

FY2027 H.2 BUDGET BRIEF

Maura T. Healey, Governor | Kimberley Driscoll, Lt. Governor

Promoting Health, Resilience, and Independence

Alexa Gruener and Jackson Humphreys, Senior Fiscal Policy Analysts

Alexander Lebovitz and Ian McGregor, Fiscal Policy Analysts

The Executive Office of Health and Human Services (EOHHS) is the state's largest Secretariat. EOHHS directly manages the MassHealth program and includes 11 agencies and over 23,000 employees. EOHHS focuses on improving health outcomes, building economic resilience, maximizing independence, fighting food insecurity, addressing social determinants of health, supporting individuals with disabilities, and increasing the accessibility and affordability of care. EOHHS directly delivers services and programming to nearly one in every three residents of the Commonwealth.

Since the COVID-19 pandemic, HHS agencies have faced historic caseload growth, increased costs, and unprecedented federal pressures. The Fiscal Year 2027 (FY27) budget recommendation balances these demands against available resources and continues to protect services for the state's most vulnerable populations.

The Healey-Driscoll Administration's FY27 House 2 budget proposal recommends funding EOHHS at \$10.525 billion, a \$315.9 M (3 percent) increase over the FY26 GAA, excluding MassHealth. This funding level maintains Chapter 257 rates, which match the 53rd Bureau of Labor Statistics benchmark, annualizes \$131.6 million in FY26 provider rate increases, and supports continued caseload growth.

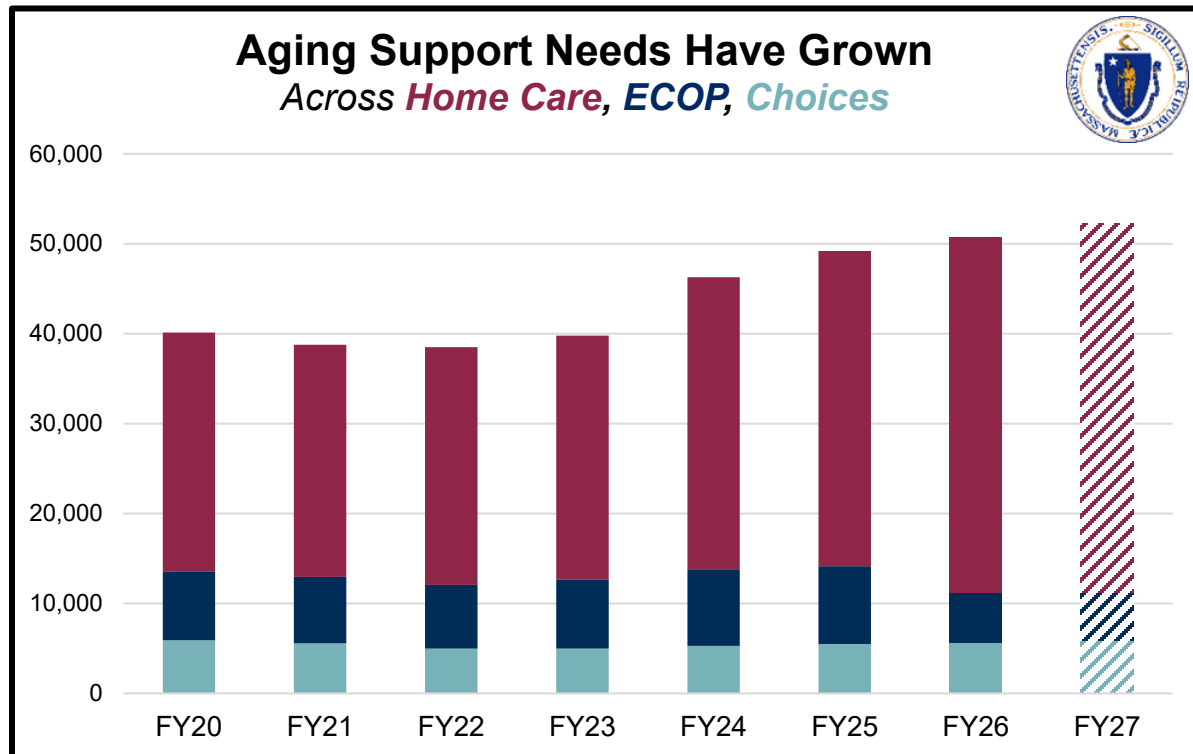


Managing Unprecedented Caseload Demand

Demand for health and human services in Massachusetts continues to increase following the COVID-19 pandemic. In response, the state continues to invest in programs and services to preserve access for a growing number of people.

