

September 18, 2025

To: Members of the Joint Fiscal Committee

RE: DS Payment Reform and Conflict of Interest Free Case Management

As we implement DS payment reform and conflict of interest free case management, Vermont Care Partners' priority is clear: Vermonters must receive the services they've been assessed for. Without adequate funding and staffing, people will lose the care they depend on, and Vermont's developmental services system of care risks destabilization.

Critical Issues:

- **Risk of Service Loss:** Without adequate cash flow, agencies can't hire or retain staff. If we can't staff services, people who have been assessed for supports will go without them.
- **Agency Closures = System Collapse:** If agencies are forced to cut or close, the burden shifts to others who don't have capacity. The result is a systemwide crisis that leaves Vermonters without care.
- **Uncertainty & Delays:** Too much remains up in the air.
 - As of now, there are still individuals that need assessments completed and over half will require an exception or variance. The bandwidth to get this done on time simply isn't there.
 - Families and caregivers still do not know what budgets will take effect October 1. The tools and spreadsheets needed from the State have not been delivered.
- **Budget Crisis:** We are already one quarter into FY26, and agencies still do not have the information needed to build their budgets. This is alarming and destabilizing.
- **Funding Pulled from the System:** \$11 million is being removed from 8 provider agencies, even though workload hasn't gone down. With razor-thin margins and an average of only 26 days of cash on hand systemwide, this puts the entire care network at risk. Less money in the system = fewer staff, fewer services, and people left without care.

Our Ask:

1. **Stability in Year One:** Hold agencies harmless in FY26 - no less than FY25 rates plus the 2% increase - and reconcile from there. This full-year runway is essential, not because agencies are unprepared, but because the state's contractors and new management structure are still staffing up, learning the system, and budgets have yet to be provided to the agencies. Without this stability, agencies cannot plan, staff, or ensure people get the services they've been assessed to receive.

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2. **Adequate Cash Flow:** Agencies must have the same wage parity as CMOs so we can hire and retain the staff needed to provide approved services.
 3. **Transparency & Timeliness:** The State must deliver timely budgets, clear workflows, and accurate financial tools so agencies can actually plan and operate.

We fully support this reform, but it cannot succeed if Vermonters lose the services they have been assessed and approved to receive. Reform falls short if it comes at the cost of people losing the supports they rely on. Our goal is simple: a stable, well-resourced system so that every person gets the care they need and deserve.