

LIVING CHOICES ASSISTED LIVING (LCAL) WAIVER

COMMENTS and QUESTIONS

ACCESS FOR ELDERLY AND DISABLED ARKANSANS

According to the Arkansas Assisted Living Act, the Department of Human Services (DHS) is required to seek federal financial participation to increase access to home and community-based services provided in assisted living communities. The law required DHS to seek permission to serve a **minimum** of one thousand persons at a time. The purpose and intent of the law is to provide the least restrictive home-like environments for elderly persons and adults with disabilities **particularly for persons with low to moderate incomes**. According to DHS data, the assisted living recipient count ending SFY23 is 918 and the number of providers has declined to 51. There were 61 in 2018.¹ (The Oaks example/Bed Need)

Census numbers show Arkansans aged 65 years and over have increased from 419,981 to 528,867 from 2010 to 2020. According to the most current DHS Arkansas State Plan on Aging just over 21.6 percent of Arkansas residents are aged 60 or older. There are more seniors in Region V (central Arkansas) closely followed by northwest Arkansas. Of these seniors 75,423 are considered low income.² The number of Arkansans needing assistance with daily living activities continues to increase. The attached DHS map³ shows assisted living II (AL) providers. Not all of these providers participate in the Living Choices Assisted Living (LCAL) waiver. As you can see, there are several “deserts” in the state where living choices services are not accessible to qualifying Arkansans. According to The Arkansas Health Services Permit Commission SFY2024 report⁴ there is a significant assisted living bed need across the state. Pulaski County is the state’s most populous county and has 15 facilities containing 1,113 beds, yet only 4% are available to waiver residents. Craighead County has 2 facilities with 191 and only 3 are waiver beds. Benton County has 10 facilities with 652 beds and only 3 accept waivers for a total of 47 residents.

During the December 7th DHS meeting, providers were told “the methodology has not changed, and Myers and Stauffer is using the same process”. In the 2022 Myers and Stauffer report a 5% Access add-on was put in place to encourage provider participation, for sustainability of the program and improved access for low-income elderly and disabled Arkansans. **In the 2023 draft report the methodology was changed by not including the Access add-on** (page 29). If the 5% access add-on is put back into the methodology to encourage provider participation, it would add \$4.33 to the recommended rate. It is worth noting when all waiver providers submitted cost data, the recommended reimbursement rate decreased from \$96.76 in 2022 to \$86.73 in 2023. Comparing the two reports validates the point that a statewide cookie cutter approach leads to decreased access in many areas of the state. This is particularly true for black Arkansans regarding access when reviewing waiver service availability in counties more densely populated with black Arkansans.⁵

¹ LCAL Waiver Access Chart

² DHS Arkansas State Plan on Aging

³ ALFII Map

⁴ Arkansas Health Permit Services Commission Bed Need Report

⁵ Arkansas Population Map 2020 by race/ethnicity

LIVING CHOICES ASSISTED LIVING (LCAL) WAIVER

COMMENTS and QUESTIONS

The 2023 Myers and Stauffer most recent assisted living rate review shows that room and board costs for providers was \$40,846,633, or on average \$48.29 per day. ⁶ DHS does assist with \$3.44 of this amount via payments for administrative space, but the rest must come from the resident's social security with any remaining balance coming from the facility itself. Social security payments are restricted to the current maximum rate of \$28.60 per day if the resident earns \$943 per month. If the resident's Social Security is less than \$943/month the facility must absorb this loss. In every case, the facility is losing a minimum of \$16.25 per day per resident for their room and board. The \$86 proposed new waiver rate will require providers to allocate 19% of their total reimbursement just to cover room and board, leaving them with inadequate revenue to comply with staffing requirements. The 2023 M&S report shows that provider costs in urban areas are substantially more than rural provider costs. To ensure access and sustainability of the LCAL Waiver for eligible Arkansans, serious consideration should be given to reimbursing providers based on their individualized allowable costs instead of an average or median rate. See chart with data from the 2023 report.

