

State of Arkansas  
95th General Assembly  
Regular Session, 2025

## A Bill

SENATE BILL 33

By: Joint Budget Committee

### For An Act To Be Entitled

AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES  
AND OPERATING EXPENSES FOR THE DEPARTMENT OF HUMAN  
SERVICES - DIVISION OF MEDICAL SERVICES FOR THE  
FISCAL YEAR ENDING JUNE 30, 2026; AND FOR OTHER  
PURPOSES.

### Subtitle

AN ACT FOR THE DEPARTMENT OF HUMAN  
SERVICES - DIVISION OF MEDICAL SERVICES  
APPROPRIATION FOR THE 2025-2026 FISCAL  
YEAR.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. REGULAR SALARIES - OPERATIONS. There is hereby established  
for the Department of Human Services - Division of Medical Services for the  
2025-2026 fiscal year, the following maximum number of regular employees.

		Maximum Annual	
		Maximum	Salary Rate
Item	Class	No. of	Fiscal Year
No.	Code Title	Employees	2025-2026
(1)	N249N DHS DIVISION DIRECTOR	1	GRADE SE02
(2)	L016N REGISTERED PHARMACIST	4	GRADE MP05
(3)	L009C NURSE MANAGER	1	GRADE MP03
(4)	L027C REGISTERED NURSE SUPERVISOR	3	GRADE MP02



1	(5)	L038C REGISTERED NURSE	9	GRADE MP01
2	(6)	D006N STATE SYSTEMS ARCHITECT	1	GRADE IT10
3	(7)	D007C INFORMATION SYSTEMS MANAGER	2	GRADE IT08
4	(8)	D030C INFORMATION SYSTEMS COORDINATOR	1	GRADE IT07
5	(9)	D061C INFORMATION SYSTEMS COORDINATION SPEC	1	GRADE IT05
6	(10)	D058C COMPUTER OPERATIONS COORDINATOR	1	GRADE IT04
7	(11)	D068C INFORMATION SYSTEMS ANALYST	1	GRADE IT04
8	(12)	A019N DHS DEP CHIEF FIN OFFICER-MEDICAL SVCS	1	GRADE GS15
9	(13)	G286C DMS DEPUTY DIRECTOR	1	GRADE GS15
10	(14)	N100N DHS/DMS ADD - MEDICAL SERVICES	2	GRADE GS14
11	(15)	G277C DHS PROCESS IMPROVEMENT DIRECTOR	1	GRADE GS13
12	(16)	G025C ATTORNEY SUPERVISOR	1	GRADE GS12
13	(17)	N168N DHS DIR HOME & COMMUNITY BASED SVCS	1	GRADE GS12
14	(18)	A016C DHS DMS BUSINESS OPERATIONS MANAGER	8	GRADE GS12
15	(19)	V036C AGENCY PROCUREMENT ADMINISTRATOR	1	GRADE GS10
16	(20)	L010C DHS DMS MEDICAL ASSISTANCE MANAGER	3	GRADE GS10
17	(21)	G099C DHS PROGRAM ADMINISTRATOR	17	GRADE GS09
18	(22)	R021C BUDGET ANALYST	1	GRADE GS08
19	(23)	G152C DHS PROGRAM MANAGER	8	GRADE GS08
20	(24)	A081C AUDITOR	1	GRADE GS07
21	(25)	G183C DHS PROGRAM COORDINATOR	7	GRADE GS07
22	(26)	C037C ADMINISTRATIVE ANALYST	2	GRADE GS06
23	(27)	R027C BUDGET SPECIALIST	1	GRADE GS06
24	(28)	C013C MEDICAL SERVICES REPRESENTATIVE	1	GRADE GS06
25	(29)	C036C ADMINISTRATIVE REVIEW ANALYST	1	GRADE GS05
26	(30)	L070C HEALTH CARE ANALYST	3	GRADE GS05
27	(31)	C054C LOCAL OFFICE ADMINISTRATIVE SPEC	1	GRADE GS05
28	(32)	C056C ADMINISTRATIVE SPECIALIST III	3	GRADE GS04
29	(33)	A098C FISCAL SUPPORT SPECIALIST	<u>1</u>	GRADE GS04
30		MAX. NO. OF EMPLOYEES	91	

31

32       SECTION 2. EXTRA HELP - OPERATIONS. There is hereby authorized, for  
33 the Department of Human Services - Division of Medical Services for the 2025-  
34 2026 fiscal year, the following maximum number of part-time or temporary  
35 employees, to be known as "Extra Help", payable from funds appropriated  
36 herein for such purposes: ten (10) temporary or part-time employees, when

needed, at rates of pay not to exceed those provided in the Uniform Classification and Compensation Act, or its successor, or this act for the appropriate classification.

