



DHS Secretary Kristi Putnam
Office of the Secretary

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August 6, 2024

Hon. Terry Rice, Arkansas Legislative Council Co-Chair
Hon. Jeff Wardlaw, Arkansas Legislative Council Co-Chair
1 Capitol Mall, Fifth Floor
Little Rock, Arkansas 72201

Dear Senator Rice and Representative Wardlaw:

As directed by Section 15 of Act 213 of 2022, I am reporting to Arkansas Legislative Council (ALC) the status of our efforts to increase reimbursement rates under the Living Choices Assisted Living Waiver. DHS has completed the work necessary to implement Act 198 of 2023, which authorized DHS to establish cost reporting for Medicaid-funded assisted living facilities.

As previously reported to this committee, Meyers and Stauffer completed the cost report on January 16, 2024, and DHS shared this information with providers. The rate study report was presented to the ALC Hospital and Medicaid Study Subcommittee on February 7. The cost report analysis was posted for public comment with the period ending on February 16. DHS compiled the comments and posted responses as of March 4, 2024. Responses can still be found at <https://humanservices.arkansas.gov/rules/ar-living-choices-al-waiver/>.

In January 2024, DHS received formal CMS approval to make the temporary Appendix K rates of \$81.59 for urban facilities and \$85.67 for rural facilities permanent for the curation of the current Living Choices waiver, with an effective date of March 1, 2024. DHS then petitioned CMS for approval to implement a new rate of \$86.73, which represented the highest resulting rate from the rate study report. DHS will continue to engage providers to discuss programmatic and policy change requests submitted during public comment. On July 3, 2024, DHS received formal approval of the Living Choices waiver amendment from CMS approving the proposed rate to begin on July 1, 2024. DHS will present the proposed rate increase to the Public Health, Welfare and Labor Committee on August 14 and, if approved, will reimburse ALFs at the new rate retroactive to July 1, 2024.

In addition, DHS's Division of Aging, Adult, and Behavioral Health Services updated the Living Choices provider manual to reflect the cost reporting requirements of Act 198 and received approval at the June ALC meeting. Annual cost reporting for Medicaid-funded assisted living providers will now be completed on an annual basis, and resulting determinations will be shared with ALC. Finally, as requested in the May 31 ALC meeting, please see the attached report on facility change of ownerships or closures for the month of July. There were no new actions reported to DHS last month. As part of this report, we will continue to provide an updated list of this information each month, in addition to the immediate e-mail and text notifications we have been providing to ALC on an ongoing basis.

Very Respectfully,

Kristi Putnam
Secretary, Arkansas Department of Human Services

Notification Received	Status/Update	Date of expected sell or closure	PROVIDER NAME	TYPE	Medicaid:	Beds:	TRANSACTION	PHYSICAL ADDRESS	COUNTY
4/3/2024	7/25/2024 License issued	5/1/2024	INDIAN ROCK AL LLC	ASSISTED LIVING FACILITY I	Not yet enrolled		CHOW	265 DAVE CREEK PARKWAY FAIRFIELD BAY AR 72088	Van Buren