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State/Territory Name: Vermont

State Plan Amendment (SPA) #: 25-0015

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Form CMS 179
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

December 22, 2025

Jill Mazza Olson, Medicaid Director
Vermont Agency of Human Services
Building E, Third Floor, 280 State Drive
Waterbury, VT 05671-1000

Re: Vermont State Plan Amendment (SPA) - 25-0015

Dear Director Olson:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0015. This amendment proposes to add targeted case management for adults with serious mental illness in accordance with Special Term and Condition 4.4(c) of the Global Commitment to Health 1115 Waiver wherein rehabilitative mental health services are being transferred to the State Plan.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations in accordance with 42 CFR §440.169. This letter informs you that Vermont's Medicaid SPA TN 25-0015 was approved on December 22, 2025, effective July 1, 2025.

Enclosed are copies of Form CMS 179 and the approved SPA pages to be incorporated into the Vermont State Plan.

If you have any questions, please contact Gilson DaSilva at (617) 565-1227 or via email at Gilson.DaSilva@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Wendy E. Hill Petras.

Wendy E. Hill Petras, Acting Director
Division of Program Operations

Enclosures

cc: Dylan Frazer, Deputy Director of Medicaid Policy

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 5 — 0 0 1 5

2. STATE

VT

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT



XIX



XXI

TO: CENTER DIRECTOR

CENTERS FOR MEDICAID & CHIP SERVICES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

7/1/2025

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR §440.169

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2025

\$ 0

b. FFY 2026

\$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Supplement 1 to Att. 3.1-A pages 30–34

36 - 39

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

None

9. SUBJECT OF AMENDMENT

Addition of Targeted Case Management for Adults with Serious Mental Illness

10. GOVERNOR'S REVIEW (Check One)



GOVERNOR'S OFFICE REPORTED NO COMMENT



COMMENTS OF GOVERNOR'S OFFICE ENCLOSED



NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL



OTHER, AS SPECIFIED: Approval from Agency of Admin.

STATE AGENCY OFFICIAL

Ashley Berliner

13. TITLE

MEDICAID DIRECTOR, AGENCY OF HUMAN SERVICES

14. DATE SUBMITTED

9/30/2025

15. RETURN TO:

DYLAN FRAZER

DEPARTMENT OF VERMONT HEALTH ACCESS

280 STATE DRIVE

WATERBURY, VT 05671-1010

DYLAN.FRAZER@VERMONT.GOV

FOR CMS USE ONLY

16. DATE RECEIVED

09/30/2025

17. DATE APPROVED

12/22/2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

07/01/2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Wendy E. Hill Petras

21. TITLE OF APPROVING OFFICIAL

Acting Director, Division of Program Operations

22. REMARKS

11/04/2025 - VT agreed to a pen-and-ink change to revise the page numbers in box 7 from 30 through 34 to 36 through 39.

State Plan under Title XIX of the Social Security Act
State/Territory: VT

TARGETED CASE MANAGEMENT SERVICES
Adults with Serious Mental Illness

Target Group (42 Code of Federal Regulations 441.18(a)(8)(i) and 441.18(a)(9)):
Individuals who are 18 years and older that meet the Department of Mental Health's defined clinical criteria for serious mental illness.

N/A Target group includes individuals transitioning to a community setting. Case-management services will be made available for up to N/A **[insert a number; not to exceed 180]** consecutive days of a covered stay in a medical institution. The target group does not include individuals between ages 22 and 64 who are served in Institutions for Mental Disease or individuals who are inmates of public institutions). (State Medicaid Directors Letter (SMDL), July 25, 2000)

Areas of State in which services will be provided (§1915(g)(1) of the Act):

- ☒ Entire State
☐ Only in the following geographic areas: **[Specify areas]**

Comparability of services (§§1902(a)(10)(B) and 1915(g)(1))

- ☐ Services are provided in accordance with §1902(a)(10)(B) of the Act.
☒ Services are not comparable in amount duration and scope (§1915(g)(1)).

Definition of services (42 CFR 440.169): Targeted case management services are defined as services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational and other services. Targeted Case Management includes the following assistance:

- Comprehensive assessment and periodic reassessment of individual needs, to determine the need for any medical, educational, social or other services. These assessment activities include
 - taking client history;
 - identifying the individual's needs and completing related documentation; and
 - gathering information from other sources such as family members, medical providers, social workers, and educators (if necessary), to form a complete assessment of the eligible individual;Clinical assessments are completed at least every 24 months.
- ❖ Development (and periodic revision) of a specific care plan that is based on the information collected through the assessment that
 - specifies the goals and actions to address the medical, social, educational, and other services needed by the individual;
 - includes activities such as ensuring the active participation of the eligible individual, and working with the individual (or the individual's authorized health care decision maker) and others to develop those goals; and
 - identifies a course of action to respond to the assessed needs of the eligible individual;

