

EXHIBIT C1



Office of the Secretary

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February 9, 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.

The annual cost reporting period for 2026 is currently underway. Provider calls were held with all assisted living facilities participating in the Arkansas Medicaid Living Choices Waiver program on January 26th and January 29th. DHS has contracted Meyers and Stauffer to compile cost report data and produce a report for submission. Meyers and Stauffer covered the content of the cost report and instructions for completing and submitting data. The reporting period began on January 30th with a reporting timeline to end on April 30th. DHS anticipates reporting findings to ALC in June 2026.

Finally, as requested in the May 31, 2024, ALC meeting, please see the attached change of ownerships or closures for the previous month of January.

Very respectfully,

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

Janet Mann
Secretary, Arkansas Department of Human Services