EXHIBIT B3

ARKANSAS DEPARTMENT OF HUMAN SERVICES

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November 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 is complete and all public comments have been finalized. The report's findings are under review by the DHS Secretary's Office with a determination for a rate implementation pending.

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,

Janet Mann

Janet Mann
Secretary, Arkansas Department of Human Services