

**Department of Disabilities, Aging and  
Independent Living Developmental Disabilities  
Services Division**

**Legislative Report – SFY 2024**

In accordance with:

Title 18, (Section 1.18) V.S.A. chapter 204A §8725(e) Developmental  
Disabilities Services Act

Submitted to:           The House Committee on Human Services  
                                  The Senate Committee on Health and Welfare

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## Introduction

The Developmental Disabilities Services Act, Title 18, (Section 1.18) V.S.A. chapter 204A §8725(e), states:

...the Department [of Disability, Aging and Independent Living] shall report to the Governor and the committees of jurisdiction regarding implementation of the [State System of Care] plan, the extent to which the principles of service set forth in section 8724 of this title are achieved, and whether people with a developmental disability have any unmet service needs, including the number of people on waiting lists for developmental services.

This Legislative Report provides a summary of developmental disabilities services (DDS) in Vermont; the extent to which those services achieve the principles of service and meet the need; and what services people with intellectual/ developmental disabilities (I/DD) need but may not be receiving.

## Principles of Service

The Developmental Disabilities Act states that services provided to people with developmental disabilities and their families must foster and adhere to the following principles. The descriptions of the *Developmental Disabilities Act - Principles of Service* provides context for Vermont's statewide system of services and supports.

The twelve Principles of Service guide Developmental Disabilities Services (DDS) in Vermont. The *Developmental Disabilities Services – Data Brief* in the Appendix contains graphs and charts that emphasize how DD services meet the need. The following overview highlights key areas of focus of services to people with developmental disabilities<sup>1</sup>.

## Designated Agencies and Specialized Service Agencies

*Designated Agencies (DAs) and Specialized Services Agencies (SSAs)* are private, non-profit providers contracted by the Department of Disabilities, Aging and Independent Living (DAIL) to provide DDS throughout the state. In addition to DA/SSA managed services (45%), individuals and their families may choose to self-manage (<1%), family-manage (3%), or share-manage (53%) services where a DA/SSA manages some, but not all, of the services.

## Federal Medicaid Compliance and Fiscal Integrity

DAIL is committed to providing high quality, cost-effective services to support Vermonters with developmental disabilities within the funding available, and to obtain value for every dollar appropriated by the Legislature. The emphasis is on balancing the most person-centered, therapeutically-appropriate, and cost-effective models while maximizing federal funds to capitalize on resources available. Home and Community Based Services (HCBS) accounts for 97% of all DDS appropriated funding. This means Vermont's DDS system leverages a notably high proportion of federal funds.

Guidance regarding the utilization of funding is provided through regulations, policies, and guidelines including:

- *Regulations Implementing the Developmental Disabilities Act of 1996*
- *Vermont State System of Care Plan for Developmental Disabilities Services*
- *Medicaid Manual for Developmental Disabilities Services*
- *DDD Encounter Data Submission Guidance for Home and Community-Based Services*
- *Centers for Medicare and Medicaid Services (CMS) Home and Community-Based Services Settings Rule*

To maintain Vermont's Federal Medicaid Assistance Percentage (FMAP), which was 56.75% for Federal Fiscal Year 2024<sup>1</sup>, the Department's Medicaid programs must be compliant with Centers for Medicare and Medicaid Services (CMS) regulations. To assure compliance, the Department, with support from the Agency of Human Services, has undertaken significant initiatives in payment model reform and conflict of interest mitigation. Failure to meet CMS requirements would jeopardize more than 50% of \$300+ million used to support individualized services for Vermonters with Developmental Disabilities engaged in Home-and-Community Based Services.

Under the existing case management system, the Designated Agency (DA) performs initial intake, eligibility determination and options-counseling. For those individuals who are eligible for Home-and-Community-Based Services, the DA then performs a Needs Assessment and develops a funding proposal. DAs also develop person-centered plans (Individual Support Agreements) and provide direct services. When an individual chooses a Specialized Service Agency (SSA) or to self/family manage their services, the SSA or the independent Qualified Developmental Disabilities Professional assists with the person-centered planning development, and the SSA provides the services.

