DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, MD 21244-1850

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

State Demonstrations Group

August 13, 2026

Jenney Samuelson
Secretary
Vermont Agency of Human Services
280 State Drive
Waterbury, VT 05671

Dear Secretary Samuelson:

In accordance with the Vermont Global Commitment to Health (GCH) section 1115(a) demonstration special terms and conditions (STCs), the Centers for Medicare & Medicaid Services (CMS) has completed its review and is approving the one-time extension of one public health, health care, and health-related investment. The Direct Support Provider Workforce Retention Bonus Payments investment, which Vermont estimates to total $1,200,000 (total computable), meets the criteria specified in STCs 11.1 and 11.2, including the Investment Framework (Attachment R). The investment and rationale of how CMS found the investment to meet the criteria in the STCs and the Investment Framework is appended to this letter. In accordance with CMS's letter issued July 17, 2025, regarding section 1115 workforce initiatives, CMS does not anticipate extending or approving new workforce investments.[1]

Vermont must notify CMS of all new investments prior to their implementation, in accordance with the applicable timelines described in STCs 11.6 and 11.7 and submit the New Investment Application Template (Attachment S). Federal financial participation is not available for new investments prior to CMS approval.

As stipulated in STC 11.8(a), the state must maintain a list of active, retired, completed, and new investments in the state's demonstration monitoring reports. CMS and the state will utilize demonstration monitoring calls and reports for ongoing investment coordination and monitoring. As described in STC 11.8(b), the state will evaluate all investments authorized under the demonstration.

Program Integrity

States are responsible for following all applicable federal law and regulations when they claim and use federal Medicaid funds and must fully comply with all applicable Medicaid statutes and regulations under a section 1115 demonstration, except where specific provisions have been expressly waived or identified as not applicable for that demonstration. This obligation includes all requirements in title XIX of the Act and implementing regulations governing provider screening and enrollment activities, pre- and post-payment review claiming, payment methodologies and rate-setting, utilization controls, and program integrity including processes to

[1] https://www.medicaid.gov/resources-for-states/downloads/workforc-ltr-to-states.pdf

identify, investigate, and refer suspected fraud, and methods to receive complaints and identify questionable practices. States must maintain effective systems and safeguards to prevent, detect, and address any fraud, waste, or abuse (FWA) in the delivery of and payment for Medicaid services, including referrals to law enforcement when appropriate.

States should have heightened monitoring and oversight mechanisms in place featuring robust internal controls to identify and remediate all vulnerabilities (including, but not limited to, FWA and beneficiary access issues) inherent in service areas approved as part of a demonstration. At any time, CMS may request that the state provide a plan detailing the state's systems and safeguards to prevent, detect, and address any FWA relative to this demonstration. Failure to meet program integrity obligations under federal statutes and regulations or under the terms and conditions of this demonstration approval may result in compliance actions or other enforcement measures that could include requirements to develop and implement corrective action plans, withholdings, deferrals, disallowances, and termination of demonstration authority.

We look forward to our continued partnership on the Global Commitment to Health section 1115(a) demonstration. If you have any questions, please contact your CMS project officer, Rabia Khan, at Rabia.Khan1@cms.hhs.gov.

Sincerely,

Lisa A. Marunycz -S9

Digitally signed by Lisa A. Marunycz -S9
Date: 2026.08.13 12:38:52 -04'00'

Lisa Marunycz
Deputy Director
Division of System Reform Demonstrations
State Demonstrations Group

Enclosure

cc: Gilson DaSilva, State Monitoring Lead, Medicaid and CHIP Operations Group

Appendix: Investment Framework Categories and Approval Rationale

Table 1: STC 11.1 and Attachment R Investment Framework Categories

Category	Description
1	Reduce the rate of uninsured and/or underinsured in Vermont.
2	Increase the access to quality health care by low income, uninsured, underinsured individuals and Medicaid beneficiaries in Vermont.
3	Provide public health approaches, investments in social determinants of health, and other innovative programs that benefit low-income, uninsured, underinsured individuals and Medicaid beneficiaries in Vermont.
4	Implement initiatives to increase transformation to value-based and integrated models of care.
5	Provide home and community-based services and supports necessary to increase community living for individuals in Vermont at risk of needing facility-based care.

Table 2: CMS's Rationale for Approval of Investments in Alignment with STCs

Investment	Expected Amount (Total Computable)	Approval Rationale
Direct Support Provider Workforce Retention Bonus Payments	$1,200,000	This investment meets Category 2 of the Investment Framework, as it supports the goal of increasing access to quality health care by low income, uninsured, underinsured individuals and Medicaid beneficiaries in Vermont.