SECTION 3. APPROPRIATION - OPERATIONS. There is hereby appropriated, to the Department of Human Services, to be payable from the paying account as determined by the Chief Fiscal Officer of the State, for personal services and operating expenses of the Department of Human Services - Division of Medical Services for the fiscal year ending June 30, 2026, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2025-2026</u>
(01) REGULAR SALARIES	\$6,475,248
(02) EXTRA HELP	201,892
(03) PERSONAL SERVICES MATCHING	2,225,570
(04) OVERTIME	2,241
(05) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	1,713,290
(B) CONF. & TRAVEL	40,099
(C) PROF. FEES	800,000
(D) CAP. OUTLAY	0
(E) DATA PROC.	0
(06) DATA PROCESSING SERVICES	<u>1,299,600</u>
TOTAL AMOUNT APPROPRIATED	<u>\$12,757,940</u>

SECTION 4. APPROPRIATION - GRANTS. There is hereby appropriated, to the Department of Human Services, to be payable from the paying account as determined by the Chief Fiscal Officer of the State, for grant payments of the Department of Human Services - Division of Medical Services for the fiscal year ending June 30, 2026, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2025-2026</u>
(01) ARKIDS B PROGRAM	\$167,661,480
(02) HOSPITAL AND MEDICAL SERVICES	8,336,005,717
(03) PRESCRIPTION DRUGS	625,636,547

1	(04) PRIVATE NURSING HOME CARE	1,048,963,434
2	(05) CHILD AND FAMILY LIFE INSTITUTE	2,100,000
3	(06) INFANT INFIRMARY	327,608
4	(07) PUBLIC NURSING HOME CARE	<u>217,529,350</u>
5	TOTAL AMOUNT APPROPRIATED	<u>\$10,398,224,136</u>

6

7 SECTION 5. APPROPRIATION - NURSING HOME CLOSURE COSTS. There is hereby  
 8 appropriated, to the Department of Human Services - Division of Medical  
 9 Services, to be payable from the Long-Term Care Trust Fund, for the payment  
 10 of relocation costs of residents in long-term care facilities, maintenance  
 11 and operation of a facility pending correction of deficiencies or closure,  
 12 and reimbursement of residents for personal funds lost for the fiscal year  
 13 ending June 30, 2026, the following:

14

15	ITEM	FISCAL YEAR
16	<u>NO.</u>	<u>2025-2026</u>
17	(01) EXPENSES	<u>\$4,500,000</u>

18

19 SECTION 6. APPROPRIATION - LONG-TERM CARE FACILITY RECEIVERSHIP. There  
 20 is hereby appropriated, to the Department of Human Services, to be payable  
 21 from the Long Term Care Facility Receivership Fund Account, for the payment  
 22 of expenses of long-term care facility receivers as authorized by law of the  
 23 Department of Human Services - Division of Medical Services - Long-Term Care  
 24 Facility Receivership for the fiscal year ending June 30, 2026, the  
 25 following:

26

27	ITEM	FISCAL YEAR
28	<u>NO.</u>	<u>2025-2026</u>
29	(01) EXPENSES	<u>\$100,000</u>

30

31 SECTION 7. APPROPRIATION - NURSING HOME QUALITY GRANTS. There is  
 32 hereby appropriated, to the Department of Human Services, to be payable from  
 33 the Long-Term Care Trust Fund, for Nursing Home Quality Care Grants of the  
 34 Department of Human Services - Division of Medical Services - Nursing Home  
 35 Quality Grants for the fiscal year ending June 30, 2026, the following:

36

1	ITEM	FISCAL YEAR
2	<u>NO.</u>	<u>2025-2026</u>
3	(01) NURSING HOME QUALITY GRANTS AND AID	<u>\$4,000,000</u>

4

5 SECTION 8. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
6 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.  
7 MEDICAL SERVICES - GENERAL MEDICAID RATE METHODOLOGY PROVISIONS.