Executive Office of Aging & Independence (AGE)

Massachusetts's aging population is growing rapidly, with approximately 1.7 million residents over age 60, surpassing the number of residents under age 20. This is reflected in the rising demand for long-term care services at the Executive Office of Aging & Independence (AGE), where caseload has grown by 30 percent since FY20. To meet this demand, Governor Maura Healey signed [Executive Order No. 642: Instituting Age-Friendly Practices](https://www.mass.gov/executive-orders/no-642-instituting-age-friendly-practices),¹ to make Massachusetts a place where aging adults can have economic opportunity and security, community, and health and wellness. The FY27 House 2 budget recommendation includes \$917.7 million for Home Care Basic, Enhanced Community Options (ECOP), and Community Choices. See below for a chart on historic caseload increases for these programs.

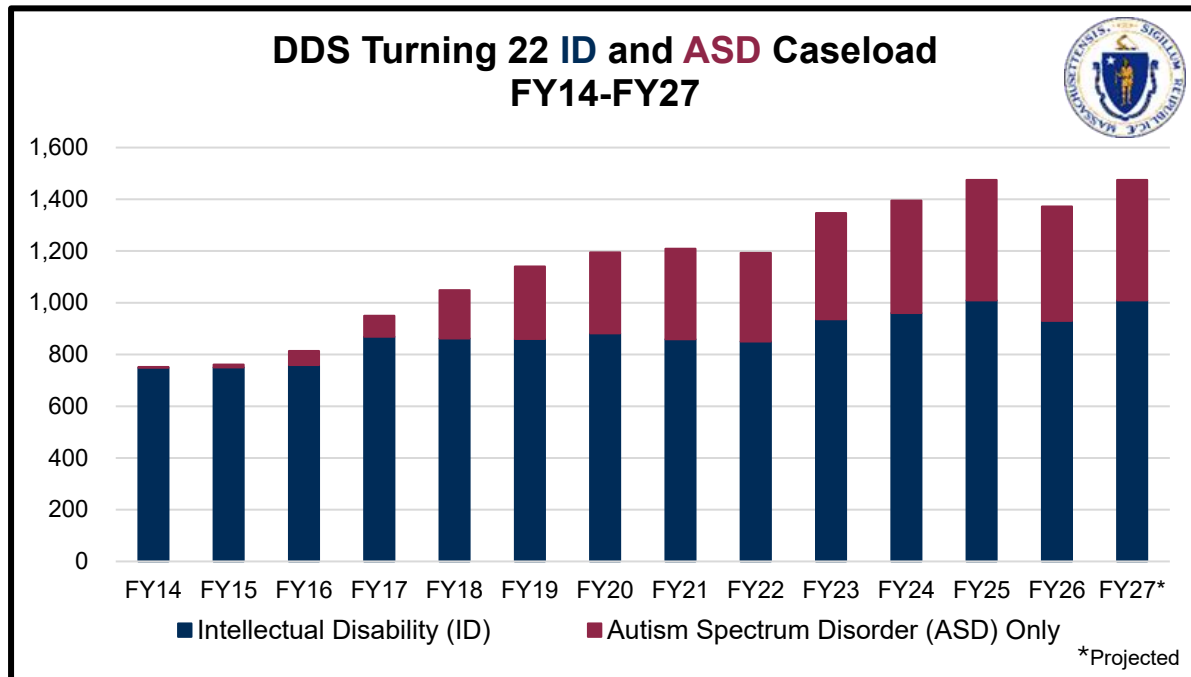


FY27 House 2 continues to support unprecedented caseload growth and includes \$91.8 million over the FY26 GAA to support this population. To help manage these pressures, AGE will work with the aging services network to assess options to improve sustainability for the Home Care Program in FY27 and beyond.

