

1 State of Arkansas
2 95th General Assembly
3 Fiscal Session, 2026
4

A Bill

SENATE BILL 20

5 By: Joint Budget Committee
6
7

For An Act To Be Entitled

8
9 AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES
10 AND OPERATING EXPENSES FOR THE DEPARTMENT OF HUMAN
11 SERVICES - DIVISION OF MEDICAL SERVICES FOR THE
12 FISCAL YEAR ENDING JUNE 30, 2027; AND FOR OTHER
13 PURPOSES.
14
15

Subtitle

16
17 AN ACT FOR THE DEPARTMENT OF HUMAN
18 SERVICES - DIVISION OF MEDICAL SERVICES
19 APPROPRIATION FOR THE 2026-2027 FISCAL
20 YEAR.
21
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. REGULAR SALARIES - OPERATIONS. There is hereby established
26 for the Department of Human Services - Division of Medical Services for the
27 2026-2027 fiscal year, the following maximum number of regular employees.
28

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate
				Fiscal Year 2026-2027
33	(1) EEX22A	HUMAN SERVICES DIVISION DIRECTOR	1	GRADE EXE02
34	(2) SSP03C	DHS DIVISION ADMINISTRATOR	1	GRADE SPC09
35	(3) SSP07C	SOCIAL SERVICES ADMINISTRATOR	2	GRADE SPC08
36	(4) LAT05P	ATTORNEY III	1	GRADE SPC08



1	(5)	FAC04C ACCOUNTING MANAGER	1	GRADE SPC06
2	(6)	FFS03C FISCAL SUPPORT MANAGER	1	GRADE SGS09
3	(7)	PQA02C QUALITY ASSURANCE MANAGER	1	GRADE SGS09
4	(8)	ILS04I RULES & REGULATIONS COORDINATOR	6	GRADE SGS08
5	(9)	PHS08P HEALTH PROGRAM SUPERVISOR/EXPERT	12	GRADE SGS08
6	(10)	PPR05P PROCUREMENT SUPERVISOR/EXPERT	2	GRADE SGS08
7	(11)	PQA04P QUALITY ASSURANCE SUPVR/EXPERT	2	GRADE SGS08
8	(12)	PAS08I EXECUTIVE ASSISTANT	2	GRADE SGS07
9	(13)	CME02P EDITOR	1	GRADE SGS07
10	(14)	PHS05P HEALTH PROGRAM COORDINATOR	12	GRADE SGS07
11	(15)	PCR03P CLAIMS REVIEW SUPERVISOR/EXPERT	5	GRADE SGS06
12	(16)	PPR01P PROCUREMENT ANALYST	1	GRADE SGS06
13	(17)	PAS01P ADMINISTRATIVE ANALYST	3	GRADE SGS05
14	(18)	FBU03P BUDGET SPECIALIST	1	GRADE SGS05
15	(19)	SSP08P SOCIAL SERVICES ADVISOR	1	GRADE SGS05
16	(20)	PAS02P ADMINISTRATIVE COORDINATOR	3	GRADE SGS04
17	(21)	PCR02P CLAIMS REVIEW SPECIALIST	3	GRADE SGS03
18	(22)	PAS03P ADMINISTRATIVE SPECIALIST	1	GRADE SGS02
19	(23)	MPA01P PHARMACIST	4	GRADE MED09
20	(24)	MNU07C REGISTERED NURSE MANAGER	1	GRADE MED07
21	(25)	MNU08P REG. NURSE SUPERVISOR/EXPERT	3	GRADE MED06
22	(26)	MNU06P REGISTERED NURSE	9	GRADE MED05
23	(27)	IIS05C IT INFRASTRUCTURE ARCHITECT	1	GRADE IST11
24	(28)	IIP03P IT SENIOR PROJECT MANAGER	1	GRADE IST10
25	(29)	IIS06P IT INFRASTRUCTURE COORDINATOR	1	GRADE IST08
26	(30)	IIP02P IT PROJECT MANAGER	1	GRADE IST08
27	(31)	IDM02P DATABASE ANALYST	1	GRADE IST07
28	(32)	IUS02P USER SUPPORT COORDINATOR	2	GRADE IST05
29	(33)	IUS01P USER SUPPORT ANALYST	1	GRADE IST04
30	(34)	PHS07P HEALTH PROGRAM SPECIALIST	<u>3</u>	GRADE SGS06
31		MAX. NO. OF EMPLOYEES	91	

