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August 17, 2022

Hon. Terry Rice, Co-Chair  
Hon. Jeff Wardlaw, Co-Chair  
Arkansas Legislative Council  
1 Capitol Mall, Fifth Floor  
Little Rock, Arkansas 72201

Dear Senator Rice and Representative Wardlaw:

As directed by Section 15 of Act 213 of 2022, I am reporting to Arkansas Legislative Council the status of our efforts to increase the reimbursement rates for assisted living facilities under the Living Choices Assisted Living Waiver. Last month I reported that DHS would be working with Myers and Stauffer and the stakeholders to do a more in-depth review of the rates and regulations in other states, to conduct additional review of the cost survey results, and to begin assembling the components of what will become the final rate recommendation. That work has now been completed.

On August 4, Myers and Stauffer provided the stakeholders with a final draft report for the Living Choices Assisted Living Waiver rate study. In that draft report, they recommended a final rate of \$96.76 per patient per day, to be implemented no later than January 1, 2023. As of today, only one comment has been received from a stakeholder, and that comment supported the proposed rate.

Myers and Stauffer is now preparing a final report that will incorporate the stakeholder feedback and document the process steps that were completed subsequent to the draft report. DHS is now preparing a waiver amendment application to CMS to implement the proposed new rate.

I am attaching to this report the final draft report submitted by Myers and Stauffer. When the final report is received, I will submit it to ALC. In the meantime, legislators are welcome to reach out with any questions, comments, or concerns. Members may contact Mark White, DHS Deputy Director and Chief of Staff, Legal, & Legislative Affairs, at 501-320-6009 or [mark.white@dhs.arkansas.gov](mailto:mark.white@dhs.arkansas.gov).

Sincerely,

Cindy Gillespie  
Secretary of Human Services

The background features a blurred medical scene with a person lying down. A green semi-transparent overlay covers the left and top portions of the image. Overlaid on this are various medical icons: a syringe, a pill, a stethoscope, a microscope, a group of people, and a large cross. A dark grey diagonal shape on the right side contains the text.

**STATE OF  
ARKANSAS  
DEPARTMENT OF  
HUMAN SERVICES**

**Arkansas Living Choices Assisted  
Living Waiver Rate Study Report**

August 12, 2022

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## Executive Summary

On behalf of the Arkansas Department of Human Services (DHS or State), Myers and Stauffer has prepared this analysis of the Living Choices Assisted Living Waiver Program Rates. This effort was divided into three parts. The first step involved the development of a cost survey tool. We developed this report in conjunction with the Department and a stakeholder workgroup. This allowed us to develop a survey that was thorough but recognized the reporting limitations of some waiver service providers.

The second part of our project focused on collecting and reviewing survey data. The cost survey tool was distributed to all 87 Level II Assisted Living Facilities (ALF Level II) in the state. Of those 87 licensed facilities, 53 are enrolled in the Arkansas Medicaid program as service providers for the Living Choices Medicaid Waiver. Myers and Stauffer conducted two online training webinars for facilities to explain the survey tool and to answer questions. A recording of each webinar was made available for facilities that were unable to join the live webinars. We also provided a dedicated email address and toll-free telephone number for facilities to use to ask questions and receive technical assistance with completing the survey.

Facilities were asked to report costs and other data for their fiscal year ending in 2021. A total of 24 facilities completed the cost survey. Those facilities represent 27.6% of all licensed ALF Level II. All but one of the facilities that submitted data participate in the Living Choices Medicaid Waiver. These 23 facilities make up 43.4% of the waiver providers. The chart below summarized this information.

