

**Office of the Secretary**

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January 5, 2026

Hon. Jane English, Co-Chair
Hon. Mary Bently, Co-Chair
Hospital, Medicaid and Developmental Disabilities Study Subcommittee
1 Capitol Mall, Fifth Floor
Little Rock, Arkansas 72201

Dear Senator English and Representative Bentley:

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/>.

Formal approval of the new proposed rate resulting from the first cost report analysis was received from both CMS and ALC in the third quarter of 2024. The new rate of \$86.73 was implemented effective September 1, 2024, and is currently being used for claims submissions.

Annual cost reporting for Medicaid funded assisted living facilities has concluded in accordance with Act 198 of 2023. Meyers and Stauffer presented a final report which presented four optional rates that contained variable determining factors, ranging from \$83.95 to \$87.91 per day. The report was presented to ALC in October with the agency choosing to maintain the current rate of \$86.73 for the remainder of fiscal year 2026. The Arkansas Living Choices Assisted Living Waiver Rate Study Report is currently posted and public comment ended November 22, 2025. Responses can be found at [Arkansas Living Choices Assisted Living Waiver Rate Study Report - Arkansas Department of Human Services](#).

The reporting period for calendar year 2026 will open in January with an anticipated report for ALC in June 2026.

Finally, as requested in the May 31, 2024, ALC meeting, there have been no change of ownerships or closures for the previous month of December.

Very respectfully,

A handwritten signature in black ink that reads "Janet H. Mann".

Janet Mann
Secretary, Arkansas Department of Human Services