

Report from meeting with Executive Office of Health and Human Services

On Wednesday February 15, 2006 a working group of the PILOT committee met with 4 officials from EOHHS: Kristen. Apgar General Counsel, A. Dodge CAO, F. Habib Undersecretary of EOHHS. This report is a summary of answers provided by the EOHHS representatives to specific questions as well as general conversation with the working group

The Executive Office of Health and Human Service (EOHHS) is the state umbrella organization for: DPH, MassHealth, DTA, DSS, DYS, DMR, DVS and several other agencies.

Background information

For over 30 years the state has been changing their method of providing social services to Massachusetts residents: from institution based services, services provided directly by the State, to community based services, services provided by private non profit corporations funded by the State.

Up until the mid 1970's the state was a direct social service provider. The main provision of these services was state run institutions. The state was ordered to change their method of providing services from an institutional setting to a non institutional setting.

Deinstitutionalization was a philosophical change backed up by many pharmacological discoveries that enabled people to be placed on medication so they could live more independently in smaller community settings.

The state's approach was to de-centralize care by contracting out for services to private non –profit corporations, who would then provide services via community based care. Thus the money and the clients are contracted to the private companies together. This shift from direct services provided by the State to contracted services paid for by the State, but provided by private companies, occurred over 30 years. There has never been a plan or blueprint or pre-determined organizational chart for this process.

The contracts are determined by which agency wins the bid. The driving force for distribution of contracts is based on economics i.e. cost effectiveness, stability of the agency and the ability of the agency in meeting the needs of the State for providing services to those people the State is responsible for.

The State spends approximately \$2.5 Billion on contracts out of a \$27 Billion budget (10%).

There are 1100 non profit providers, with the average company having 10-20 sites.

Siting Policies:

The State has no specific siting policies, although the state funding agencies do have regions that they service. For example: Boston, Metro Boston, North Shore, South Shore, Fall River, New Bedford, Worcester and Western Massachusetts.

They noted that each department, and even each program, may have different regions or communities within a region. Clients can be placed from all over the state if there is a need for a placement. There are regional directors who have relationships with the private non profit vendors. Non profit agencies are able to provide for clients outside their region and even accept out of state clients who private pay.

Oversight of contracts is decentralized throughout EOHHS. The state departments do *not* oversee: where the contracts go, specific facility locations, or the clustering of services. Siting of services is determined by the agency that receives the contract, and those decisions are affected by: affordability, public transportation, community infrastructure and other supportive services.

The State does not choose any specific community to house programs. They are chosen by the private non profit corporation. Communities that host strong, large non profit corporations will have more programs. The State does not consider it their responsibility to monitor where programs are sited. It is up to the local government to monitor what is going on in its community.

In addition, the amount of grant/contract money awarded in one community is not tracked. Contracts may be yearly or multi-yearly.

HUBS are created by the non profit agencies, not by the State.

Clusters are created by the non profit agencies, not by the State

Each community has the ability to participate in what contracts come to them, but it has to happen at a community level. The State will not track or route them.

The state does pay attention to the number of people that can be served in a program. There are no deliberate plans to site larger facilities but economies of scale do kick in. For example, for some programs to work economically there needs to be slots for at least 20 people.

The criteria used for awarding contracts to a vendor are:

1. Ability to provide a service
2. Stability: they want an agency to be able to support programs. Many agencies operate at a deficit and this can lead to instability.
3. Price – what they can deliver for what price
4. Where the consumers and families in need are
5. Transportation/infrastructure
6. Lock up on a property – Nonprofits need to show funding agencies that they own a property outright or have a long-term stable lease for a property

7. Agencies have to prove they have control of a property
8. Nonprofit agencies have to prove that they are financially solvent with a solid base of capital. They want an agency that can stand alone.

How can a community influence the amount of social service development?

For the local community, it is “all about the power structure in the community. How does the community respond? How does the community act?”

This power structure must consist of town elected officials and department heads.

If you do not have a strong government with good communication, you cannot self-determine. You will have no say and the agencies will site where they want.

It is not up to the State but up to the local community to make decisions about what it needs. The community only has as much voice over siting as it has control over its own direction and vision.

A community does have the power to control how an agency acts and thus indirectly affect siting decisions. Some communities have direct input.

It depends on the leadership.

Leaders must use “unofficial levers” to control what gets sited. This is accomplished by permits and site reviews: local bylaws must be enacted to accomplish this.

If a social service agency is not “a good neighbor”, the town needs to control “the good and bad actors”.

Another way of controlling the growth of non profit social service agencies is to have an effective planning and economic development strategy in place so that less property falls into the hands of non profits.

It was suggested that we determine what types of programs predominate: what programs or agencies are causing issues. Report any issues to your state representatives, senator and town leaders. They should report to Mr. Habib; complain about specifics to the State so they know and consider these issues when assigning grants.

The power, and responsibility, is in the local government.

Final Comments

State contracts do not address PILOT payments.

State contracts do not prohibit an agency from paying a PILOT

EOHHS isn't aware of any PILOT program for private non profit social service agencies.

Wet shelters are not contracted by the State. They are not DOVER or FHA compliant.

(DTA and HUD do fund emergency shelters: wet or dry is determined by the agency)