¹ <https://www.mass.gov/executive-orders/no-642-instituting-age-friendly-practices>

Department of Developmental Services (DDS)

Massachusetts also continues to see rapid growth in the needs of individuals with intellectual and developmental disabilities, including individuals with Autism Spectrum Disorder (ASD), as well as their families and caretakers. Since 2020, the Department of Developmental Services (DDS) has taken on nearly 8,000 newly service-eligible individuals, largely driven by steady increases in the number of Massachusetts residents diagnosed with ASD. Additionally, DDS provides comprehensive care to a large population of individuals requiring 24/7 residential services who are experiencing increasing acuity and support needs as they age. In light of these trends, the FY27 House 2 budget proposal increases funding for DDS by \$91.4 million over FY26 funding levels, including \$6.5 million in new investments in the changing needs of the ASD population.



Many individuals with disabilities access special education services until they turn 22, at which time they transition into the adult-care system. Over the last three years, DDS has enrolled three historically large Turning 22 Program classes. In FY27, DDS anticipates a class of nearly 1,500 newly-eligible residents with intellectual and developmental disabilities in need of DDS services and supports. The Healey-Driscoll Administration's House 2 budget proposal preserves services for this growing population by fully annualizing Turning 22 costs for the FY25 and FY26 classes and investing an additional \$33.1 million to fully fund the needs of new enrollees during FY27.

Maintaining Historic Investments

Even amid tightening resources and federal uncertainty, the Healey-Driscoll Administration is preserving historic investments made in recent years to ensure continuity, stability, and a lasting impact for residents.

Investing in Local Boards of Health

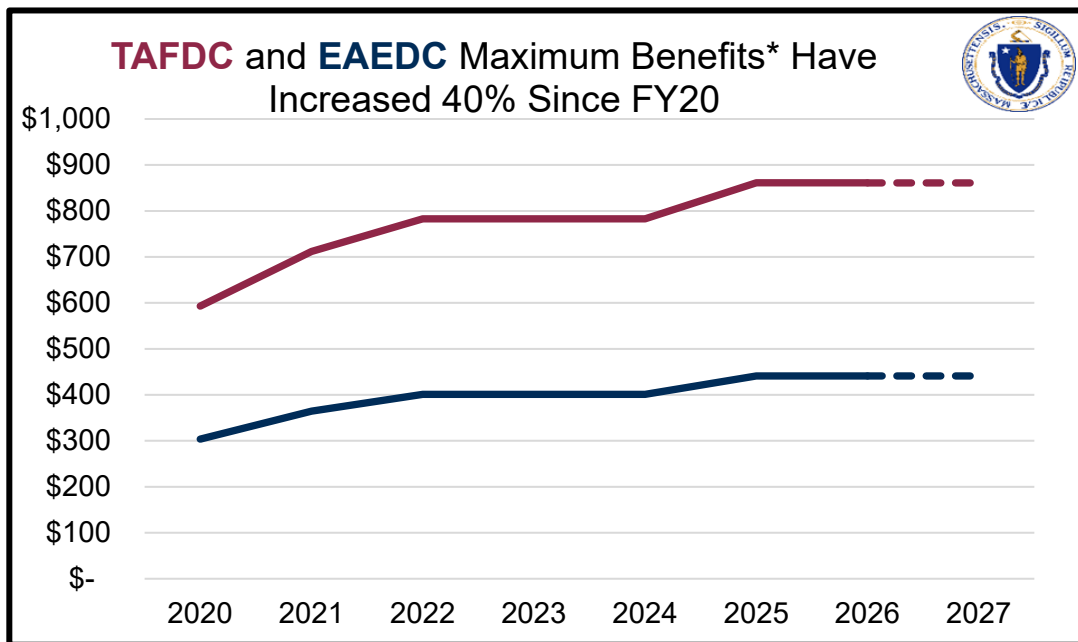
The administration is committed to supporting local public health. Following the signing of the historic *State Action for Public Health Excellence (SAPHE 2.0)* legislation that equitably expands support for local public health across the state, House 2 recommends a \$5.7 million increase in the Commonwealth's Grants to Local Boards of Health. These funds will preserve the historic investments Massachusetts has made in workforce development, technical public health infrastructure, and Public Health Excellence grants to municipalities in recent years. This investment will continue funding career services and training programs for public health professionals at community colleges, UMass Amherst, and Boston University, as well as local public health training hubs.