### Survey Participation

High Medicaid Utilization Facilities	> 50%	9
Medium Medicaid Utilization Facilities	≥ 30%, ≤ 50%	10
Low Medicaid Utilization Facilities	< 30%	4
Non-Waiver Providers	No Medicaid	1
Total		24

In addition to Direct Care staffing costs, the cost survey also captured other assisted living facility costs divided into three areas in order to collect the total cost of providing waiver services:

- *Indirect Care – covers the cost of indirect staffing such as registered nurse supervisors, dietary supervisor, meal preparation staff and activities staff, as well as non-labor indirect care costs*
- *Administrative & General- cost includes the allowable share of administrative expenses such as the salaries for the facility administrator and office staff as well as any supplies they require.*
- *Rent, Utilities and Food – cost of the building, maintenance, utilities and raw food.*



### Cost Analysis

The cost surveys received included a total of \$41.4 million of costs covering expenses for providing 335,520 resident days of care. Rent/Utilities/Food represented the largest share of the costs at \$45.16 per resident day or approximately 36.67% of total costs. Direct Care was the second largest per diem expense at \$34.18 or 27.76% of the total. Indirect Care averaged \$14.99 per resident day or 12.18% of total costs, and Administrative & General averaged \$28.81 per resident day or 23.39% of total costs.

#### Cost Analysis by Cost Center

Statistic	Direct Care	Indirect Care Total	Total Admin & General	Rent, Utilities, and Food Total	Total Costs
Total Costs	\$11,466,788	\$5,029,775	\$9,664,659	\$15,150,424	\$41,311,646
Total Days	335,520	335,520	335,520	335,520	335,520
Per Diem Costs	\$34.18	\$14.99	\$28.81	\$45.16	\$123.13
% of Total Costs	27.76%	12.18%	23.39%	36.67%	100.00%

### Hourly Wage and Staffing Analysis

A focus of the analysis was to determine hourly wage rates for the direct care staff positions. These positions include licensed practical nurses (LPN), certified nurse aides (CNA), personal care assistants (PCA), and universal workers (UW). Facilities were asked to report wages and hours for these positions in 2021, as well as for one-month snapshots from April 2022, and April 2017. This additional data from the snapshots provided some historical context to the labor rates. The table below provides a summary of the Median Hourly Wages for each period by direct care staff position.

#### Median Hourly Wages (includes overtime and bonuses, excludes benefits)

Year	LPN	CNA	PCA	Universal Worker
2017	\$17.47	\$10.29	\$8.96	\$9.79
2021	\$21.89	\$12.54	\$11.95	\$11.40
2022	\$22.92	\$13.24	\$12.17	\$12.40

Staffing ratios were also analyzed for each of the Direct Care staff positions. CNA staff provided the majority of direct care hours with a median of 1.20 hours per resident day in 2021. The median staffing for PCAs was next at 0.48 hours per resident day. LPNs contributed a median of 0.38 hours per resident day, and universal workers added a median of 0.22 hours per day during that same timeframe.



Year	LPN	CNA	PCA	Universal Worker
2017	0.40	1.07	0.37	1.11
2021	0.38	1.20	0.48	0.22
2022	0.23	0.80	0.53	0.20

### Rate Calculation

The general premise of the rate study was to use the hourly wage data and daily staffing ratios to calculate a base cost for direct care. Adjustments could then be applied to this calculation to account for employee benefits costs and inflation. This analysis would thus produce a total cost of the direct care labor. The chart below presents this Direct Care staffing cost analysis. Note that contracted labor was also included in the calculation. Data for contracted positions was also gathered through the cost survey. This cost represents a smaller share of the total Direct Care staffing costs.

The Direct Care staffing costs are the primary driver of the waiver costs and therefore the primary component of our rate calculation. Beyond three to five years the analysis and assumptions are likely to become less relevant and we recommend that they be updated using the methodology that we've established through this study with updates to introduce new cost data gathered from future cost surveys.

