

August 20, 2026

TO: Legislative Committee on Administrative Rules
FROM: Vermont Care Partners
RE: Rule on Agency Designation (Designated and Specialized Service Agencies)

Legislative Committee on Administrative Rules Members:

First and foremost, we want to thank the Agency of Human Services, and Ashley Johns in particular for working collaboratively with us on the Rule updates. While we didn't agree on everything, we were able to come to better understand perspectives and make some positive changes and updates. Vermont Care Partners is requesting one targeted addition to the agency designation rules regarding the timely implementation of new or changing state/federal requirements.

Designated and Specialized Agencies, are responsible for implementing and delivering a wide range of services and requirements established by the State or federal government. As those requirements evolve or new requirements/initiatives are added, agencies need timely and clear guidance about how those changes are expected to be implemented. Guidance and implementation materials need to be available prior to implementation so agencies and the state can establish the systems and processes necessary to ensure compliance, mitigate risk, and provide high-quality care to the people we serve.

Set guidance and infrastructure is essential to implementation. Agencies need time to make the operational, clinical, financial, workforce, training, and systems changes necessary to meet new requirements and remain in compliance.

This is particularly important as Vermont implements significant initiatives such as CCBHC, Medicaid policy changes, and Developmental Services payment and systems reform. When implementation guidance is delayed, agencies may be required to meet new standards or operational expectations without yet having the information necessary to implement accurately. This creates substantial compliance risk for both agencies and the state, as providers may be held accountable for requirements they have not been given the tools or instructions to implement. Delayed guidance and infrastructure build also creates direct financial exposure. When state systems or authorization processes are not accurately operational, the result is increased administrative burden and more importantly substantial financial risk, interrupting cash flow, destabilizing budgets, and undermining the sustainability of essential community services.

We are not asking that manuals or guides be incorporated into administrative rule nor are we asking for the rule to dictate specific state infrastructure build. We are asking that the designation rules establish clear expectations: 1) that when a new or substantively changed requirement requires implementation guidance, that guidance be provided with sufficient advance notice for agencies to reasonably implement the change; 2)

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that alongside that guidance the agencies have reasonable amount of time to adjust their internal systems to adapt to new state infrastructure/systems prior to any implementation start date.

Vermont has precedent for this approach. Under 18 V.S.A. § 9418c, when policies or manuals supplement health care provider contracts, the contracting entity must provide sufficient information for providers to understand and comply with them and, for substantive changes, provide at least 60 days' notice before they take effect. 18 V.S.A. § 9418c

We recommend section 4.3 of the designation rules:

- Require necessary implementation guidance and materials to be provided in advance of a new or substantively revised requirement;
- Establish 60 days' notice as the standard, with appropriate exceptions for statutory, federal, or emergency requirements; and
- Provide a reasonable implementation period before agencies are expected to demonstrate compliance with the new requirement.
- Ensure that State infrastructure, including required systems, processes, and operational tools, is in place and functional prior to the implementation start date of any new or substantively revised requirement.

Rationale:

Timely implementation guidance is essential to effective program and service planning. When State or federal requirements change, agencies may need to make significant operational, clinical, workforce, training, technology, and financial changes to implement those requirements. Providing guidance and implementation materials with sufficient lead time allows agencies to plan appropriately, prepare staff, and make changes in a thoughtful and coordinated manner.

Timely guidance also supports compliance and reduces unnecessary risk. Agencies need to understand how a new or revised requirement is expected to be operationalized to implement it consistently and demonstrate compliance. When implementation guidance is delayed, agencies may face uncertainty about how to proceed while still being expected to meet the underlying requirement.

Timely guidance must be paired with timely State infrastructure; agencies cannot implement or comply with new requirements when the systems needed to operationalize those requirements are not yet in place.

Establishing a clear expectation for timely implementation guidance and state infrastructure build in the Rule creates a more predictable process for both the State and agencies, supports effective implementation, and ultimately helps maintain continuity and quality of services for Vermonters. Thank you for considering our important addition to the rules

Sincerely,
Vermont Care Partners