

Operations Memo 2026-08

To: DDS Qualified Private Providers

From: Sean Bannon, Director, Operations Center

CC: Jordan Scheff, Commissioner, Elisa Velardo, Deputy Commissioner, Katie Rock-Burns, Chief of Staff, Nicholas Jerard, CFO, Regional Directors, Private ARDs, Resource Administrators, The Alliance, The ARC CT

Date: September 11, 2025

Subject: Rate Increase Highlights FY 26 – 28

As you are aware, Governor Lamont and the legislature supported a significant investment in the long-term services and supports sector for the FY 2026-2027 biennium with additional commitments in FY 2028. These investments were articulated to help put direct care workers on a pathway to earning a livable family wage and support continuity of care for DDS qualified providers. The agreement made is summarized below:

Fiscal Year 2026 (Effective July 1, 2025)

- 2% General rate increase for all DDS private providers—union and non-union providers
- Additional 1.4% increase for all DDS residential¹ private providers—union and non-union providers
- Total investment of approximately \$34 million (gross) in FY 2026

Fiscal Year 2027 (Effective July 1, 2026)

- 3% General rate increase for all DDS private providers—union and non-union providers
- Additional 2.8% increase for all DDS residential private providers—union and non-union providers

¹ “Residential” includes DDS residential services, as well as intermediate care facilities; if eligible, agencies are not limited to using funds on residential staff.

- \$5 million pool distributed to DDS residential private providers—union and non-union providers to enhance worker wages and benefits; DDS will develop an application process to distribute this additional support
- Total investment of approximately \$100 million (gross) in FY 2027

Fiscal Year 2028

- 3.3% General rate increases for all DDS private providers—union and non-union providers—on 7/1/27 and another 3.3% general rate increase on 1/1/28
- Plus 3% increase for all DDS residential private providers—union and non-union providers—on 7/1/27 and another 3% increase on 1/1/28
- Total investment of over \$200 million (gross) in FY 2028

The FY 2026 elements summarized above have already been considered as a part of the rate changes that were released in the Operations Center memo on July 9, 2025. The elements for FY 2027 and FY 2028 will be included in forthcoming rate changes for those fiscal years.

If you have any questions, please contact your Provider Specialist.