In the current case management system, there are concerns about inherent conflict of interest given that those providing services are also providing case management. By separating the entities responsible for intake, eligibility and referral, case management, and Needs Assessment administration, these potential conflicts are avoided. Separating the responsibility of case management from service delivery: improves choice, increases person-centered focus, establishes consistent processes and transparency in the system, and complies with federal requirements.

Federal requirements from CMS regarding conflict-free case management were finalized in 2014. Vermont's initial remediation plan was rejected by CMS. Vermont's current plan was approved by CMS in March 2023, and has a timeline for final implementation in October 2025, with additional time (through May 2026) to allow for evaluation and adjustment as needed.

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<sup>1</sup> For every \$1.00 of Medicaid program funding spent, \$0.5675 is federal monies and \$0.4325 is state General Fund dollars.

Vermont's Implementation Plan includes engaging with an independent entity to perform intake, eligibility, and referral; using an independently administered, validated Needs Assessment; and contracting with Case Management Organizations. The existing DA/SSA will continue to provide direct Home-and-Community-Based Services support to individuals. By separating out these roles, the conflict-of-interest for case management will be mitigated.

As Vermont works through an evolution of its Developmental Disabilities Services system to address conflicts of interest, a redesign of payment reform is also underway. The payment reform model balances flexibility with increased transparency. This model includes encounter data (service records) of each service provided, as well as an annual reconciliation of services delivered against authorized services. This payment approach increases clarity around what services agencies are providing while decreasing the administrative burden in payment processes.

The conflict-of-interest and payment reform projects align with the *Developmental Disabilities Services Division Purpose and Core Values*. Most notably, these initiatives support the Department's principles of person-centeredness, effectiveness, efficiency, and creativity. This work also preserves Vermont's compliance with CMS requirements, which ensures Vermont's continued ability to access available federal dollars that maximize the reach of Home-and-Community-Based Services.

## Highlights

- Vermont is ranked #1 in the nation for number of people with I/DD who receive supported employment to work (per 100,000 population).
- Vermont ranks #1 nationally in terms smaller size of non-family, non-state operated, residential settings with 1-3 people.
- The average number of Vermonters per home setting for those receiving HCBS is 1.15, which is half of the national average of 2.3.
- 26% of Vermonters receiving HCBS rent or own their home, compared to a national average of 11%.
- 44 Vermont parents with I/DD received support to parent their child in their home.

## Successes and Challenges

### Employment

Vermont has a long-standing history as a leader in integrated, competitive employment for individuals with intellectual and/or developmental disabilities.<sup>1</sup> Also known as "Supportive Employment", Vermont began offering integrated, community-based employment opportunities for individuals receiving employment support in 1980. Before then, all supported employment opportunities were provided in "sheltered workshops." Vermont successfully closed these segregated programs, the last one in 2002, becoming the first state to do so. As of State Fiscal Year 2024, Section 14(c) of the Fair Standard Labor Act of 1938 remains in place – allowing employers in the United States to request certification to pay individuals with disabilities less than federal minimum wage. The wage is set as a "commensurate" wage of the individual's capacity to perform

the job, relative to a non-disabled colleague – a rate often below half of minimum wage and sometimes less than \$1/hour. In Vermont, employees with disabilities are paid prevailing wages in their supported, integrated employment, just like their non-disabled co-workers. This section of the Federal Fair Labor Standard Act is under review. Vermont remains ahead of these changes, given over two decades of having done away with these discriminatory practices. Vermonters with I/DD who are employed earn at or above the minimum wage for all Vermonters. In 2022, Vermont was ranked #1 in the nation for number of people with developmental disabilities who receive supported employment to work per capita.

**\$15.32** – Average hourly pay for Vermonters with I/DD (109.3% of the state minimum wage)

## Family Support

As demonstrated in our philosophy and guiding principles, Vermont values the natural support that families provide to their family members with I/DD. Vermont families comprise a significant amount of support within the I/DD system, with 38% of individuals receiving HCBS living in their family home. In the last few years, Vermont has ranked highest in New England in the percentage of the I/DD budget used to support individuals who reside with their family and has continually exceeded the national average.