Our review and analysis of the 2021 data included efforts to identify and correct reporting errors. Despite our efforts to contact facilities and investigate data anomalies, the 2021 datasets still included some data pieces that we classified as outliers because they exceeded the mean for that data group by a much greater margin than other data elements. To avoid the impact of these outliers it was decided that the median would be the best measure of facility staffing and pay rate norms. Both the staffing ratio and the hourly pay rate for each of the four direct care facility staff positions and their contracted staffing equivalent were determined from the median for the 2021 data. Analysis of minimum staffing requirements applied to different facility sizes allowed us to conclude that these staffing ratios would exceed the minimum staffing requirements for any facility circumstance.

In addition to the staffing ratios and hourly wage rates, other statistics were necessary to complete the direct care staffing calculation. The median staff benefits percentage from the 2021 cost survey data, 18.99%, was used as the benefits percentage. Applying this factor to the direct care wages subtotal (not including contracted staff wages) accounts for the expected cost of providing employee benefits. An inflation factor, calculated from the IHS Global Insight, CMS Nursing Home without Capital Market Basket Index was used to trend the direct care wages per diem. This index is a standard source used to calculate inflation factors for long term care services. The indices for the mid-point of our data period, June 2021, and for the mid-point of the rate period, June 2024 (based on the premise that the end date of the rate period would be December 2025), were utilized to calculate an inflation factor of 12.94%.



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Applying this factor to the direct care wages and benefits subtotal accounts for expected increase in these costs.

To ensure access to Medicaid waiver individuals and encourage continued and new participation in the waiver program a five percent (5%) access add-on has been provided to each of the individual rate components to calculate the final rate.

Two options were considered for calculating the allowances for the other rate components. One methodology involved linking these costs to the total direct care staffing cost by determining ratios to relate each of these component costs to the direct care staffing cost. This option was later rejected over concerns that creating a precedent for linking these costs to direct care staffing might cause them to be overstated by market factors that have a more significant impact on direct labor costs than these other expenses. To address this concern a second option was employed to calculate the allowances using 2021 cost data. We reviewed the cost survey data elements and determined what costs should be considered allowable waiver expenses and then calculated per diem costs for each of the three remaining rate components; Indirect Care, Administrative and General (A&G), and Rent and Utilities. In reviewing the data we determined that to address the existence of outliers the median for each of these areas was a valid measure of facility norms and that statistic was used for each of the rate components. The median per diem cost for each rate component was increase by five percent to apply the access add-on the applied inflation to these calculations using the same factor that was applied to the 2021 data for direct care staffing These calculations resulted in the following per diem allowances for the three non-direct cost components; Indirect Care \$16.75, Administrative and General \$24.15, and Rent and Utilities \$2.45.

Some additional detail should be noted about what costs are included in Indirect Care and Rent and Utilities. For indirect care 100% of all costs that were classified into this cost center on the cost survey were included. This includes a per diem total of \$9.68 for food preparation salaries and related benefits, which is 56.78% of the indirect care total. For rent and utilities, an allocation of total facility costs was calculated using building area square footage data to allow for the portion of building costs associated with administrative functions and resident activities. This resulted in an allocation of 6.12% of eligible building costs which came to a weighted average of \$2.58.

## Recommendations

The chart below summarizes the calculations for each of the four rate components and totals those components together to get the total proposed waiver services rate. Myers and Stauffer recommends that this rate be implemented no later than January 1, 2023 to provide a long-term replacement for the rate implemented with the Appendix K amendment. We also recommend that future rate updates utilize the methodology that we've established through this study with updates to introduce new cost data gathered from future cost surveys.



