

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

3 (a)(1) 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 the developmental disability services home-
9 and community-based services payment reform rules and the False Claims Act,
10 31 U.S.C. § 3729 et seq.

11 (2) To support the ongoing success of those designated and specialized
12 service agencies in need of financial stabilization in advance of reconciliation,
13 each agency currently below the 65 percent threshold and requiring financial
14 stabilization funding at this time shall prepare and submit a financial
15 stabilization plan to the Department on or before October 1, 2027. The
16 Department shall review the stabilization plan and work with the proposing
17 agencies toward the goal of stabilization and sustainability.

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

1 (c)(1) On or before June 30, 2026, the Agency of Human Services and the
2 Departments of Disabilities, Aging, and Independent Living and of Vermont
3 Health Access shall convene a meeting with the Chairs of the House and
4 Senate Committees on Appropriations, the House Committee on Human
5 Services, and the Senate Committee on Health and Welfare, or their designees,
6 and with the designated and specialized service agencies and other key
7 members of the developmental disabilities services delivery system. At the
8 meeting, the parties shall discuss efforts that support the growth of a
9 sustainable developmental service delivery system in which:

10 (A) increased service utilization meets the needs and goals of
11 individuals and families and drives the designated and specialized service
12 agencies' success;

13 (B) Medicaid compliance is assured; and

14 (C) all State and federal rules are adhered to.

15 (2) At the meeting, the parties shall also develop and recommend
16 concrete solutions to mitigate short-term financial impacts and Medicaid
17 compliance risks associated with the implementation of developmental
18 services payment reform, to the extent permitted under federal Medicaid rules.

19 (d) On or before April 15, 2026, the Department shall submit a written
20 progress report to the House Committee on Human Services and to the Senate
21 Committee on Health and Welfare detailing recommended solutions,
22 anticipated fiscal impacts to the designated and specialized service agencies,
23 implementation timelines, and compliance safeguards, including how

- 1 measures, such as the transitional utilization methodology, shall ensure
- 2 continuity of care, prevent service disruption, and mitigate Medicaid
- 3 compliance risks for providers and the State during the first year of payment
- 4 reform implementation, to the extent permitted under federal Medicaid rules.