In the last several years, the value of family support has been emphasized. During the global pandemic, our system saw family members adjust their employment, leave the workforce, and make difficult individual and professional decisions to safeguard their loved ones. The direct caregiver workforce shifted, resulting in unprecedented challenges in meeting the support needs of individuals. In response to this need to evolve, the Developmental Disabilities Services Division developed a policy based on the approval of the Centers for Medicare and Medicaid through Vermont's Global Commitment to Health Agreement to allow Legally Responsible Individuals (parents/guardians/spouses) to be paid for the support they provide. Operationalization and implementation of this policy occurred in November of State Fiscal Year 2025.

## Housing Initiatives and Options

Under the current State System of Care Plan for Developmental Disabilities Services, there are 5 supportive residential options for Vermonters with I/DD: group living, in-home family support, shared living, staffed living, and supervised living. In addition, there are people receiving services who live independently in their own home. Home-support settings of 1-2 people account for 96% of all Vermonters with I/DD in residential settings. Vermont does not have institutional or facility-based services for people receiving I/DD support.

As the Department works to assure that all Vermonters have playful approaches to healthy aging, individuals with intellectual and/or developmental disabilities and their families have the necessary resources to meet their needs. This includes self-determination, health and wellness, social connection and engagement, family caregiver support, housing, transportation, and community design. The need to provide options for traditional models is paramount.

Vermont has one of the largest populations of residents over the age of 65. In 2019, 21.57% of individuals with intellectual and/or developmental disabilities lived with a caregiver over the age of 60, which is higher than the national rate of 17.50%. Additionally, 75% of people receiving home

support reside in a shared living arrangement. While this is the predominant model, many people with lived experience and families of people with I/DD advocate for the development of alternatives.

Following significant Legislative support, DAIL was provided funding for a limited-services position to expand housing options and assist individuals, families and community partners to navigate public and private housing and residential services and funding. This funding (*Act 186 of 2022*) appropriated funding for Pilot Planning Grants. This grant funded three organizations to generate creative solutions to Vermont's residential support needs. One organization expanded Vermont's Intentional Community opportunities, the second to develop a technology-supported Peer Supported Living model, and a third

Through the work of the DDS Residential Program Developer, there is continued work to develop specific initiatives, establish and deepen relationships for development support and funding, and create opportunities for system-wide education. This ensures that Vermonters with intellectual and developmental disabilities have expanded options and alternatives to explore as they move through the aging process.

### **Workforce Recruitment and Retention**

The Department of Disabilities, Aging and Independent Living (DAIL) and DDS continue their commitment to supporting workforce recruitment and retention. In an interagency initiative, DAIL began the work to create a media campaign, investing significant American Rescue Plan Act (ARPA) dollars. Through this project, marketing materials, including radio, TV and social media spots, were developed to highlight the advantages of direct caregiving as a career. From the advertising, interested individuals will be directed to local opportunities for employment with community partners such as DAs and SSAs. This effort also creates legacy materials which can be used after the media campaign has ended. This effort has spanned State Fiscal Years 2024 and 2025, with the media play during State Fiscal Year 2025.

In early calendar year 2024, Vermont took advantage of an opportunity made available through the Administration for Community Living (ACL). The *Direct Caregiver Workforce Strategies Center State Peer Learning Collaborative* offered Vermont technical assistance to develop a strategic workforce roadmap and identify our top three priorities related to this work. The Peer Learning Collaborative affords Vermont's team access to 13 other states working on similar activities and the support of a nationally renowned expert. Vermont's core team consists of representatives from the Adult Services Division, the Developmental Disabilities Services Division, the Agency of Human Services Office of Health Care Reform, and the Vermont Department of Labor.

## Appendix

### Developmental Disabilities Services – Data Brief

The following Appendix provides information and statistics on Supported Employment, Family Support, Workforce, Housing Options, Fiscal Integrity, and Waiting List.