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33 SECTION 2. EXTRA HELP - OPERATIONS. There is hereby authorized, for

34 the Department of Human Services - Division of Medical Services for the 2026-

35 2027 fiscal year, the following maximum number of part-time or temporary

36 employees, to be known as "Extra Help", payable from funds appropriated

1 herein for such purposes: ten (10) temporary or part-time employees, when
 2 needed, at rates of pay not to exceed those provided in the Uniform
 3 Classification and Compensation Act, or its successor, or this act for the
 4 appropriate classification.

5
 6 SECTION 3. APPROPRIATION - OPERATIONS. There is hereby appropriated,
 7 to the Department of Human Services, to be payable from the paying account as
 8 determined by the Chief Fiscal Officer of the State, for personal services
 9 and operating expenses of the Department of Human Services - Division of
 10 Medical Services for the fiscal year ending June 30, 2027, the following:

12 ITEM	FISCAL YEAR
13 <u>NO.</u>	<u>2026-2027</u>
14 (01) REGULAR SALARIES	\$6,483,248
15 (02) EXTRA HELP	201,892
16 (03) PERSONAL SERVICES MATCHING	2,227,427
17 (04) OVERTIME	2,241
18 (05) MAINT. & GEN. OPERATION	
19 (A) OPER. EXPENSE	1,713,290
20 (B) CONF. & TRAVEL	40,099
21 (C) PROF. FEES	800,000
22 (D) CAP. OUTLAY	0
23 (E) DATA PROC.	0
24 (06) DATA PROCESSING SERVICES	<u>1,299,600</u>
25 TOTAL AMOUNT APPROPRIATED	<u>\$12,767,797</u>

26
 27 SECTION 4. APPROPRIATION - GRANTS. There is hereby appropriated, to
 28 the Department of Human Services, to be payable from the paying account as
 29 determined by the Chief Fiscal Officer of the State, for grant payments of
 30 the Department of Human Services - Division of Medical Services for the
 31 fiscal year ending June 30, 2027, the following:

33 ITEM	FISCAL YEAR
34 <u>NO.</u>	<u>2026-2027</u>
35 (01) ARKIDS B PROGRAM	\$167,661,480
36 (02) HOSPITAL AND MEDICAL SERVICES	8,336,005,717

1	(03)	PRESCRIPTION DRUGS	625,636,547
2	(04)	PRIVATE NURSING HOME CARE	1,048,963,434
3	(05)	CHILD AND FAMILY LIFE INSTITUTE	2,100,000
4	(06)	INFANT INFIRMARY	327,608
5	(07)	PUBLIC NURSING HOME CARE	<u>217,529,350</u>
6		TOTAL AMOUNT APPROPRIATED	<u>\$10,398,224,136</u>

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8 SECTION 5. APPROPRIATION - NURSING HOME CLOSURE COSTS. There is hereby

9 appropriated, to the Department of Human Services - Division of Medical

10 Services, to be payable from the Long-Term Care Trust Fund, for the payment

11 of relocation costs of residents in long-term care facilities, maintenance

12 and operation of a facility pending correction of deficiencies or closure,

13 and reimbursement of residents for personal funds lost for the fiscal year

14 ending June 30, 2027, the following:

16	ITEM	FISCAL YEAR
17	<u>NO.</u>	<u>2026-2027</u>
18	(01) EXPENSES	<u>\$4,500,000</u>

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20 SECTION 6. APPROPRIATION - LONG-TERM CARE FACILITY RECEIVERSHIP. There

21 is hereby appropriated, to the Department of Human Services, to be payable

22 from the Long Term Care Facility Receivership Fund Account, for the payment

23 of expenses of long-term care facility receivers as authorized by law of the

24 Department of Human Services - Division of Medical Services Long-Term Care

25 Facility Receivership for the fiscal year ending June 30, 2027, the

26 following:

28	ITEM	FISCAL YEAR
29	<u>NO.</u>	<u>2026-2027</u>
30	(01) EXPENSES	<u>\$100,000</u>

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32 SECTION 7. APPROPRIATION - NURSING HOME QUALITY GRANTS. There is

33 hereby appropriated, to the Department of Human Services, to be payable from

34 the Long-Term Care Trust Fund, for Nursing Home Quality Care Grants of the

35 Department of Human Services - Division of Medical Services - Nursing Home

36 Quality Grants for the fiscal year ending June 30, 2027, the following:

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2	ITEM	FISCAL YEAR
3	<u>NO.</u>	<u>2026-2027</u>
4	(01) NURSING HOME QUALITY GRANTS AND AID	<u>\$4,000,000</u>
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6 SECTION 8. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
 7 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
 8 MEDICAL SERVICES - GENERAL MEDICAID RATE METHODOLOGY PROVISIONS.

