



**ARKANSAS
DEPARTMENT OF
HUMAN
SERVICES**

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May 9, 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 implemented Act 198 of 2023 to establish cost reporting for Medicaid-funded assisted living facilities. 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/>.

DHS previously reported receiving formal approval of the Living Choices waiver amendment from CMS, which approved the new proposed rate of \$86.73. DHS presented the proposed rate increase to Public Health on August 14 with full ALC approval received on August 23, 2024. The new rate was implemented effective September 1st and is now being used for claims submissions.

Annual cost reporting for Medicaid-funded assisted living providers will now be conducted annually 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, 2024, to brief facilities on the reporting timeline and cost reporting format for the upcoming cost reporting period. DHS opened the reporting period in January 2025. Data is presently being analyzed by the agency's contracted reviewer, Meyers and Stauffer. DHS anticipates having these results by the end of May 2025. Any recommendations for rate adjustments will be presented to the Governor's Office and ALC for consideration.

Finally, as requested in the May 31, 2024, ALC meeting, there was one Residential Care Facility "RCF" closure for the month of April. This RCF program has been inactive for several years due to a fire and remodel of the building. The program transitioned into a Community Support System Provider Enhanced program and the RCF license has been closed.

Very respectfully,

Kristi Putnam
Secretary, Arkansas Department of Human Services