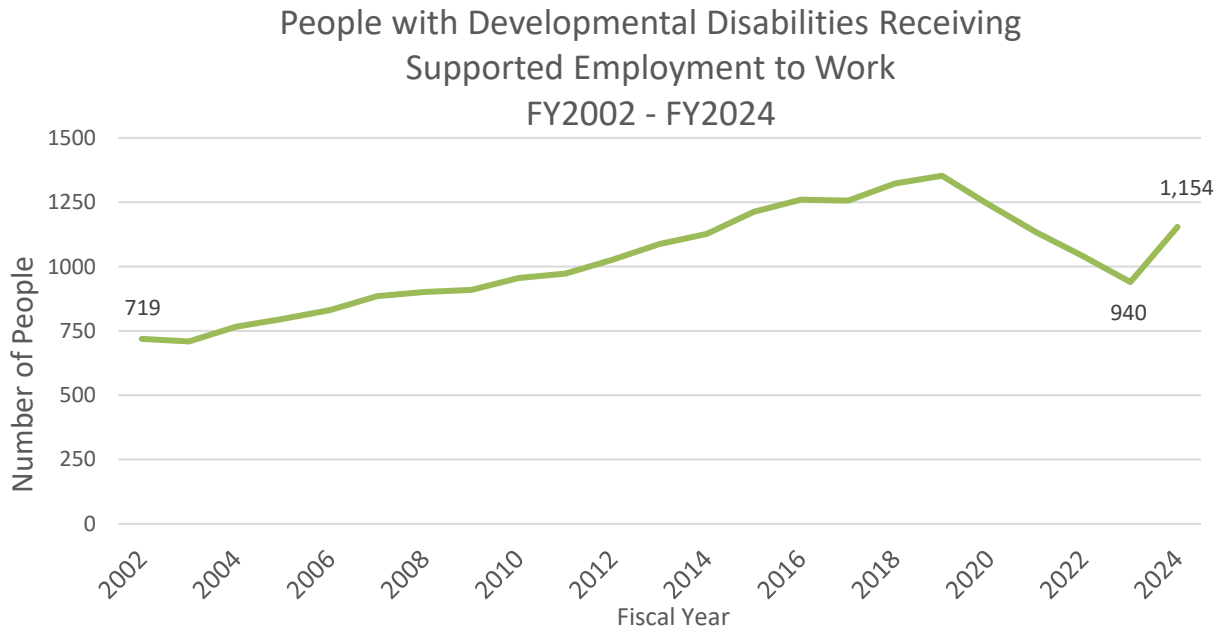
For a more in-depth report about services and a list of sources, go to our **Vermont Developmental Disabilities Services SFY2024 Annual Report**.

The data shown in this summary highlights the impact of services and, in particular, the extent to which the Principles of Service from the Developmental Disabilities Act is being met by the Developmental Disabilities Services system. Specifically highlighted are data regarding Employment, Housing Options, Workforce and Medicaid Fiscal Integrity.

All data in this report is for SFY 2024 unless otherwise noted. Please note that most national datasets have a delay in reporting, meaning that the most recent national report (the Residential Information Systems Project; RISP) published end of 2024 is reflecting on data from FY2020. When possible, comparable data is used, which might mean reporting on Vermont's FY2020 data when referencing national data from the same year. For more a more in- depth review of how DDS is meeting the Principles of Services, please see the **Vermont Developmental Disabilities Services Annual Report – State Fiscal Year 2024**.

## Employment

- Supported Employment in Vermont is competitive and integrated. The last sheltered workshop in Vermont closed in 2002. Between this closure and 2024, there has been a 61% increase in people with I/DD who are in supported employment.
- 1,154 – People supported to work. This is on the rise again for the first time since pandemic-related job loss and workforce challenges that began in FY2020.