9 (a) Rates established by the Division of Medical Services for the services
 10 or programs covered by this Act shall be calculated by the methodologies
 11 approved by the Centers for Medicare and Medicaid Services (CMS). The
 12 Division of Medical Services shall have the authority to reduce or increase
 13 rates based on the approved methodology. Further, the Division of Medical
 14 Services shall have the authority to increase or decrease rates for good
 15 cause including, but not limited to: (1) Identification of provider(s) who
 16 can render needed services of equal quality at rates less than traditionally
 17 charged and who meet the applicable federal and state laws, rules and
 18 regulations pertaining to the provision of a particular service;
 19 (2) Identification that a provider or group of providers has consistently
 20 charged rates to the Arkansas Medicaid Program greater than to other
 21 purchasers of medical services of similar size;
 22 (3) The Division determines that there has been significant changes in the
 23 technology or process by which services are provided by a provider or group
 24 of providers which has affected the costs of providing services, or;
 25 (4) A severe economic downturn in the Arkansas economy which has affected the
 26 overall state budget of the Division of Medical Services.

27 The Division of Medical Services shall make available to requesting
 28 providers, the CMS's inflationary forecasts (CMS Market Basket Index). Rates
 29 established with cost of living increases based on the CMS Market Basket
 30 Index or other indices will be adjusted annually except when the state budget
 31 does not provide sufficient appropriation and funding to affect the change or
 32 portion thereof.

33 (b) Any rate methodology changes proposed by the Division of Medical
 34 Services both of a general and specific nature, shall be subject to prior
 35 approval by the Legislative Council or Joint Budget Committee.

36 Determining the maximum number of employees and the maximum amount of

1 appropriation and general revenue funding for a state agency each fiscal year
2 is the prerogative of the General Assembly. This is usually accomplished by
3 delineating such maximums in the appropriation act(s) for a state agency and
4 the general revenue allocations authorized for each fund and fund account by
5 amendment to the Revenue Stabilization law. Further, the General Assembly has
6 determined that the Department of Human Services – Division of Medical
7 Services may operate more efficiently if some flexibility is provided to the
8 Department of Human Services – Division of Medical Services authorizing broad
9 powers under this section. Therefore, it is both necessary and appropriate
10 that the General Assembly maintain oversight by requiring prior approval of
11 the Legislative Council or Joint Budget Committee as provided by this
12 section. The requirement of approval by the Legislative Council or Joint
13 Budget Committee is not a severable part of this section. If the requirement
14 of approval by the Legislative Council or Joint Budget Committee is ruled
15 unconstitutional by a court of competent jurisdiction, this entire section is
16 void.

17 The provisions of this section shall be in effect only from July 1, ~~2025~~
18 2026 through June 30, ~~2026~~ 2027.

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20 SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
21 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. FUND
22 USAGE AUTHORIZED. The Arkansas Children's Hospital may request the Department
23 of Human Services - Division of Medical Services to retain in the Department
24 of Human Services Grant Fund account an amount not to exceed \$2,100,000 from
25 funds made available by this Act in the Child and Family Life Institute line
26 item of the Grants appropriation to be used to match federal funds used for
27 supplemental Medicaid payments to Arkansas Children's Hospital. These
28 retained funds shall not be recovered to transfer to the General Revenue
29 Allotment Reserve Fund.

30 The provisions of this section shall be in effect only from July 1, ~~2025~~
31 2026 through June 30, ~~2026~~ 2027.

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33 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
34 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ARKANSAS
35 HEALTH AND OPPORTUNITY FOR ME AND ARKANSAS HEALTH INSURANCE MARKETPLACE
36 RESTRICTIONS. (a) As used in this section, "Arkansas Health and Opportunity

1 for Me" means Arkansas Health and Opportunity for Me established under the
 2 Arkansas Health and Opportunity for Me Act of 2021, Arkansas Code § 23-61-
 3 1001 et seq.

