff on the job.
- **Collaboration and Innovation:** State agencies, service providers, and community groups need to work together to come up with creative ways to solve problems like staff shortages and gaps in services.
- **Use Data to Make Better Decisions:** Collecting and analyzing data can help improve the way funding rates are set. This ensures that funding matches the real costs and needs of the programs. This can help EOHHS refine rate-setting practices and align them with actual costs and needs.

Conclusion

While Chapter 257 laid a strong foundation for the human services sector, additional efforts are required to meet the evolving needs of providers and the communities they serve. Prioritizing workforce sustainability, addressing inflation, and fostering collaboration are key steps to ensuring the long-term success of this critical law. By building on its principles, Massachusetts can continue to strengthen its support for vulnerable populations and the organizations that serve them.

For More Information

Please reach out for more detailed information by contacting Nora Bent, Director of Government Affairs and Strategic Partnerships (nbent@arcmass.org).