



**H. 10(a)**

**DHS Secretary Kristi Putnam  
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October 4, 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. In addition, DHS continues 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 presented the proposed rate increase to Public Health on August 14 with full ALC approval received on August 23, 2024. Assisted living facilities were reimbursed at the new rate retroactive to July 1, 2024. The new rate was implemented effective September 1<sup>st</sup> for all new claims submissions. All claims submitted between July 1 and August 31 were reprocessed and an adjustment to those payments were made on October 4, 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, with determinations 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 previous month of June. 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	PROVIDER NAME	TYPE	Medicaz	Beds:	TRANSA	COUNTY
5/14/2024	09/13/24 Reached out to request provider submit supporting documents and an application from the	8/31/2024	Horizons of Hope	RESIDENTIAL CARE FACILITY	Yes	70	CHOW	Hempstead
5/13/2024	09/13/24 Reached out to request provider submit supporting documents and an application from the	8/31/2024	Horizons LLC	RESIDENTIAL CARE FACILITY			CHOW	Hempstead
8/22/2024	9/30/24 Coordinateing with survey team for closure.	10/1/2024	HEARTS AND HOMES RESIDENTIAL LLC DBA HEARTS AND HOMES	RESIDENTIAL CARE FACILITY	No	8	Closure	Garland
9/10/2024	Received intent to purchase ALF II facility.	10/31/2023	Saline Senior Living Communities	Assisted Living Facility II			CHOW	Saline
9/10/2024	Received intent to sell ALF II facility.	10/31/2023	Mt Carmel Community Benton	Assisted Living Facility II			CHOW	Saline