



An alliance to save the long-term care system: at home, in communities, and in facilities.

January 7, 2025

The Long-Term Care Crisis Coalition supports a FY2026 budget adjustment that restores intended funding to Assisted Living and Residential Care Home Providers, and Area Agencies on Aging.

Long-term care services are provided to the most vulnerable Vermonters among us who need help with bathing, dressing, cooking, cleaning and socialization in their homes, in their communities, and in residential settings. Access to these critical services has been threatened by chronic underfunding.

The Vermont legislature has worked over several budget cycles to bring providers' reimbursement closer to the actual costs of providing these services. These efforts were set back in FY2026 through a substantial (35%) cut to Enhanced Residential Care rates in Tier 1, and a failure to provide the inflationary adjustment of 2% to Area Agencies on Aging.

We are asking that the SFY26 budget adjustment restore this critical funding by:

- 1. Returning ERC Tier 1 rates to their previous level of \$72.37.** Tier 1 is a critical rate in residential care, marking the point when a resident has progressed to requiring nursing home level of care. The Legislature appropriated \$2.79 million in FY2026 to go towards increasing rates "not fully funded" from a study of CY2022 home- and community-based services. The budget language said nothing about making deep cuts to other rates in the process of applying the increases and rate cuts were not the intent. We ask that the Tier 1 funding be restored.
- 2. Adding an inflationary adjustment of 2% to the Area Agencies on Aging.** The FY26 budget included a 2% rate increase for CFC providers. The Legislature intended the increase to include a 2% increase for Area Agencies on Aging CFC case management, but it was not budgeted by the Administration. The amount is approximately \$140,904 per the Administration's estimate. We ask that you add this to the BAA to conform to the Legislature's intent.

The capacity of our long-term care system is already challenged by rising demand and complexity. Unexpected rate reductions came in a year when the Legislature appropriated increases. This outcome impacts both the finances and morale of providers. More importantly, it challenges the availability of care and support for Vermonters and their families. **Please restore funding to long-term care services in the SFY26 budget adjustment act.**

Thank you for all you do serving Vermonters.

Sincerely,

The Long-Term Care Crisis Coalition

AARP Vermont, Cathedral Square, Vermont Association of Adult Day Services, Vermont Aging Network Consortium, Vermont Catholic Charities, Inc., Vermont Chapter of the Alzheimer's Association, Vermont Health Care Association, VNAs of Vermont *Contact us at coalition@vtltccc.org or by visiting <https://vtltccc.org>.*

The LTCCC represents more than 200 providers of assisted living, adult day services, area agencies on aging, home health, residential care, and other supports for Vermonters who need long-term care services. Information on the LTCCC can be found at: <https://vtltccc.org>.