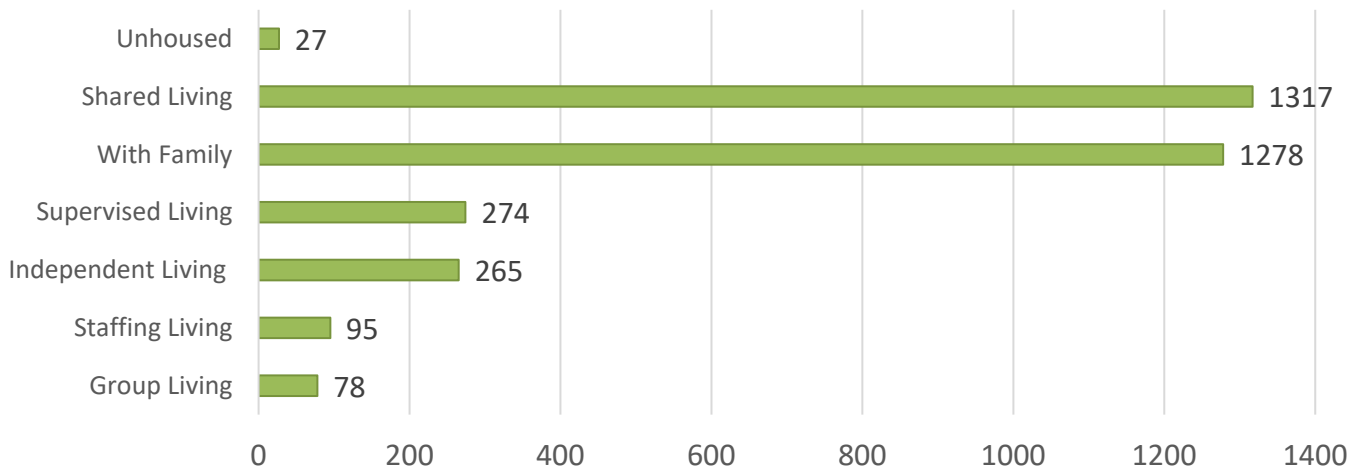
- 42% (FY22) – Employment Rate (ER) – The percentage of working age adults in VT employed among adults receiving I/DD services was higher than the 35% ER among all working age adults with disabilities nationally
- 90% - Employment rate of graduates from Vermont’s Project SEARCH Partnership.



## Housing Options

- 1.15 – The average number of people per home support setting. This is compared to the latest national average of 2.3.
- 96% - People in I/DD residential settings of 1-2 people in VT.
- 75% – People in Shared Living as a percentage of all people receiving home. Shared Living funded through tax exempt stipends is a more cost-effective option than the other home support options that are funded hourly.
- 26% – Adults in I/DD services who rent or own their home as a percentage of all people who received home supports, including people who lived independently. Nationally, only 11% of adults in I/DD services rent or own their home.
- 27 Vermonters with I/DD receiving HCBS services were unhoused as of June 30, 2024

Number of People by Residential Setting  
as of June 30, 2024



- Home Settings Defined:
  - Staffed Living: Daily (24/7) support in a staffed home setting (1-2 people).
  - Peer Supported/Group Living: Daily (24/7) support in a staffed home setting (3-6 people).
  - Supervised Living: Hourly support in person's own home/apartment (1-2 people).
  - In-Home Family Support: Hourly support in the home of unpaid family caregivers.
  - Independent Living: No paid home support.
  - Shared Living: Daily (24/7) support in the home of a shared living provider (1-2 people).
- Shared Living is considerably less expensive than the 24/7 staffed home support options (Group Living, Staffed Living)<sup>xi</sup>.

## Workforce

Critical to the quality of services is the stability of the direct support workforce. Several factors have contributed to the chronic provider workforce crisis, including the impact of the pandemic, low wages, and the need for more robust training and supervision. The DD services system continues to explore and implement new and creative steps to increase successful recruitment and retention of direct support workers.

Most direct support professionals are not employees of service agencies. Many are home providers contracted by DA/SSAs. However, the majority are Independent Direct Support Workers. They are employed by shared living providers who hire workers to provide direct supports, or by people in services or families who self- manage, family-manage, or share-manage services. These workers, many of whom are part-time, are paid through ARIS Solutions as the Fiscal/Employer Agent.

- 1,171 – Shared Living Providers (contracted by DA/SSAs)
- 6,063 – DA/SSA employees
- 4,209 – Independent Direct Support Workers (paid through ARIS)

The following data reflect staff turnover and vacancy rates of employees of developmental disabilities services agencies who provide direct supports.