Total Costs Ranges

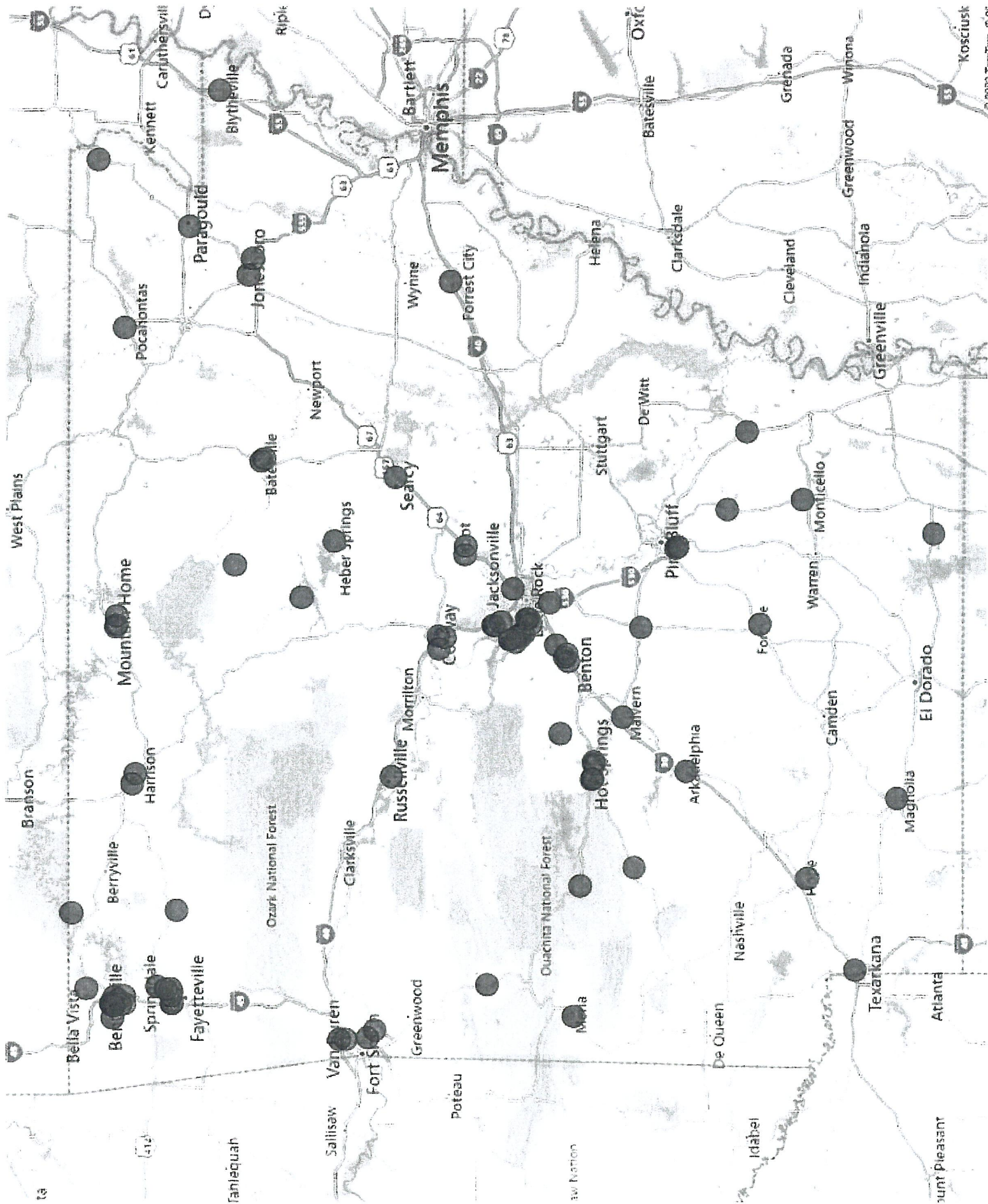
	Average Per Diem	Median Per Diem	Minimum Per Diem	Maximum Pre Diem
Direct Care	41.05	36.44	27.90	106.28
Indirect Care	16.41	15.35	5.64	31.18
A & G Totals	26.82	26.11	5.39	59.24
RUF	48.63	45.18	2.08	177.46
Total Costs	133.59	117.17	47.18	311.34

ACCESS AND SUSTAINABILITY QUESTIONS:

1. How will any of the 4 recommended rates ensure increased access to assisted living services in Arkansas for Medicaid eligible elderly and disabled individuals, including disadvantaged and minority populations?
2. Many providers are still not currently being reimbursed for costs, is there anything preventing DHS from requesting the rate effective date of 07/01/23 instead of the report recommendation date of 07/01/24?
3. Have LCAL expenditures increased/decreased since 2018? Have any other Arkansas HCBS programs decreased expenditures in the same timeframe? It's notable that CPI has increased 20% since then but provider costs reimbursement has not.
4. How were the changes in Rent, Utilities, and Food (RUF) allowances determined?