8 (a) Rates established by the Division of Medical Services for the services  
9 or programs covered by this Act shall be calculated by the methodologies  
10 approved by the Centers for Medicare and Medicaid Services (CMS). The  
11 Division of Medical Services shall have the authority to reduce or increase  
12 rates based on the approved methodology. Further, the Division of Medical  
13 Services shall have the authority to increase or decrease rates for good  
14 cause including, but not limited to: (1) Identification of provider(s) who  
15 can render needed services of equal quality at rates less than traditionally  
16 charged and who meet the applicable federal and state laws, rules and  
17 regulations pertaining to the provision of a particular service;  
18 (2) Identification that a provider or group of providers has consistently  
19 charged rates to the Arkansas Medicaid Program greater than to other  
20 purchasers of medical services of similar size;  
21 (3) The Division determines that there has been significant changes in the  
22 technology or process by which services are provided by a provider or group  
23 of providers which has affected the costs of providing services, or;  
24 (4) A severe economic downturn in the Arkansas economy which has affected the  
25 overall state budget of the Division of Medical Services.

26 The Division of Medical Services shall make available to requesting  
27 providers, the CMS's inflationary forecasts (CMS Market Basket Index). Rates  
28 established with cost of living increases based on the CMS Market Basket  
29 Index or other indices will be adjusted annually except when the state budget  
30 does not provide sufficient appropriation and funding to affect the change or  
31 portion thereof.

32 (b) Any rate methodology changes proposed by the Division of Medical  
33 Services both of a general and specific nature, shall be subject to prior  
34 approval by the Legislative Council or Joint Budget Committee.

35 Determining the maximum number of employees and the maximum amount of  
36 appropriation and general revenue funding for a state agency each fiscal year

1 is the prerogative of the General Assembly. This is usually accomplished by  
2 delineating such maximums in the appropriation act(s) for a state agency and  
3 the general revenue allocations authorized for each fund and fund account by  
4 amendment to the Revenue Stabilization law. Further, the General Assembly has  
5 determined that the Department of Human Services – Division of Medical  
6 Services may operate more efficiently if some flexibility is provided to the  
7 Department of Human Services – Division of Medical Services authorizing broad  
8 powers under this section. Therefore, it is both necessary and appropriate  
9 that the General Assembly maintain oversight by requiring prior approval of  
10 the Legislative Council or Joint Budget Committee as provided by this  
11 section. The requirement of approval by the Legislative Council or Joint  
12 Budget Committee is not a severable part of this section. If the requirement  
13 of approval by the Legislative Council or Joint Budget Committee is ruled  
14 unconstitutional by a court of competent jurisdiction, this entire section is  
15 void.

16 The provisions of this section shall be in effect only from July 1, ~~2024~~  
17 2025 through June 30, ~~2025~~ 2026.

18  
19 SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
20 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. FUND  
21 USAGE AUTHORIZED. The Arkansas Children's Hospital may request the Department  
22 of Human Services - Division of Medical Services to retain in the Department  
23 of Human Services Grant Fund account an amount not to exceed \$2,100,000 from  
24 funds made available by this Act in the Child and Family Life Institute line  
25 item of the Grants appropriation to be used to match federal funds used for  
26 supplemental Medicaid payments to Arkansas Children's Hospital. These  
27 retained funds shall not be recovered to transfer to the General Revenue  
28 Allotment Reserve Fund.

29 The provisions of this section shall be in effect only from July 1, ~~2024~~  
30 2025 through June 30, ~~2025~~ 2026.

31  
32 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
33 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ARKANSAS  
34 HEALTH AND OPPORTUNITY FOR ME AND ARKANSAS HEALTH INSURANCE MARKETPLACE  
35 RESTRICTIONS. (a) As used in this section, "Arkansas Health and Opportunity  
36 for Me" means Arkansas Health and Opportunity for Me established under the

1 Arkansas Health and Opportunity for Me Act of 2021, Arkansas Code § 23-61-  
2 1001 et seq.

3 (b)(1) Determining the maximum number of employees, the maximum amount  
4 of appropriation, for what purposes an appropriation is authorized, and  
5 general revenue funding for a state agency each fiscal year is the  
6 prerogative of the General Assembly.