4 (b)(1) Determining the maximum number of employees, the maximum amount
 5 of appropriation, for what purposes an appropriation is authorized, and
 6 general revenue funding for a state agency each fiscal year is the
 7 prerogative of the General Assembly.

8 (2) The purposes of subdivision (b)(1) of this section are
 9 typically accomplished by:

10 (A) Identifying the purpose in the appropriation act;

11 (B) Delineating such maximums in the appropriation act for
 12 a state agency; and

13 (C) Delineating the general revenue allocations authorized
 14 for each fund and fund account by amendment to the Revenue Stabilization Law,
 15 Arkansas Code § 19-20-101 et seq.

16 (3) It is both necessary and appropriate that the General
 17 Assembly restrict the use of appropriations authorized in this act.

18 (c)(1) Except as provided in this subsection, the Department of Human
 19 Services shall not allocate, budget, expend, or utilize any appropriation
 20 authorized by the General Assembly for the purpose of advertisement,
 21 promotion, or other activities designed to promote or encourage enrollment in
 22 the Arkansas Health Insurance Marketplace or Arkansas Health and Opportunity
 23 for Me, including without limitation:

24 (A) Unsolicited communications mailed to potential
 25 recipients;

26 (B) Television, radio, or online commercials;

27 (C) Billboard or mobile billboard advertising;

28 (D) Advertisements printed in newspapers, magazines, or
 29 other print media; and

30 (E) Internet websites and electronic media.

31 (2) This subsection does not prohibit the department from:

32 (A) Direct communications with:

33 (i) Licensed insurance agents; and

34 (ii) Persons licensed by the department;

35 (B) Solicited communications with potential recipients;

36 (C)(i) Responding to an inquiry regarding the coverage for

1 which a potential recipient might be eligible, including without limitation
2 providing educational materials or information regarding any coverage for
3 which the individual might qualify.

4 (ii) Educational materials and information
5 distributed under subdivision (c)(2)(C)(i) of this section shall contain only
6 factual information and shall not contain subjective statements regarding the
7 coverage for which the potential recipient might be eligible; and

8 (D) Using an Internet website for the exclusive purpose of
9 enrolling individuals in the Arkansas Health Insurance Marketplace or
10 Arkansas Health and Opportunity for Me.

11 (d) The Department of Human Services shall not apply for or accept any
12 funds, including without limitation federal funds, for the purpose of
13 advertisement, promotion, or other activities designed to promote or
14 encourage enrollment in the Arkansas Health Insurance Marketplace or Arkansas
15 Health and Opportunity for Me.

16 (e)(1) Except as provided in subdivision (e)(2) of this section, the
17 Department of Human Services shall not:

18 (A)(i) Except as provided in subdivision (e)(1)(A)(ii) of
19 this section, allocate, budget, expend, or utilize an appropriation
20 authorized by the General Assembly for the purpose of funding activities of
21 navigators, guides, certified application counselors, and certified licensed
22 producers under the Arkansas Health Insurance Marketplace Navigator, Guide,
23 and Certified Application Counselors Act, Arkansas Code § 23-64-601 et seq.

24 (ii) Subdivision (e)(1)(A)(i) of this section does
25 not apply to regulatory and training responsibilities related to navigators,
26 guides, certified application counselors, and certified licensed producers;
27 and

28 (B) Apply for or accept any funds, including without
29 limitation federal funds, for the purpose of funding activities of
30 navigators, guides, certified application counselors, and certified licensed
31 producers under the Arkansas Health Insurance Marketplace Navigator, Guide,
32 and Certified Application Counselors Act, Arkansas Code § 23-64-601 et seq.

33 (2) Subdivision (e)(1) of this section does not apply to
34 certified application counselors at health related institutions, including
35 without limitation the University of Arkansas for Medical Sciences.

36 (f) An appropriation authorized by the General Assembly shall not be

1 subject to the provisions allowed through reallocation of resources or
2 transfer of appropriation authority for the purpose of transferring an
3 appropriation to any other appropriation authorized for the Department of
4 Human Services to be allocated, budgeted, expended, or utilized in a manner
5 prohibited by this section.