- 23.4% – Turnover Rate Statewide
  - 14.9% - 38.5% -- Range of Turnover Rates (across DA/SSAs)
- 12.8% – Vacancy Rate Statewide
  - 5.0% - 23.3% – Range of Vacancy Rates (across DA/SSAs)

In a survey of the Direct Care Workforce conducted end of CY2024, 48% of respondents reported being in the age category of 55 and over. This speaks to the imminent need to address the aging workforce alongside our turnover and vacancy rates for direct care.

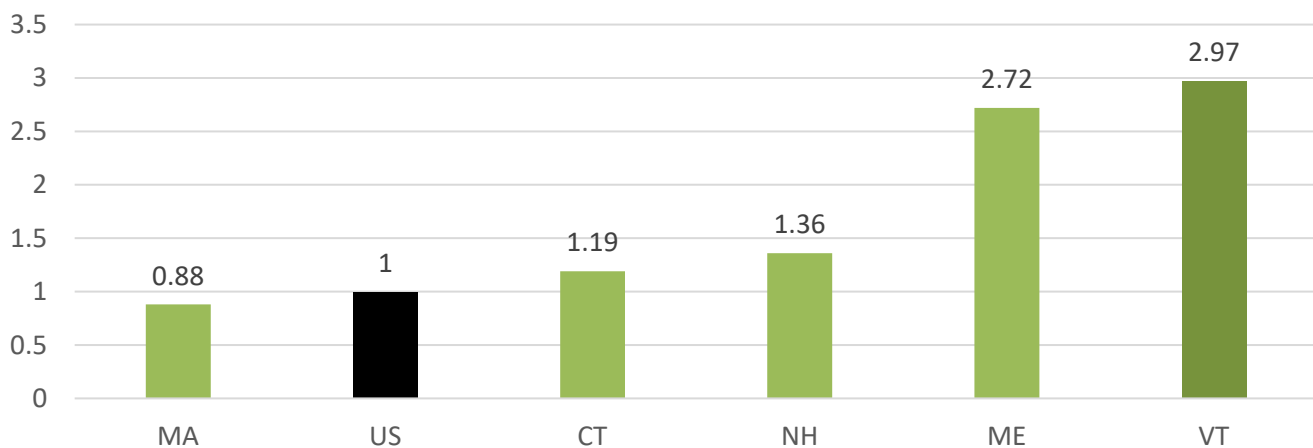
## Medicaid Program Compliance and Fiscal Integrity

### Home and Community Based-Services – Cost Distribution

- \$66,545 – Average HCBS Cost Per Person per year
- The average cost per person for HCBS has decreased over the past 10 years, when cost was adjusted for inflation (\$74,743 AFI FY2014).
- 64% - New caseload funding that is distributed to new vs existing HCBS recipients
- 334 – Individuals receiving new caseload funding
- 2.97 – State Medicaid Benefit Ratio

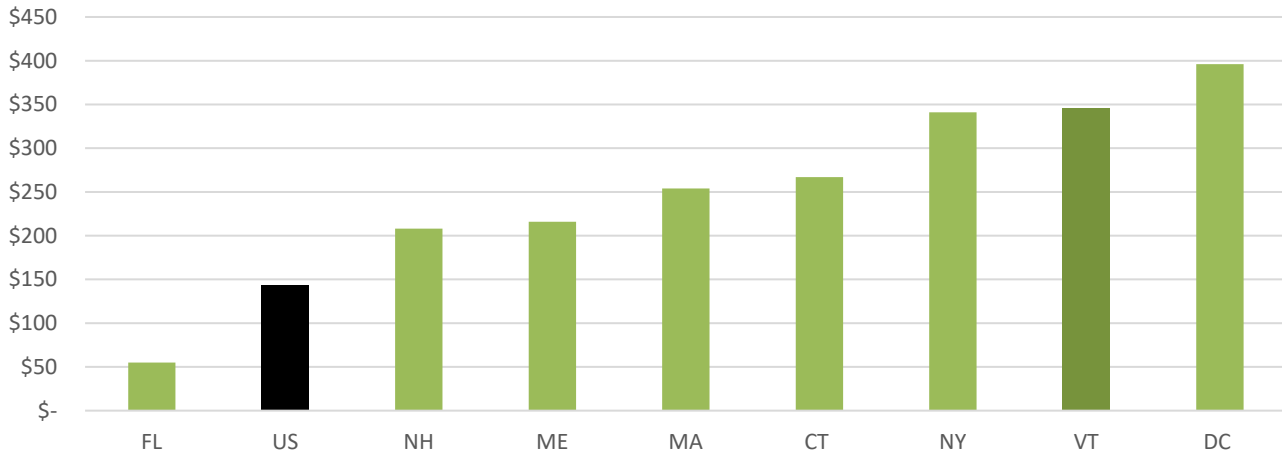
By last national data report (collected 2020; reported 2024), Vermont had the third highest State Medicaid Benefit Ratio. The State Medicaid Benefit ratio is the proportion of the total federal business and individual income tax *paid* by the state to the proportion of total ICF/IID plus Medicaid Waiver federal reimbursements *received* by the state for people with IDD. This indicates that Vermont receives a higher proportion of federal Medicaid Waiver reimbursements than the proportion of federal income taxes paid by our taxpayers.