ASSISTED LIVING FACILITY RATE AND ACCESS INFORMATION

Living Choices Assist Living Waiver (LCAL)	2018	2019	2020	2021	Received 2/17/2023	Received 01/09/2024 and 1/19/24
					Appendix K Rural/Urban rate early 2022.	ending SFY 23 Still operating under Rural/Urban appendix k 2023
Beneficiaries who received LCAL services	1149	1112	1106	1003	1140	1210
LCAL expenditures	\$21,886,384.21	\$18,681,563.19	\$16,181,264.19	\$14,161,406.25	\$18,453,448.71	20,333,527.28
LCAL expenditures per beneficiary	\$19,030.80	\$16,800.00	\$14,630.44	\$14,119.05	\$16,187.24	16,804.57
LCAL providers who billed for services	61	59	53	53	54	51
Average number of beneficiaries served per LCAL provider	20	20	22	21	21	22
ALF Recipient Count		818	838	754	869	918





ARKANSAS STATE PLAN ON AGING

FISCAL YEARS 2024 – 2027

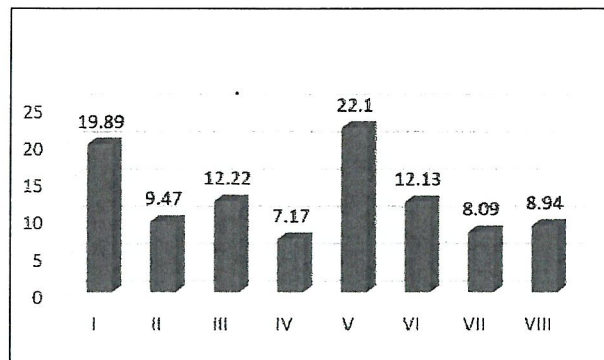


DEMOGRAPHICS

Current Population

According to the U. S. Census Bureau's 2020 estimates, the total population of Arkansas is 3,011,873. Just over 21.6 percent of these residents are aged 60 or older. As shown below, there are more seniors in Region V, which represents central Arkansas, but they are closely followed by northwest Arkansas, Region 1.

Percentage of Total 60+ Population by Region



Of these seniors, 75,423 are considered low income. This is 10 percent of Arkansas seniors.

The following table illustrates the population breakdown for the funding formula of each Planning Service Areas (PSAs) in Arkansas.

Population of PSAs

Region	Total Pop	60+ Total	% of State	60+ Low Income Total	% of State	60+ Low Income Minority Total	% of State	60+ Rural	% of State	75+ Total	% of State
I	251,960	140,613	23.13%	12,683	16.82%	2,203	9.59%	58,164	18.06%	43,165	20.25%
II	237,844	65,837	9.43%	7,084	9.39%	799	3.48%	50,432	15.66%	21,657	10.16%
III	390,274	83,946	12.02%	9,909	13.14%	3,943	17.16%	38,262	11.88%	25,854	12.13%
IV	149,628	49,571	7.10%	6,727	8.92%	3,242	14.10%	25,918	8.05%	14,960	7.02%
V	688,323	155,576	22.28%	16,202	21.48%	6,080	26.45%	37,668	11.70%	44,719	20.97%
VI	313,917	84,693	12.13%	8,685	11.52%	1,794	7.80%	48,866	15.17%	26,661	12.50%
VII	227,158	55,486	7.94%	6,772	8.98%	3,529	15.35%	34,224	10.63%	17,320	8.12%
VIII	260,065	62,660	8.97%	7,361	9.76%	1,395	6.07%	28,546	8.86%	18,875	8.85%
Total		698,382	100%	75,423	100%	22,985	100%	322,080	100%	213,211	100%

Even though Regions I and V have the highest number of seniors, Region III, located in eastern Arkansas, is the highest ranking of all PSAs for the number of low-income seniors. The number of low-income minority seniors is somewhat similar between regions III, IV, and VII, representing the east, southeast and southwest parts of the State.

