

1       Sec. A. DEVELOPMENTAL SERVICES PAYMENT REFORM;  
2                   IMPLEMENTATION

3           (a) In fiscal year 2026, the Department of Disabilities, Aging, and  
4           Independent Living shall adjust the development disabilities home- and  
5           community-based services payment model to reflect per-member, per-month  
6           payments to designated and specialized service agencies that are calculated  
7           based on a minimum-assumed utilization rate of 65 percent. Reconciliation  
8           shall occur in compliance with federal payment reform rules.

9           (b) For collective sustainability and the success of Vermont's  
10          developmental services system, the designated and specialized service agencies  
11          shall submit to the Department, on or before March 15, 2026, all information  
12          deemed necessary by the Department to enable it to perform a comprehensive  
13          fiscal analysis and to implement resolutions to address barriers that inhibit an  
14          increase service delivery utilization.

15          (c) The Departments of Disabilities, Aging, and Independent Living and of  
16          Vermont Health Access shall jointly convene a meeting to consult with the  
17          Chairs of the House and Senate Committees on Appropriations, the House  
18          Committee on Human Services, and the Senate Committee on Health and  
19          Welfare, and the designated and specialized service agencies to develop,  
20          evaluate, and recommend concrete solutions to mitigate short-term financial  
21          impacts and Medicaid compliance risks associated with the implementation of  
22          developmental services payment reform, to the extent permitted under federal  
23          Medicaid rules.

1           (d) On or before April 15, 2026, the Department shall submit a written  
2           progress report to the House Committee on Human Services and to the Senate  
3           Committee on Health and Welfare detailing recommended solutions,  
4           anticipated fiscal impacts to the designated and specialized service agency,  
5           implementation timelines, and compliance safeguards, including how  
6           measures, such as the transitional utilization methodology, shall ensure  
7           continuity of care, prevent service disruption, and mitigate Medicaid  
8           compliance risks for providers and the State during the first year of payment  
9           reform implementation, to the extent permitted under federal Medicaid rules.