State Medicaid Benefit Ratios  
(FY2020)



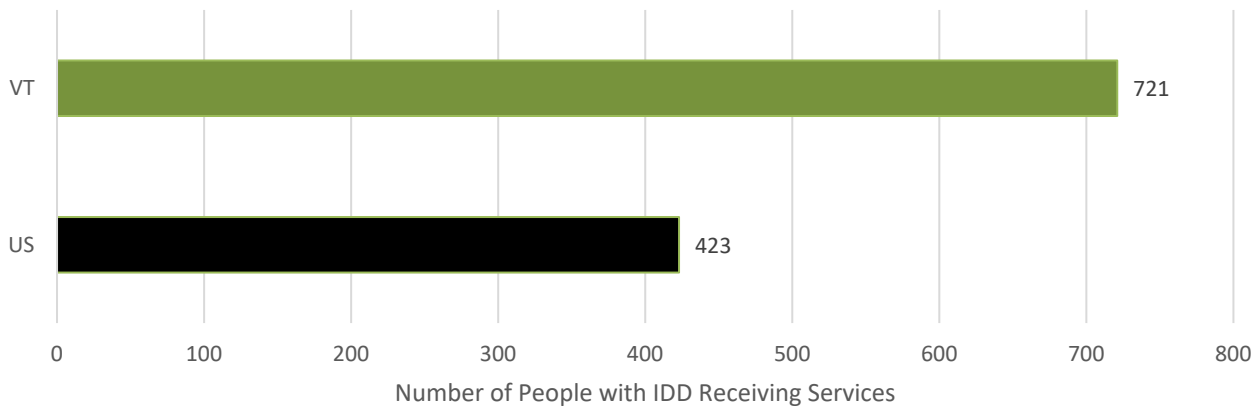
- The annual Medicaid waiver expenditures for people with IDD per capita for Vermont was second highest in the nation, at \$346, compared to a national average of \$143 (FY2020).

Total Medicaid Waiver Expenditures for People with IDD per capita (FY2020)



- The high number of people served in VT (per 100K of the population) compared with the national average shows a commitment to supporting individuals with I/DD in their communities. This is juxtaposed against Vermont’s use of state dollars to support Home and Community-Based Services, which is considerably lower than the national average and the other New England states.

People with I/DD Receiving HCBS in Vermont Compared to US Average (FY2020)



## Home and Community-Based Services – Cost Comparison

The average cost of HCBS is still relatively low considering that all services are individualized, community-based, and include intensive, comprehensive services that do not rely on expensive institutions or large group homes that are common in other states. The following data compares the difference between the average daily cost in Vermont for HCBS with the average daily rate of nursing facilities and Level 1 emergency beds.