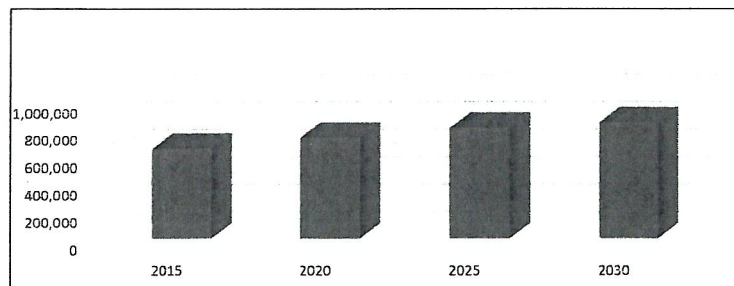
The Arkansas State Plan on Aging for 2023 – 2025 was based on census statistics for 2020. An analysis between 2013 and 2016 shows a four percent increase in the total population in Arkansas. This was substantially higher for those 60 and older, with a 7 percent increase. The number of low-income

seniors and low-income minority seniors both increase between four and seven percent since the last census.

Population Projections

According to the U.S. Census Bureau, the population of Arkansans aged 60 and over is rapidly increasing. The graph below displays the gradual progression between 2015 and 2030.

Arkansas Population Projections Aged 60 and Over



Further analysis of these statistics show that Arkansas will remain in the top half percentile in the ranking of senior population in the Nation with the following rankings: 2015 – 17th; 2020 – 18th; 2025 – 21st; and 2030 – 23rd. In addition, there will be an estimated 72 percent increase in this population from 2000 to 2030.

Health Issues/Concerns

Arkansas's poverty rate is high. At 17 percent, it is the 4th highest in the United States. According to U.S. census estimates more than 17.5% of individuals in Arkansas are over the age of 65. For these adults aged 65 and over, the poverty rate is 10 percent. It also estimates that more than 13% of those seniors are living below the federal poverty line. Almost 44 percent of Arkansans live in rural areas. People who live in rural counties tend to have shorter life expectancies. The leading causes of death in Arkansas include chronic diseases, unintentional injuries, and flu and pneumonia. Arkansas seniors has very high rates of chronic diseases and most of the leading causes of death are the chronic diseases. They include heart disease, cancer, chronic lung disease, stroke, diabetes, and kidney disease. The additional causes are very high rates of obesity, high blood pressure, tobacco use, and lack of physical activity. These can all lead to early death from chronic disease. People in rural areas may experience barriers to good health that people who live in cities may not. They have fewer places to buy healthy food and further away from medical care.

Detailed Health assessment of the state of Health for Arkansans can be found at [AR.State.Health.Assessment.2020.pdf - Google Drive](#)

Arkansas ranks 46th overall for senior health status and has the 2nd highest overall opioid prescribing rate in the nation especially for older adults on Medicare. According to the Centers for Disease Control and Prevention (CDC), in 2019, the opioid prescribing rate for Arkansas was 102.1 opioid prescriptions for every 100 persons – nearly twofold greater than the average U.S. rate of 58.7.

HEALTH CARE FACILITIES AND SERVICES NEED SFY 2024

Prepared for
The Arkansas Health Services Permit Commission

By the Staff of
The Arkansas Health Services Permit Agency

January 2024

Disclaimer: The published health care facility bed need, and health care service need by county is subject to change. Please contact our agency prior to determining need for a specific county.

