



Helen Labun, Executive Director

[hlabun@vhca.net](mailto:hlabun@vhca.net) | [vhca.net](http://vhca.net)

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**Budget Request – 3.5% Inflationary Increase  
for home- and community-based service providers.**

# Services Represented by the LTCCC:



Residential Care Homes (RCH) & Assisted Living Residences (ALR) - Payments for Assistive Community Care Services (ACCS) & Enhanced Residential Care (ERC – Choices for Care)



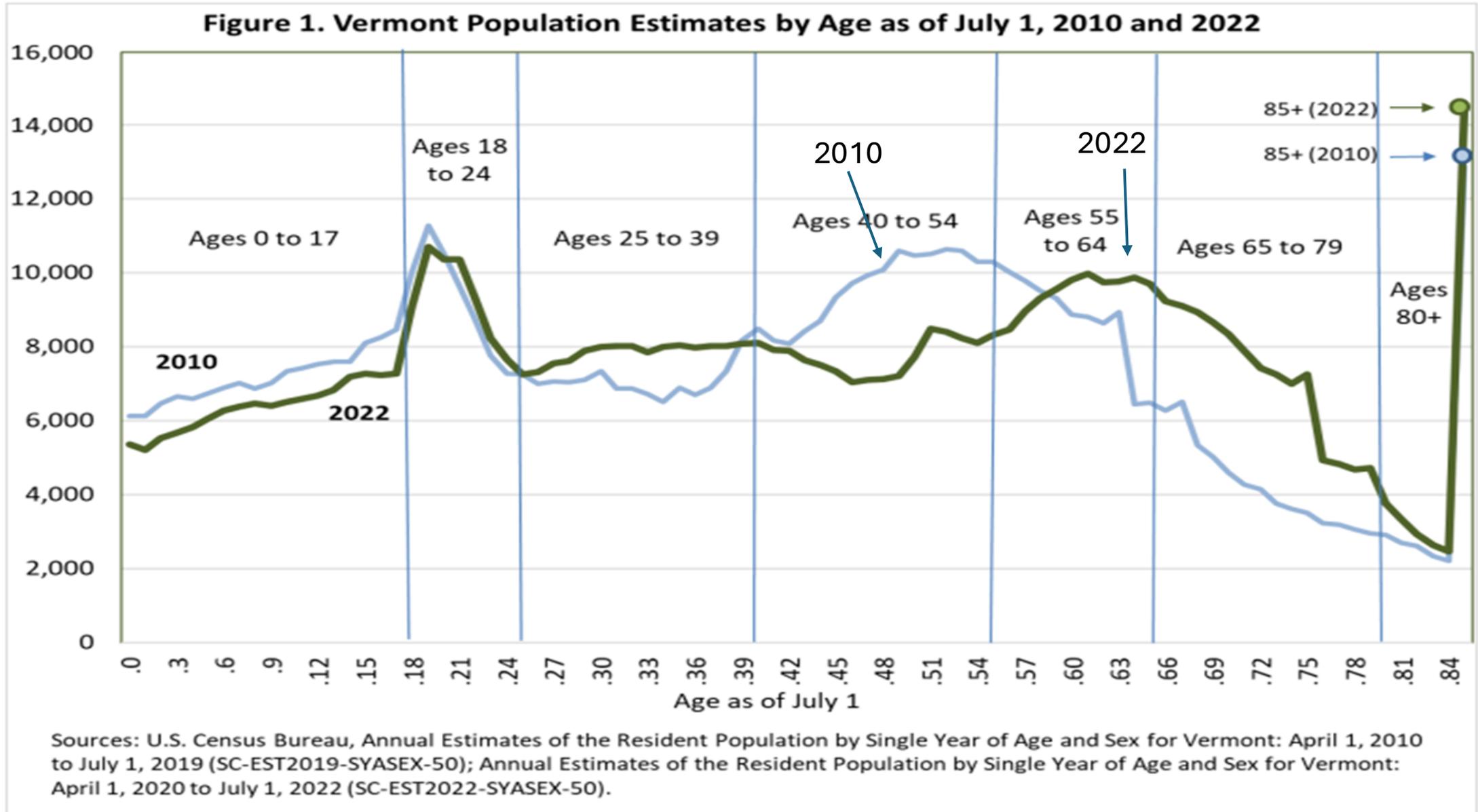
ACCS, ERC, plus Choices for Care delivered by Home Health Agencies, Adult Day Services, Area Agencies on Aging, Choices for Care Case Management

Home- and Community-Based Services providers serve thousands of Vermonters every day, and the demand for these services is growing as our state's population ages.

# Age Strong Vermont

"Vermont's older population is our fastest growing age group. **By 2030, one in three of us will be over the age of 60.** Becoming an age-friendly state requires a holistic approach that brings us together to ensure older Vermonters are able to contribute their time, wisdom, talents and skills to our communities and to address a wide range of changing needs—such as housing, healthcare, transportation, caregiving, access to healthy food, education and employment."

# Vermont Has Already Seen A Major Demographic Shift



# Age Strong Vermont

Our providers offer services that address all areas of the Age Strong Vermont plan, such as:

- Building an age friendly infrastructure for community life and safe housing.
- Connecting older Vermonters with health care services, including preventive & primary care.
- Improving older Vermonters' knowledge of services available to them to support healthy aging.
- Reducing social isolation.
- Supporting family caregivers and care partners.
- Improving the mental health of older Vermonters.

We also serve younger Vermonters who require long-term care services and supports.

One-time and project-based investments are appreciated, but they cannot replace base funding to ensure that core services remain available.

# Good News:

- There is broad alignment across the Agency of Human Services, Vermont Legislature, and a range of advocates that Vermont needs to offer robust long-term care services that are accessible to all Vermonters.
- Over the last several years, House Human Services has championed updated reimbursement rates that bring Medicaid payments closer to the cost of offering services.
- These updates have ranged from 14% to almost 80% increases.

# Less-Good News:

- Large base rate increases mean that there were years of underpayment, with the gap increasing over time. Truing rates up once does not compensate for accumulated losses.
- Bringing Medicaid payment closer to the cost of services does not equal investment in expanding services to keep pace with aging demographics – and in practice we do not appear to be keeping pace.
- Repeated proposed budgets with no increase, combined with increases below the rate of inflation, function as rate cuts. We see that again in DAIL's proposed FY2027 budget.

Our requested 3.5% increase reflects CMS market basket inflationary predictions for the year 2026, it is the lowest estimate for cost of keeping reimbursement functionally even.



Thank you for considering our requested 3.5% increase to home- and community-based services rates.