### Developmental Disabilities Services – Average Daily Rate

- \$ 223 – Home and Community-Based Services Cost

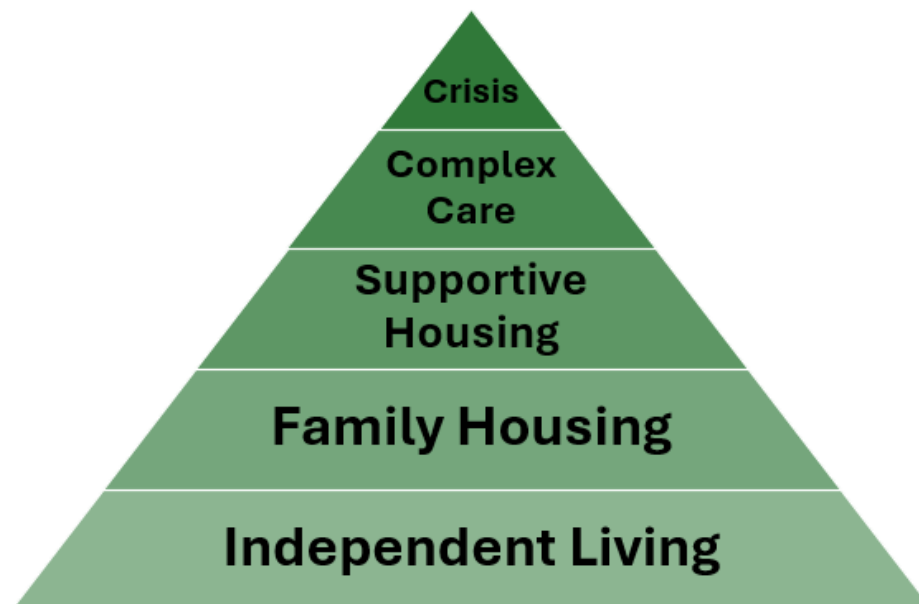
### Nursing Facility – Average Daily Rate

- \$ 281 – Medicaid cost

### Level 1 Psychiatric Facilities – Average Daily Rates

- \$3,100 – Brattleboro Retreat
- \$2,063 – Rutland Regional Medical Center
- \$3,289 – Vermont Psychiatric Care Hospital

This cost comparison stresses the importance of providing quality services to those who are receiving HCBS. Small quality improvements to this lowest tier, lowest cost support supports the tiered supports at all levels of care. This concept will continue to be explored with an interactive data set being put together in FY25 that visualizes all HCBS supports in a pyramidal model, as shown below:



Representation of DDSD's levels of supports. Higher levels on the pyramid represent higher levels of support, with fewer people, and higher cost. Initiatives for DDSD can be conceptualized as to where they impact our care delivery by where they fall on this pyramid.

## Waiting List

There were no individuals who were waiting for Home and Community-Based Services (HCBS) at any point during the year who met a funding priority. The following chart shows the number of people who applied for services who were waiting for HCBS who did not meet a funding priority. The data is broken out by type of support.

### Waiting List

- 0 – Individuals waiting for HCBS who meet a funding priority.
- 352 – Individuals waiting for HCBS who did not meet a funding priority.

Home and Community-Based Services	Number Waiting
Service Coordination	208
Employment Services	7
Community Supports	109
Clinical Services	63
Crisis Services (Individual)	15
Supportive Services	36
In-Home Family Support	35
Respite – Family	187
Supervised Living – Home Support	8
Shared Living – Home Support	0
Respite – Shared Living	3
Staffed Living – Home Support	0
Group Living – Home Support	1
Home Modification/Remote Support	5
Transportation	4
(unduplicated number) TOTAL	352

## Notes

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<sup>i</sup>In the RISP report, most states are reporting on long-term supports and services (LTSS). LTSS means a setting where a person receives Service Coordination plus one or more Long Term Supports and Services provided by I/DD service provider. For Vermont, this is only people receiving Home and Community Based Services (HCBS). For other states, it can include people living in institutions such as ICFs, nursing facilities or psychiatric facilities. This is important to note when comparing these data.

<sup>ii</sup> *In-home and Residential Long-Term Supports and Services for Persons with I/DD: Status and Trends through 2020* Residential Information Systems Project (RISP), University of Minnesota, December 2024.

<sup>iii</sup> *The State of the States in Intellectual and Developmental Disabilities*, Kansas University Center on Developmental Disabilities, University of Kansas, 2021.

<sup>iv</sup> For Vermont, all residential settings are people receiving HCBS. For other states, it can include people living in Intermediate Care Facilities (ICFs) or other institution-like settings not considered HCBS.

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