Updated: 12/21/2023

Assisted Living and Residential Care Facilities								
Forecasted Bed Need								
January 1, 2024								
	ALF Licensed Beds		Approved ALF Beds		RCF	Total	30/1000	Net Need
County	Level 1	Level 2	Level 1	Level 2	Licensed Beds	RCF + ALF Beds	Need 2028	(# of beds available)
Arkansas	0	0	0	0	75	75	122	47
Ashley	0	75	0	0	40	115	139	24
Baxter	64	197	0	0	70	331	572	241
Benton	276	652	0	14	59	1001	1319	318
Boone	0	178	0	0	0	178	326	148
Bradley	0	0	0	0	0	0	80	80
Calhoun	0	0	0	0	0	0	36	36
Carroll	82	82	0	0	0	164	249	85
Chicot	0	40	0	0	0	40	84	44
Clark	0	55	0	0	0	55	169	114
Clay	0	36	0	0	0	36	129	93
Cleburne	0	89	0	0	13	102	300	198
Cleveland	0	0	0	0	0	0	56	56
Columbia	0	80	0	0	0	80	153	73
Conway	0	0	0	0	0	0	178	178
Craighead	146	191	0	23	93	453	469	16
Crawford	34	158	0	0	60	252	401	149
Crittenden	0	0	0	0	86	86	219	133
Cross	0	0	0	0	0	0	110	110
Dallas	0	50	0	0	0	50	57	7
Desha	0	30	0	0	0	30	77	47
Drew	0	55	0	15	0	70	107	37
Faulkner	100	227	0	0	60	387	559	172
Franklin	0	0	0	0	0	0	147	147
Fulton	0	0	0	0	0	0	134	134
Garland	0	443	0	100	71	614	998	384
Grant	0	69	0	0	0	69	102	33
Greene	0	91	0	0	96	187	242	55
Hempstead	0	52	0	0	70	122	132	10
Hot Spring	0	84	0	0	0	84	255	171
Howard	0	0	0	0	0	0	82	82
Independence	0	104	0	0	0	104	230	126
Izard	0	0	0	0	0	0	158	158
Jackson	0	0	0	0	9	9	114	105
Jefferson	0	114	0	55	0	169	400	231
Johnson	44	0	0	0	70	114	183	69
Lafayette	0	0	0	0	0	0	58	58
Lawrence	0	0	0	0	0	0	126	126
Lee	0	0	0	0	12	12	64	52
Lincoln	0	53	0	0	0	53	69	16
Little River	0	0	0	0	13	13	88	75
Logan	0	0	0	0	74	74	188	114
Lonoke	0	155	0	10	26	191	376	185
Madison	0	106	0	0	0	106	119	13
Marion	0	0	0	0	40	40	193	153
Miller	0	42	0	0	30	72	232	160
Mississippi	0	60	0	0	0	60	228	168
Monroe	0	0	0	0	0	0	62	62

Assisted Living and Residential Care Facilities								
Forecasted Bed Need								
January 1, 2024								
	ALF Licensed Beds		Approved ALF Beds		RCF	Total	30/1000	Net Need
County	Level 1	Level 2	Level 1	Level 2	Licensed Beds	RCF + ALF Beds	Need 2028	(# of beds available)
Montgomery	0	42	0	0	0	42	83	41
Nevada	0	0	0	0	67	67	62	-5
Newton	0	0	0	0	0	0	82	82
Ouachita	0	0	0	0	0	0	174	174
Perry	0	0	0	0	0	0	86	86
Phillips	0	0	0	0	48	48	130	82
Pike	0	32	0	0	0	32	77	45
Poinsett	0	0	0	0	40	40	157	117
Polk	0	70	0	0	0	70	157	87
Pope	100	75	0	0	0	175	396	221
Prairie	0	0	0	0	0	0	69	69
Pulaski	130	1113	0	232	429	1904	2262	358
Randolph	0	60	0	0	0	60	134	74
St. Francis	0	55	0	0	45	100	138	38
Saline	30	370	0	111	0	511	786	275
Scott	0	58	0	0	0	58	75	17
Searcy	0	0	0	0	0	0	85	85
Sebastian	214	173	0	0	225	612	803	191
Sevier	0	0	0	0	0	0	84	84
Sharp	0	0	0	0	0	0	202	202
Stone	0	32	0	0	0	32	138	106
Union	0	0	0	0	0	0	253	253
Van Buren	46	20	0	0	0	66	192	126
Washington	183	464	0	58	10	715	955	240
White	0	68	0	0	92	160	537	377
Woodruff	0	0	0	0	15	15	51	36
Yell	0	0	0	0	54	54	133	79
Totals	1,449	6,200	0	618	2,092	10,359	19,190	8,831
*Counties colored red have a negative bed need.								
One applicant, per service area, per cycle under the population based methodology can apply maximum of seventy-five (75) beds.								

