



**DHS Secretary Kristi Putnam
Office of the Secretary**

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January 23, 2025

Hon. Ben Gilmore, Arkansas Legislative Council Co-Chair
Hon. Les Eaves, Arkansas Legislative Council Co-Chair
1 Capitol Mall, Fifth Floor
Little Rock, Arkansas 72201

Dear Senator Gilmore and Representative Eaves:

As directed by Section 15 of Act 213 of 2022, I am reporting to Arkansas Legislative Council (ALC) the status of our efforts regarding 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. The Agency is preparing to begin the next cycle of annual cost reporting in January 2025.

The first cost report analysis and public comment responses were compiled and posted on March 4, 2024. Responses can still be found at <https://humanservices.arkansas.gov/rules/ar-living-choices-al-waiver/>.

On July 3, 2024, DHS received formal approval of the Living Choices waiver amendment from CMS, approving the new proposed rate of \$86.73 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 1st for all new claims submissions. All claims submitted between July 1 and August 31 were reprocessed and an adjustment to those payments was made on October 4, 2024.

Annual cost reporting for Medicaid-funded assisted living providers will now be conducted in accordance with Act 198 of 2023, and results of this annual cost reporting analysis will be shared with the ALC. A provider webinar was conducted by the agency on December 18 to brief facilities on the reporting timeline and cost reporting format for the upcoming cost reporting period. DHS will open the reporting period in January 2025 with an anticipated closure date for returns no later than April 7. Finally, as requested in the May 31, 2024, ALC meeting, there were no facility change of ownerships or closures for the previous month of December. 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,

A handwritten signature in blue ink, appearing to read 'Kristi Putnam'.

Kristi Putnam
Secretary, Arkansas Department of Human Services
