



HOWARD
CENTER
Help is here.

House Health Care February 10, 2026
FY27 Proposed Budget - Impacts



**HOWARD
CENTER**
Help is here.



- Howard Center helps people and communities thrive by providing supports and services to address mental health, substance use, and developmental needs.
- 19,000+ Vermonters served annually
- Children, adults, families, seniors
- 1,300+ staff providing help and support in over 60 locations throughout Vermont

Why These Cuts Matter Now

1. No inflationary increases

2. Major system reforms underway

Developmental Services payment reform

Transition to CCBHC

3. Compressed timelines, delayed funding clarity, providers not included in budget development or service planning

Uncertainty for Vermonters relying on ongoing services

DEVELOPMENTAL SERVICES CONTEXT: System Instability During Reform Implementation

- No inflationary increase
- Rising workforce & operating costs
- Retroactive service authorization
- Cash-flow disruption & service instability for individuals and families

DEVELOPMENTAL SERVICES & MENTAL HEALTH: Proposed Cut:ARCh–No Alternative Integrated Services

Accessing Resources for Children: (ARCh)

- Services for children and youth up to age 22 with I/DD, ASD and MH
- Includes care Coordination, family support, behavioral consultation, respite
- 150 on waitlist (~2 yrs)
- Only option for integrated Developmental and Mental Health services

Program	State Proposed	Potential HC	CCBHC Request	Clients Served Annually
ARCh	\$ (496,938)	\$ (496,938)	Partial	319
Comm. OR	\$ (160,000)	\$ (160,000)	No	1077
EPSDT	\$ (495,136)	\$ (495,136)	Yes	2688
YIT	\$ (183,563)	\$ (142,000)	Yes	21
Eldercare	\$ (349,763)	\$ (19,000)	No	87
Reach Up	\$ (1,248,243)	\$ (202,329)	No	109
Totals	\$ (2,933,643)	\$ (1,515,403)		4301

Families rely on these services

MENTAL HEALTH CONTEXT: Savings Without Clarity

- Transition to CCBHC model
- ~\$6M projected DMH savings due to increased federal match
- Provider funding details unclear until April
- Savings realized before service-level clarity is finalized
- <3 months to adjust operations

MENTAL HEALTH : Proposed Cut: Crisis & Diversion Services

Community Outreach

- Partners with law enforcement & municipalities
- Low-barrier response to MH, SUD, housing needs
- Prevents ED visits & police involvement
- 2,514 contacts; 99% improved or stabilized

EPSDT / First Call for Chittenden County

- 24/7/365 crisis response for children & families
- Connection to Medicaid benefits & services
- Mobile outreach, crisis assessment
- ED & emergency responder collaboration
- 14,138 calls; 1,514 face-to-face assessments

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Support before emergencies escalate

MENTAL HEALTH : Proposed Cut: Youth, Elder, and Family Services

Youth in Transition

- Transition-age youth with emotional/behavioral support needs
- 32% identify as BIPOC (county pop. 13%, middle/high schools 23%)
- 9 on waitlist

Eldercare

- Home-based mental health treatment and support for elders 60+

Reach Up

- Parents working toward employment
- Mental health and substance use disorder treatment & supports

These programs support people at critical moments of transition and vulnerability.

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MENTAL HEALTH RESIDENTIAL SERVICES: Housing Stability at Risk

PROGRAM SERVICES

- Serve 54 individuals meeting level of care criteria
- Provided across licensed residential care homes, group homes, and intensive supported apartment programs
- Medication management, counseling, conflict support, daily living assistance

Disruption places people with high-acuity needs at risk of losing stable housing.

PAYMENT CHANGES AND HOUSING RISK

- Funding shift changed what is eligible for payment
- Room & board funding gap unresolved (all)
- HUD required lease prohibition jeopardizes 39% (21) beds
- Risk of displacement & homelessness and/or loss of residential services

WHAT THESE CUTS MEAN IN PRACTICE:

Misaligned with state priorities

Mental Health Priorities

- Increased reliance on emergency departments and inpatient care when community supports are no longer available
- Reduced access to early intervention, crisis response, and community-based treatment
- Greater strain on hospitals, law enforcement, and corrections

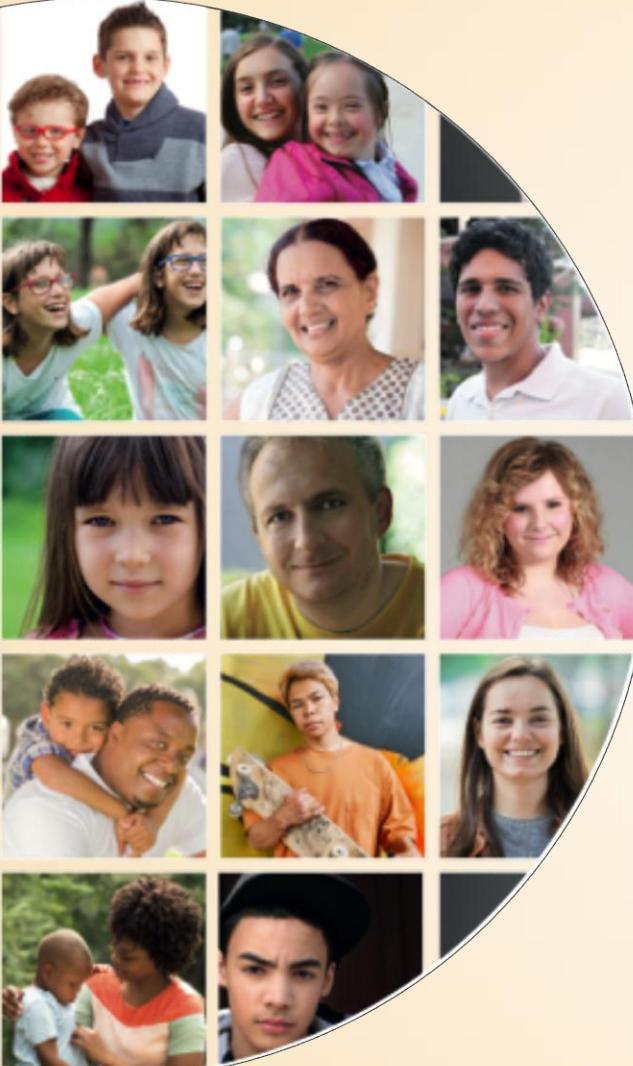
Substance Use Disorder Priorities

- Reduced access to timely, community-based SUD services
- Workforce instability in prevention, treatment, and recovery supports

Developmental Disability Priorities

- Service instability for individuals and families with the highest needs
- Increased waitlists and unmet service demand
- Disruption during payment reform, increasing risk of service loss

Cuts and the absence of inflationary increases shift care from prevention and community-based services to higher-cost systems.



LEGISLATURE: What you can do

- Ensure services currently delivered remain funded
- Provide inflationary adjustments
- Stabilize services during reform
- Protect housing & essential programs
- Support clear timelines & transition protections
- Support BAA language that will ensure our Designated Agencies are paid in a way that will keep their doors open and Vermonters served

So that we can continue to **help people and communities thrive by providing supports and services to address mental health, substance use, and developmental needs.**



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