

**Office of the Secretary**

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September 10, 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 report for calendar year 2025 was received by DHS and was posted for public comment, which closed on September 6th. Comments are being reviewed and prepared for response. DHS is currently reviewing the report's conclusions with rate considerations forthcoming.

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

Very respectfully,

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

Janet Mann
Secretary, Arkansas Department of Human Services