



To: Senate Committee on Health and Welfare
From: Sandy McGuire, CEO
Date: January 14, 2026
Subject: Rural Health Transformation Program

Chair and members of the Senate Health and Welfare Committee, thank you for the opportunity to testify.

I'm here to speak to why access to Rural Health Transformation funding is critical for providers like the Howard Center, and how that need aligns directly with Vermont's goals for these dollars.

Howard Center delivers a broad range of essential community mental health and substance use services, including crisis response and outpatient care. For many of these services, we are required to respond when people present for care, regardless of insurance status, geography, timing, or acuity. That obligation is foundational to Vermont's system of care, and it requires a stable workforce, appropriate facilities, and reliable infrastructure to sustain.

From a financial perspective, the challenge is structural rather than episodic. As a community-based mental health, substance use, and developmental disability provider we operate with very limited cash reserves and consistently thin margins. While some reimbursement streams help support day-to-day operations, reimbursement is not designed to support sustained upstream investment in workforce development, training capacity, supervision, or the physical environments where care is delivered. This is compounded by our reimbursement rates having historically been among the lowest in the state, while our service area reflects some of the highest geographic cost factors for staffing and facilities. Over time, that creates pressure that shows up as staff burnout, deferred maintenance, and reduced flexibility — all of which undermine access.

Vermont's Social Vulnerability Index data place Chittenden County among the highest-vulnerability counties in the state, reflecting concentrated socioeconomic, housing, transportation, and demographic factors that are closely associated with higher health and behavioral health needs. That reality is exactly why Rural Health Transformation dollars matter — these funds are intended to stabilize and strengthen the community-based providers serving Vermonters with the greatest needs.



These funds directly support what Vermont has identified as priorities: workforce recruitment and retention, expanded community-based access, and care delivered in lower-cost settings. Chittenden County, like the rest of the state, faces a tightening labor market and a constrained pipeline of working-age professionals relative to demand for services. Howard Center is competing for the same limited workforce as hospitals, schools, and other sectors, without comparable resources.

Transformation dollars provide an opportunity to invest upstream: in training, supervision, retention supports, and modernized care settings — so community providers can remain viable and effective. This is not about expansion or excess. It is about maintaining capacity and preventing erosion in all parts of the system Vermont depends on to keep people out of emergency departments and inpatient beds.

Federal law provides clear direction and sufficient flexibility to include FQHCs and Community Mental Health Centers as rural health facilities for purposes of provider eligibility and grant allocation. Vermont can and should use this authority to guarantee equitable access to RHTP funds for all eligible providers.

Ultimately, this funding is about the Vermonters served — people seeking help before a crisis escalates, families navigating mental illness or substance use, and communities that rely on these services being available when they are needed, regardless of who they are or where they live. Ensuring that community mental health providers can remain stable and effective is essential to achieving the promise of the Rural Health Transformation Program.