Protecting Immigrants' Legal Rights

House 2 recommends maintaining \$5 million invested in FY26 for the Massachusetts Access to Counsel Initiative (MACI). MACI provides critical legal representation to low-income immigrants impacted by the federal changes to immigration policy. The program supports immigrants seeking work authorization or navigating the immigration process.

Maintaining Historic Benefit Increases

The Department of Transitional Assistance (DTA) is integral to Massachusetts' efforts to support its most vulnerable residents through direct financial assistance, food support, and employment and training programs. Since FY20, maximum benefit levels for Transitional Aid to Families with Dependent Children (TAFDC) and Emergency Aid to the Elderly, Disabled, and Children (EAEDC) have risen by 45 percent. The FY27 House 2 budget proposal sustains these historic benefit increases, allocating a combined \$641.3 million to fully fund both programs.



**TAFDC maximum benefit levels assume a family household of three living in public housing.
EAEDC maximum benefit levels assume a household of one living in **Living Arrangement A**².*

The FY27 House 2 budget proposal also fully funds the Healthy Incentives Program at \$29.7 million to maintain current benefit levels and meet growing demand. This will ensure continued equitable access to fresh produce for SNAP recipients while supporting local farmers and food retailers in Massachusetts.

Serving Youth

The Healey-Driscoll Administration's FY27 House 2 budget proposal supports a five-bed expansion of the Department of Youth Services (DYS) Girls continuum. This investment will ensure that DYS continues to meet the complex needs of youth in its care and custody at the appropriate level of care.

The House 2 budget proposal also preserves key investments in youth services capacity to respond to critical service needs. This includes \$2 million to provide capacity within DCF-contracted residential treatment programs to respond to emergency needs of children and youth, including those with complex behavioral health needs. This sustained investment will add eight new permanent beds, expanding DCF's emergency residential capacity by 5 percent, and ensure that the Commonwealth can continue to provide residential care and stabilization services to the most at-risk and medically complex children and youths. House 2 also proposes a 2.92 percent increase for supports to DCF foster parents, raising the average daily reimbursement rate to \$38.83. This growth recognizes the costs incurred by foster families who care for and provide a home, food, clothing, and transportation to children who are unable to live safely with their parents.

Prioritizing Maternal Health

The Healey-Driscoll Administration is committed to keeping Massachusetts at the forefront of maternal health care nationally.

House 2 builds on this promise by recommending \$4.3 million to implement the *Maternal Health Law* enacted as Chapter 186 of the Acts of 2024. With these funds, the Department of Public Health (DPH) will establish a Universal Home Visiting System, which will provide access to postpartum home visiting services to all 68,000 annual births in the Commonwealth. Every family welcoming a new baby in Massachusetts will be able to receive the guidance, screening, and connection to services they need during the critical postpartum period.

In addition, this investment will fund:

- A Fetal & Infant Mortality Review Program to conduct in-depth reviews of fetal and infant deaths each year
- A digital resource center to help providers screen postnatal individuals for perinatal mood and anxiety disorders (PMAD)

² <https://www.mass.gov/lists/emergency-aid-to-the-elderly-disabled-and-children-eaedc-living-arrangement>

- A public information campaign to provide guidance to perinatal healthcare workers about current information regarding pregnancy loss

Supporting the Human Services Workforce

Chapter 257 and Human Services Workforce

House 2 recommends maintaining Chapter 257 rates benchmarked to the 53rd percentile of Bureau of Labor Statistics (BLS) salaries at an estimated cost of \$260 million in FY27. Of this, \$175 million is funded in House 2 through the Chapter 257 reserve. House 2 also recommends the annualization of \$131.6 million of FY26 rate increases. These investments help address workforce shortages and increase access to services across the human service provider network.