7 (2) The purposes of subdivision (b)(1) of this section are  
8 typically accomplished by:

9 (A) Identifying the purpose in the appropriation act;

10 (B) Delineating such maximums in the appropriation act for  
11 a state agency; and

12 (C) Delineating the general revenue allocations authorized  
13 for each fund and fund account by amendment to the Revenue Stabilization Law,  
14 Arkansas Code § 19-5-101 et seq.

15 (3) It is both necessary and appropriate that the General  
16 Assembly restrict the use of appropriations authorized in this act.

17 (c)(1) Except as provided in this subsection, the Department of Human  
18 Services shall not allocate, budget, expend, or utilize any appropriation  
19 authorized by the General Assembly for the purpose of advertisement,  
20 promotion, or other activities designed to promote or encourage enrollment in  
21 the Arkansas Health Insurance Marketplace or Arkansas Health and Opportunity  
22 for Me, including without limitation:

23 (A) Unsolicited communications mailed to potential  
24 recipients;

25 (B) Television, radio, or online commercials;

26 (C) Billboard or mobile billboard advertising;

27 (D) Advertisements printed in newspapers, magazines, or  
28 other print media; and

29 (E) Internet websites and electronic media.

30 (2) This subsection does not prohibit the department from:

31 (A) Direct communications with:

32 (i) Licensed insurance agents; and

33 (ii) Persons licensed by the department;

34 (B) Solicited communications with potential recipients;

35 (C)(i) Responding to an inquiry regarding the coverage for  
36 which a potential recipient might be eligible, including without limitation

1 providing educational materials or information regarding any coverage for  
2 which the individual might qualify.

3 (ii) Educational materials and information  
4 distributed under subdivision (c)(2)(C)(i) of this section shall contain only  
5 factual information and shall not contain subjective statements regarding the  
6 coverage for which the potential recipient might be eligible; and

7 (D) Using an Internet website for the exclusive purpose of  
8 enrolling individuals in the Arkansas Health Insurance Marketplace or  
9 Arkansas Health and Opportunity for Me.

10 (d) The Department of Human Services shall not apply for or accept any  
11 funds, including without limitation federal funds, for the purpose of  
12 advertisement, promotion, or other activities designed to promote or  
13 encourage enrollment in the Arkansas Health Insurance Marketplace or Arkansas  
14 Health and Opportunity for Me.

15 (e)(1) Except as provided in subdivision (e)(2) of this section, the  
16 Department of Human Services shall not:

17 (A)(i) Except as provided in subdivision (e)(1)(A)(ii) of  
18 this section, allocate, budget, expend, or utilize an appropriation  
19 authorized by the General Assembly for the purpose of funding activities of  
20 navigators, guides, certified application counselors, and certified licensed  
21 producers under the Arkansas Health Insurance Marketplace Navigator, Guide,  
22 and Certified Application Counselors Act, Arkansas Code § 23-64-601 et seq.

23 (ii) Subdivision (e)(1)(A)(i) of this section does  
24 not apply to regulatory and training responsibilities related to navigators,  
25 guides, certified application counselors, and certified licensed producers;  
26 and

27 (B) Apply for or accept any funds, including without  
28 limitation federal funds, for the purpose of funding activities of  
29 navigators, guides, certified application counselors, and certified licensed  
30 producers under the Arkansas Health Insurance Marketplace Navigator, Guide,  
31 and Certified Application Counselors Act, Arkansas Code § 23-64-601 et seq.

32 (2) Subdivision (e)(1) of this section does not apply to  
33 certified application counselors at health related institutions, including  
34 without limitation the University of Arkansas for Medical Sciences.

35 (f) An appropriation authorized by the General Assembly shall not be  
36 subject to the provisions allowed through reallocation of resources or



1 transfer of appropriation authority for the purpose of transferring an  
2 appropriation to any other appropriation authorized for the Department of  
3 Human Services to be allocated, budgeted, expended, or utilized in a manner  
4 prohibited by this section.

5 (g) The provisions of this section are severable, and the invalidity  
6 of any subsection or subdivision of this section shall not affect other  
7 provisions of the section that can be given effect without the invalid  
8 provision.

9 (h) This section expires on June 30, ~~2025~~ 2026.