6 (g) The provisions of this section are severable, and the invalidity
7 of any subsection or subdivision of this section shall not affect other
8 provisions of the section that can be given effect without the invalid
9 provision.

10 (h) This section expires on June 30, ~~2026~~ 2027.

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12 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
13 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MEDICAL
14 SERVICES – COMMUNITY AND EMPLOYMENT SUPPORTS MEDICAID WAIVER.

15 (a) Of the funding allocated to the Department of Human Services Grants
16 Fund Account under § 19-23-102, the first thirty-seven million six hundred
17 thousand dollars (\$37,600,000) shall be set aside in its own subfund by the
18 Department of Human Services and shall be used only for home and community-
19 based services to individuals with intellectual and developmental
20 disabilities under the Community and Employment Supports Medicaid Waiver
21 Program or a successor Medicaid Waiver program that provides home and
22 community-based services to individuals with intellectual and developmental
23 disabilities.

24 (b) At the close of the fiscal year ending June 30, ~~2026~~ 2027, any
25 unexpended balance of monies set aside as established in subsection (a)
26 herein shall be transferred forward and made available for the same purpose
27 for the fiscal year ending June 30, ~~2027~~ 2028.

28 (c) The provisions of this section shall be in effect only from July 1,
29 ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

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31 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
32 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MEDICAID
33 PROGRAM TRUST FUND DISTRIBUTION AND BALANCE REPORT. (a) The Department of
34 Human Services shall submit monthly an "Arkansas Medicaid Program Trust Fund
35 Distribution and Balance" report to the Arkansas Legislative Council PEER
36 Subcommittee or, if meeting in a Legislative Session, the Joint Budget

1 Committee PEER/Review Subcommittee no later than ten days prior to the
2 Subcommittee's scheduled meeting date.

3 (b) The report shall summarize the current total fund balance and the
4 past five Fiscal Year ending total fund balances of the Arkansas Medicaid
5 Program Trust Fund.

6 (c) The report shall contain, cumulatively over the course of the
7 fiscal year, by month for each distribution from the Arkansas Medicaid
8 Program Trust Fund and its subfunds, the following:

9 (1) The amount of the distribution;

10 (2) The date of the distribution;

11 (3) The fund code to which the distribution was made;

12 (4) The appropriation line item name from which the funds are
13 distributed; and

14 (5) The purpose of the distribution.

15 (d) The provisions of this section shall be in effect only from July 1,
16 ~~2025~~ 2026 through June 30, ~~2026~~ 2027.

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18 SECTION 13. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
19 authorized by this act shall be limited to the appropriation for such agency
20 and funds made available by law for the support of such appropriations; and
21 the restrictions of the State Procurement Law, the General Accounting and
22 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
23 Procedures and Restrictions Act, or their successors, and other fiscal
24 control laws of this State, where applicable, and regulations promulgated by
25 the Department of Finance and Administration, as authorized by law, shall be
26 strictly complied with in disbursement of said funds.

27

28 SECTION 14. LEGISLATIVE INTENT. It is the intent of the General
29 Assembly that any funds disbursed under the authority of the appropriations
30 contained in this act shall be in compliance with the stated reasons for
31 which this act was adopted, as evidenced by the Agency Requests, Executive
32 Recommendations and Legislative Recommendations contained in the budget
33 manuals prepared by the Department of Finance and Administration, letters, or
34 summarized oral testimony in the official minutes of the Arkansas Legislative
35 Council or Joint Budget Committee which relate to its passage and adoption.

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1 SECTION 15. EMERGENCY CLAUSE. It is found and determined by the
2 General Assembly, that the Constitution of the State of Arkansas prohibits
3 the appropriation of funds for more than a one (1) year period; that the
4 effectiveness of this Act on July 1, 2026 is essential to the operation of
5 the agency for which the appropriations in this Act are provided, and that in
6 the event of an extension of the legislative session, the delay in the
7 effective date of this Act beyond July 1, 2026 could work irreparable harm
8 upon the proper administration and provision of essential governmental
9 programs. Therefore, an emergency is hereby declared to exist and this Act
10 being necessary for the immediate preservation of the public peace, health
11 and safety shall be in full force and effect from and after July 1, 2026.

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