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STATE OF VERMONT AGENCY OF HUMAN SERVICES

MEMORANDUM

TO: Vermont Joint Fiscal Committee

FROM: Jenney Samuelson, Secretary, Vermont Agency of Human Services

DATE: August 4, 2025

SUBJECT: Act 27 (2025) – Update on Maple Mountain Funding

The Agency of Human Services (AHS) has engaged in preliminary discussions with the Centers for Medicare & Medicaid Services (CMS) regarding potential Medicaid funding for the Maple Mountain initiative. At this time, AHS does not identify a viable path forward to formally pursue federal matching funds for the initiative.

On July 17, CMS issued formal guidance to state Medicaid agencies, explicitly addressing the use of Medicaid funds for workforce-related initiatives. The letter states:

"CMS does not anticipate approving new or extending existing Medicaid-funded workforce initiatives—programs that use Medicaid dollars to fund certain job training or employment-related activities—which to date have involved more than \$1 billion in federal commitments across California, Massachusetts, New York, North Carolina, and Vermont."

In light of this clarified federal policy position, AHS does not believe there is an immediate opportunity to advance a Medicaid-funded approach to launching the Maple Mountain Residency Program.

As required by Act 27, AHS will continue to monitor and evaluate future federal opportunities that may support this initiative. While the current federal policy environment precludes Medicaid participation, AHS remains committed to identifying alternative funding strategies in upcoming fiscal years to support implementation.