10  
11 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
12 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MEDICAL  
13 SERVICES – COMMUNITY AND EMPLOYMENT SUPPORTS MEDICAID WAIVER.

14 (a) Of the funding allocated to the Department of Human Services Grants  
15 Fund Account under § 19-5-402, the first thirty-seven million six hundred  
16 thousand dollars (\$37,600,000) shall be set aside in its own subfund by the  
17 Department of Human Services and shall be used only for home and community-  
18 based services to individuals with intellectual and developmental  
19 disabilities under the Community and Employment Supports Medicaid Waiver  
20 Program or a successor Medicaid Waiver program that provides home and  
21 community-based services to individuals with intellectual and developmental  
22 disabilities.

23 (b) At the close of the fiscal year ending June 30, ~~2025~~ 2026, any  
24 unexpended balance of monies set aside as established in subsection (a)  
25 herein shall be transferred forward and made available for the same purpose  
26 for the fiscal year ending June 30, ~~2026~~ 2027.

27 (c) The provisions of this section shall be in effect only from July 1,  
28 ~~2024~~ 2025 through June 30, ~~2025~~ 2026.

29  
30 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS  
31 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MEDICAID  
32 PROGRAM TRUST FUND DISTRIBUTION AND BALANCE REPORT. (a) The Department of  
33 Human Services shall submit monthly an "Arkansas Medicaid Program Trust Fund  
34 Distribution and Balance" report to the Arkansas Legislative Council PEER  
35 Subcommittee or, if meeting in a Legislative Session, the Joint Budget  
36 Committee PEER/Review Subcommittee no later than ten days prior to the

1 Subcommittee's scheduled meeting date.

2 (b) The report shall summarize the current total fund balance and the  
3 past five Fiscal Year ending total fund balances of the Arkansas Medicaid  
4 Program Trust Fund.

5 (c) The report shall contain, cumulatively over the course of the  
6 fiscal year, by month for each distribution from the Arkansas Medicaid  
7 Program Trust Fund and its subfunds, the following:

8 (1) The amount of the distribution;

9 (2) The date of the distribution;

10 (3) The fund code to which the distribution was made;

11 (4) The appropriation line item name from which the funds are  
12 distributed; and

13 (5) The purpose of the distribution.

14 (d) The provisions of this section shall be in effect only from July 1,  
15 ~~2024~~ 2025 through June 30, ~~2025~~ 2026.

16  
17 SECTION 13. COMPLIANCE WITH OTHER LAWS. Disbursement of funds  
18 authorized by this act shall be limited to the appropriation for such agency  
19 and funds made available by law for the support of such appropriations; and  
20 the restrictions of the State Procurement Law, the General Accounting and  
21 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary  
22 Procedures and Restrictions Act, or their successors, and other fiscal  
23 control laws of this State, where applicable, and regulations promulgated by  
24 the Department of Finance and Administration, as authorized by law, shall be  
25 strictly complied with in disbursement of said funds.

26  
27 SECTION 14. LEGISLATIVE INTENT. It is the intent of the General  
28 Assembly that any funds disbursed under the authority of the appropriations  
29 contained in this act shall be in compliance with the stated reasons for  
30 which this act was adopted, as evidenced by the Agency Requests, Executive  
31 Recommendations and Legislative Recommendations contained in the budget  
32 manuals prepared by the Department of Finance and Administration, letters, or  
33 summarized oral testimony in the official minutes of the Arkansas Legislative  
34 Council or Joint Budget Committee which relate to its passage and adoption.

35  
36 SECTION 15. EMERGENCY CLAUSE. It is found and determined by the

1 General Assembly, that the Constitution of the State of Arkansas prohibits  
2 the appropriation of funds for more than a one (1) year period; that the  
3 effectiveness of this Act on July 1, 2025 is essential to the operation of  
4 the agency for which the appropriations in this Act are provided, and that in  
5 the event of an extension of the legislative session, the delay in the  
6 effective date of this Act beyond July 1, 2025 could work irreparable harm  
7 upon the proper administration and provision of essential governmental  
8 programs. Therefore, an emergency is hereby declared to exist and this Act  
9 being necessary for the immediate preservation of the public peace, health  
10 and safety shall be in full force and effect from and after July 1, 2025.

11  
12  
13 **APPROVED: 4/18/25**  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36