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State Plan under Title XIX of the Social Security Act
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TARGETED CASE MANAGEMENT SERVICES
Adults with Serious Mental Illness

- ❖ Referral and related activities (such as scheduling appointments for the individual) to help the eligible individual obtain needed services including
 - activities that help link the individual with medical, social, educational providers, or other programs and services that are capable of providing needed services to address identified needs and achieve goals specified in the care plan; and
- ❖ Monitoring and follow-up activities:
 - activities and contacts that are necessary to ensure the care plan is implemented and adequately addresses the eligible individual's needs, and which may be with the individual, family members, service providers, or other entities or individuals and conducted as frequently as necessary, and including at least one annual monitoring, to determine whether the following conditions are met:
 - services are being furnished in accordance with the individual's care plan;
 - services in the care plan are adequate; and
 - changes in the needs or status of the individual are reflected in the care plan. Monitoring and follow-up activities include making necessary adjustments in the care plan and service arrangements with providers. Monitoring occurs monthly or more frequently if the client's situation is unstable. Monitoring and follow-up activities may be delivered in-person, telephonically, and/or via telehealth as clinically appropriate for the individual being served.

X Case management includes contacts with non-eligible individuals that are directly related to identifying the eligible individual's needs and care, for the purposes of helping the eligible individual access services; identifying needs and supports to assist the eligible individual in obtaining services; providing case managers with useful feedback, and alerting case managers to changes in the eligible individual's needs.
(42 CFR 440.169(e))

Qualifications of providers (42 CFR 441.18(a)(8)(v) and 42 CFR 441.18(b)):

Providers must be at least 18 years of age and be a high school graduate or equivalent, having completed Community Mental Health Center employee orientation within 90 days of hiring, with trainings in the following domains:

- Culturally and Linguistically Appropriate Services
- Person-centered and family centered, recovery oriented, evidence based, and trauma informed care
- De-escalation
- Roles of family and peers
- Integrated treatment needs (primary care/mental health/substance use)

Freedom of choice (42 CFR 441.18(a)(1)):

The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of section 1902(a)(23) of the Act.

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TARGETED CASE MANAGEMENT SERVICES
Adults with Serious Mental Illness

1. Eligible individuals will have free choice of any qualified Medicaid provider within the specified geographic area identified in this plan.
2. Eligible individuals will have free choice of any qualified Medicaid providers of other medical care under the plan.

X Target group consists of eligible individuals with developmental disabilities or with chronic mental illness. Providers are limited to qualified Medicaid providers of case management services capable of ensuring that individuals with developmental disabilities or with chronic mental illness receive needed services: **[Identify any limitations to be imposed on the providers and specify how these limitations enable providers to ensure that individuals within the target groups receive needed services.]** This service is limited to providers employed by Community Mental Health Centers, which are designated by the State as being responsible for mental health care within their catchment area.

Access to Services (42 CFR 441.18(a)(2), 42 CFR 441.18(a)(3), 42 CFR 441.18(a)(6)):
The State assures the following:

- Case management (including targeted case management) services will not be used to restrict an individual's access to other services under the plan.
- Individuals will not be compelled to receive case management services, condition receipt of case management (or targeted case management) services on the receipt of other Medicaid services, or condition receipt of other Medicaid services on receipt of case management (or targeted case management) services; and
- Providers of case management services do not exercise the agency's authority to authorize or deny the provision of other services under the plan.

Payment (42 CFR 441.18(a)(4)):

Payment for case management or targeted case management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

Case Records (42 CFR 441.18(a)(7)):

Providers maintain case records that document for all individuals receiving case management as follows: (i) The name of the individual; (ii) The dates of the case management services; (iii) The name of the provider agency (if relevant) and the person providing the case management service; (iv) The nature, content, units of the case management services received and whether goals specified in the care plan have been achieved; (v) Whether the individual has declined services in the care plan; (vi) The need for, and occurrences of, coordination with other case managers; (vii) A timeline for obtaining needed services; (viii) A timeline for reevaluation of the plan.

Limitations:

Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management

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TARGETED CASE MANAGEMENT SERVICES
Adults with Serious Mental Illness

activities are an integral and inseparable component of another covered Medicaid service (State Medicaid Manual (SMM) 4302.F).

Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities constitute the direct delivery of underlying medical, educational, social, or other services to which an eligible individual has been referred, including for foster care programs, services such as, but not limited to, the following: research gathering and completion of documentation required by the foster care program; assessing adoption placements; recruiting or interviewing potential foster care parents; serving legal papers; home investigations; providing transportation; administering foster care subsidies; making placement arrangements. (42 CFR 441.18(c))

FFP only is available for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program except for case management that is included in an individualized education program or individualized family service plan consistent with §1903(c) of the Act. (§§1902(a)(25) and 1905(c))