MassHealth Staffing Related to Federal Changes

The FY27 House 2 budget proposal invests \$6.2 million in MassHealth eligibility staffing to comply with new federal work and redetermination requirements included in the *One Big Beautiful Bill Act*. These policies, effective January 1, 2027, are expected to drive a significant administrative burden at MassHealth. This staffing investment will ensure a smoother consumer experience and help maintain coverage for as many people as possible while also reducing operational strain, preserving healthcare access and maintaining compliance with federal law. For more information on how the Healey-Driscoll Administration is working to control costs at MassHealth while keeping health care accessible, please see the **Health Care and Insurance Affordability** budget brief.

DTA Caseworkers

Caseworkers are central to the DTA's operations and benefit administration. To ensure their ongoing work is fully supported, the FY27 House 2 budget proposal increases the Caseworkers Reserve by \$46.4 million, a 46 percent increase over the FY26 GAA, which had reduced funding for the reserve relative to the Governor's FY26 budget recommendation. As numerous new federal provisions force DTA to expand its administrative responsibilities and compliance requirements, funding for the caseworker workforce is increasingly necessary. See the **Federal Response** budget brief to learn more about the actions the Healey-Driscoll Administration has taken to support DTA's caseworkers and prevent the Commonwealth's families from going hungry in the face of the Trump Administration's food assistance cuts.

Direct Care Staffing

As healthcare continues to face significant workforce challenges that strain patient care, state agencies increasingly have depended on temporary direct care staff to ensure continuity of care for the populations at DDS, DPH, and Department of Mental Health (DMH) facilities. However, sustained investment in this workforce during the first three years of the Healey-Driscoll Administration has strengthened the direct care, nursing, and clinical workforce. House 2 includes continued support to reduce reliance on temporary staff across EOHHS, enabling multiple agencies to deliver care at a lower cost to residents throughout the Commonwealth. In particular, House 2 will eliminate DDS's reliance on temporary workers through robust investment in DDS's direct care workforce, which will

improve services and supports for residents with disabilities and result in \$5 million in savings.

Investing in Home- and Community-Based Services

The FY27 House 2 budget proposal includes targeted investments in home- and community-based services to help individuals remain safely in their homes and communities, preventing them from requiring high-cost institutional care. These investments also maintain the direct care workforce needed to provide consistent and reliable services. Together, these efforts promote independence and improve quality of life for seniors, people with disabilities, and other vulnerable populations.

AGE Nutrition Services Investment

The FY27 House 2 budget proposal invests \$750,000 in the Nutrition Services Program, expanding access to approximately 102,000 additional nutritionally-balanced meals for older adults through home-delivered services and community settings. By expanding access to nutritious meals, this funding supports elders' ability to safely age in place and remain in their homes and communities.

Building Mental Health Capacity

In recent years, the Department of Mental Health completed an expansion of its residential capacity, adding 216 beds and 135 new rental subsidies. All locations reached full capacity within one to two months of the opening of each location, demonstrating the demand and effective utilization of these services. House 2 continues to support increasing demand for DMH services, with programs such as Intensive Residential Treatment Programs (IRTP) and Adolescent Continuing Care Units (ACCU) seeing a 20 percent increase in utilization.

House 2 fully funds DMH case managers, who provide assessment of needs, service planning development and monitoring, service referral and care coordination, and family/caregiver support to DMH clients. This funding will uphold manageable caseloads and continuity of care, allowing case managers to be responsive to clients' complex mental health needs, improve follow-through on care plans, and ensure individuals are engaged in ongoing treatment within their community.

Conclusion

House 2 protects access, strengthens capacity, and delivers measurable improvements in the quality and affordability of healthcare for residents across Massachusetts. The Healey-Driscoll Administration is addressing heightened caseload growth and federal pressures by preserving core services, fully funding historic benefit and rate increases, and investing in our frontline health workforce. This budget recommends maintaining historic food and cash assistance increases, strengthening maternal health supports, full funding of Turning 22 classes, and targeted investments in youth services. House 2 maintains stability today while positioning Massachusetts to deliver higher-quality, more equitable health and human services in the years ahead.