February 6, 2024

Alzheimer's presents a growing challenge in Arkansas, with an estimated 58 thousand residents aged 65 and above currently affected, a number projected to reach 67 thousand by 2025. These figures exclude individuals with Younger-Onset Alzheimer's or other forms of dementia. Family members and friends typically assume caregiving responsibilities following diagnosis. In 2022, Arkansas witnessed around 158 thousand family caregivers providing over 268 million hours of unpaid care, valued at over 4.4 billion dollars.

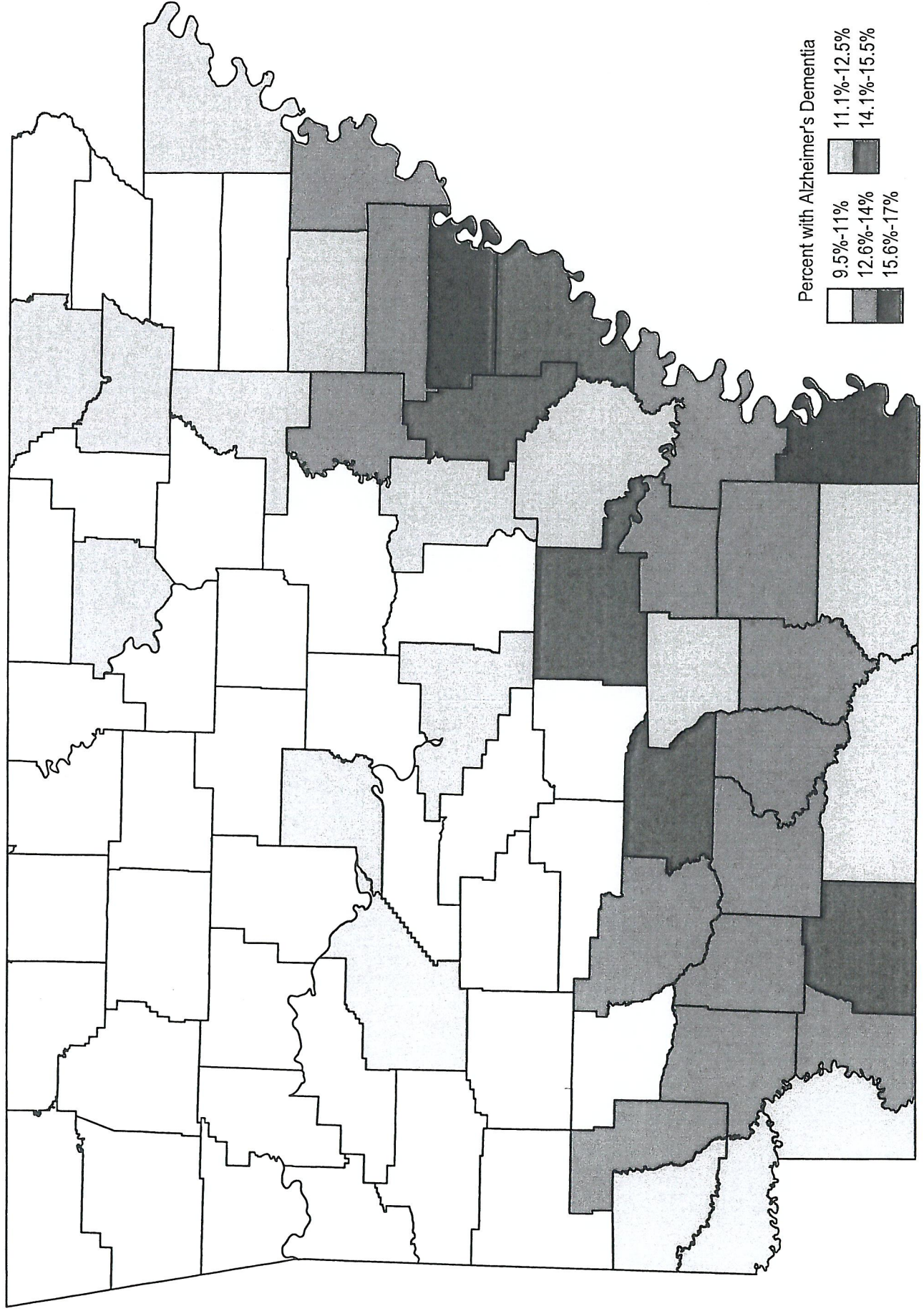
As the prevalence of Alzheimer's rises, it's crucial that the state to invest in home and community-based services to enhance access to care, especially among vulnerable groups.

Moreover, Alzheimer's disproportionately impacts minority communities, with African-American populations experiencing double the rate of dementia compared to older white populations. Recent county-level data from 2023 underscores the higher Alzheimer's risk in rural communities compared to metropolitan areas. The disproportionate impact on these communities makes it essential to continue to monitor access to critical services and care.

David Cook

Director of
Government Affairs,
Alzheimer's
Association

Alzheimer's Dementia in Arkansas (Age 65+)



Based on data from: Dhana et al., Alzheimer's & Dementia, 2023



ARKANSAS

2023 ALZHEIMER'S STATISTICS

NUMBER OF PEOPLE AGED 65 AND OLDER WITH ALZHEIMER'S

YEAR	TOTAL
2020	58,000
2025	67,000

ESTIMATED % INCREASE

15.5%

PREVALENCE

55

OF
GERIATRICIANS
IN 2021

143.6%

INCREASE
NEEDED TO
MEET DEMAND
IN 2050

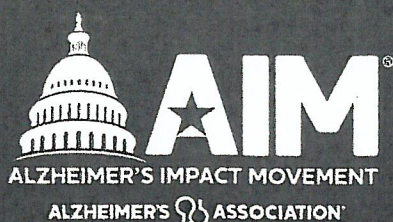
21,900

OF HOME
HEALTH AND
PERSONAL CARE
AIDES IN 2020

29.5%

INCREASE
NEEDED TO
MEET DEMAND
IN 2030

WORKFORCE



UNPAID CAREGIVERS (2022)

154,000 # OF CAREGIVERS

268,000,000 TOTAL HOURS OF
UNPAID CARE

\$4,423,000,000 TOTAL VALUE OF
UNPAID CARE

CAREGIVER HEALTH (2021)

72.8% OF CAREGIVERS
WITH CHRONIC
HEALTH CONDITIONS

38.0% OF CAREGIVERS
WITH DEPRESSION

25.0% OF CAREGIVERS
IN POOR PHYSICAL
HEALTH

CAREGIVING

HOSPICE (2017)

3,133 # OF PEOPLE IN HOSPICE
WITH A PRIMARY
DIAGNOSIS OF DEMENTIA

18%

HOSPICE RESIDENTS
WITH A PRIMARY
DIAGNOSIS OF
DEMENTIA

HOSPITALS (2018)

1,530 # OF EMERGENCY
DEPARTMENT VISITS PER
1,000 PEOPLE WITH DEMENTIA

21.5%

DEMENTIA PATIENT
HOSPITAL READMISSION
RATE

MEDICAID

\$396M MEDICAID COSTS OF
CARING FOR PEOPLE
WITH ALZHEIMER'S (2020)

14.6%

PROJECTED CHANGE
IN COSTS FROM 2020
TO 2025

MEDICARE

\$24,951 PER CAPITA MEDICARE SPENDING ON PEOPLE
WITH DEMENTIA (IN 2022 DOLLARS)

HEALTH CARE

OF DEATHS FROM ALZHEIMER'S DISEASE (2019)

1,507

250.5%

INCREASE IN ALZHEIMER'S
DEATHS 2000-2019

MORTALITY

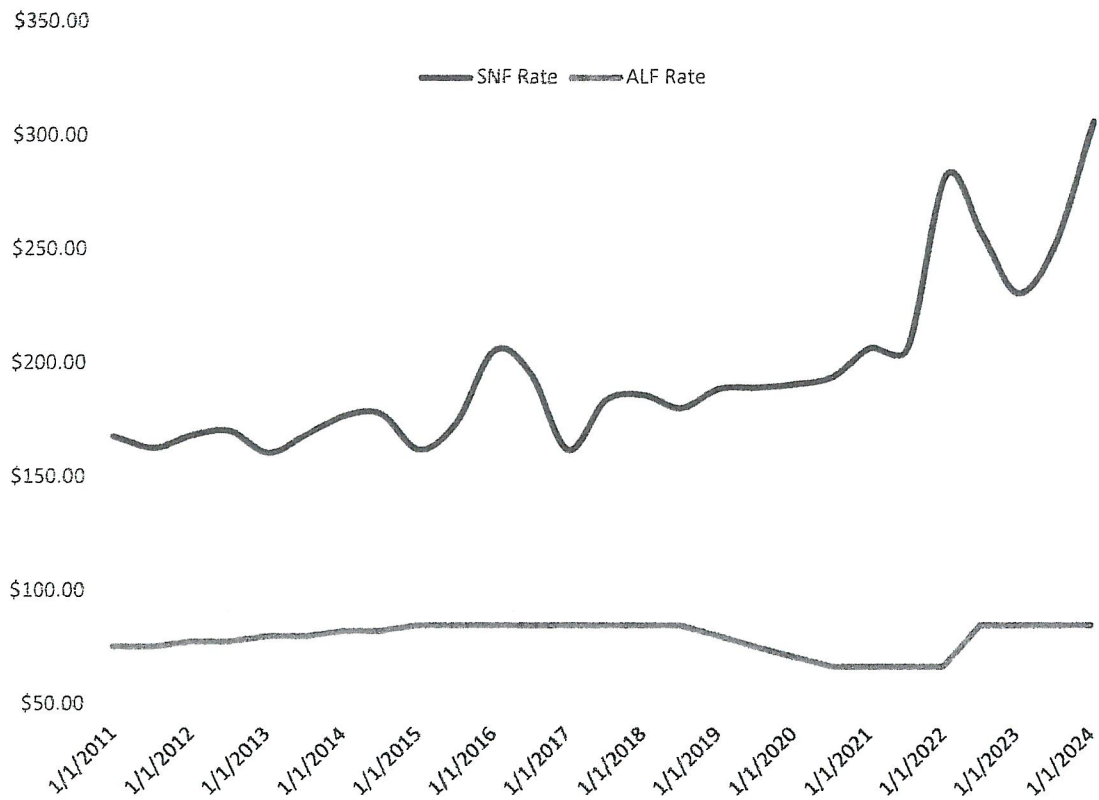
More than 6 million Americans are living with Alzheimer's, and over 11.5 million provide their unpaid care. The cost of caring for those with Alzheimer's and other dementias is estimated to total \$345 billion in 2023, increasing to nearly \$1 trillion (in today's dollars) by mid-century.

For more information, view the 2023 Alzheimer's Disease Facts and Figures report at alz.org/facts.

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ALZ.ORG/Arkansas



1/1/2011	\$168.10	\$75.83
7/1/2011	\$163.32	\$75.83
1/1/2012	\$168.90	\$78.10
7/1/2012	\$170.76	\$78.10
1/1/2013	\$161.24	\$80.45
7/1/2013	\$169.32	\$80.45
1/1/2014	\$177.54	\$82.86
7/1/2014	\$178.37	\$82.86
1/1/2015	\$162.71	\$85.35
7/1/2015	\$174.67	\$85.35
1/1/2016	\$206.49	\$85.35
7/1/2016	\$195.42	\$85.35
1/1/2017	\$162.62	\$85.35
7/1/2017	\$184.45	\$85.35
1/1/2018	\$186.73	\$85.35
7/1/2018	\$181.04	\$85.35
1/1/2019	\$189.50	\$80.83
7/1/2019	\$190.08	\$75.97
1/1/2020	\$191.60	\$71.61
7/1/2020	\$194.78	\$67.25
1/1/2021	\$207.74	\$67.25
7/1/2021	\$207.43	\$67.25
1/1/2022	\$283.39	\$67.25
7/1/2022	\$257.52	\$85.67
1/1/2023	\$231.86	\$85.67
7/1/2023	\$252.50	\$85.67
1/1/2024	\$307.22	\$85.67