AR AL Rate Study - Rate Calculation

2021 Median Data, Plus 5% Access Add-on, Inflation to 06/30/24

Position	Hrs/Day		Hrly Rt	Tot/Day
	2021 Median	2021 Median		
LPN		0.38	\$21.89	\$8.35
CNA		1.20	\$12.54	\$15.00
PCA		0.48	\$11.95	\$5.72
Universal Worker		0.22	\$11.40	\$2.48
Contract LPN		0.04	\$33.38	\$1.25
Contract CNA		0.15	\$31.64	\$4.85
Contract PCA		0.06	\$23.80	\$1.37
Contract Universal Worker		0.00	\$27.92	\$0.06
Direct Care Wages Subtotal		2.52	\$15.48	\$39.05
Direct Care Benefits Cost			18.99%	\$5.99
Direct Care Wages and Benefits Subtotal				\$45.04
Inflation (from/thru)	Jun-21	Jun-24	12.94%	\$5.83
Direct Care Staffing Subtotal		2.52	\$20.16	\$50.87
Access Add-on %	5%			\$53.41

Indirect Care	Median Cost	Add-on %	Inflation %	
Allowable Indirect Staffing and Non-Labor Related Expenses	\$14.13	5%	12.94%	\$16.75
<i>The Indirect Care rate component includes \$9.68 for meal planning/prep wages.</i>				

Administrative & General	Median Cost	Add-on %	Inflation %	
Allowable A&G Costs	\$20.37	5%	12.94%	\$24.15

Rent and Utilities	Median Cost	Add-on %	Inflation %	
Allowable Rent and Utilities Costs	\$2.07	5%	12.94%	\$2.45

Total Rate		
Total Rate (DC+Indirect+Allowable A&G+Allowable RUF)		\$96.76





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## Background and Goals

Myers and Stauffer was retained to conduct this rate study in March 2022. Myers and Stauffer has a long relationship with the Department and has provided auditing and consulting services for long term care programs and other Medicaid programs to the State for many years. Myers and Stauffer has also completed many home and community based services (HCBS) rate studies for other states. This experience with HCBS and the experience working with Arkansas programs made the firm a logical choice to evaluate the Living Choices waiver rates.

There were several factors that led the Department to determine that a rate study was necessary. Waiver rates have been adjusted several times over the last five years, and although other studies and analysis were conducted as part of that process, the conclusions derived from those review efforts provided some mixed guidance and did not give the Department a long-term rate methodology plan.

Changing market factors were also a significant concern that DHS sought to address. The State of Arkansas has been working through stepped increases to the minimum wage since January 1, 2019 when the minimum wage was increased from \$8.50 to \$9.25 per hour. Additional increases were implemented in 2020 to raise the hourly wage to \$10.00, and in 2021 to raise it to \$11.00. Because much of the staffing at assisted living facilities is paid at or near the minimum wage level, these increases have a direct and immediate effect on the cost of providing waiver services. Further complicating market circumstances are the effects of the COVID-19 pandemic. Not only did the pandemic stretch facility resources to provide adequate infection control and other safety precautions, it also created new workforce pressures. Many direct care staff chose to pursue other employment options leading to staff shortages and increased pressure on wages.

Stakeholder concerns were another reason that the Department determined a rate study would be beneficial. Many facilities had indicated that the rate changes that had occurred over the last five years have put them in extreme financial jeopardy. Stakeholders have also cited concerns about the transparency and engagement surrounding previous rate studies and rate policy decisions.

### Current Rates - Appendix K Amendment

This background section would be incomplete without some discussion of the current rate and how it was developed. DHS is currently paying a temporarily higher rate to assisted living facilities. On March 1, 2022, DHS requested, and the Centers for Medicaid and Medicare Services (CMS) approved, to pay a rate of \$81.59 per person per day, with an additional 5% differential for rural facilities, which total \$85.67 per person per day. This interim rate is implemented through a mechanism known as an Appendix K amendment to the Living Choices Medicaid Waiver. This rate of \$81.59 was calculated based on the wage rates currently paid to direct care staff by the Arkansas Health Center, staffing ratios identified in the 2019 rate study conducted by Milliman, and the percentage of administrative and



overhead costs identified in the 2019 rate study. The intent of this temporary rate was to address market circumstances related to the COVID-19 pandemic that had evolved since the last waiver renewal. This temporary rate will extend through the duration of the federal public health emergency. At present the public health emergency (PHE) has been extended through October 13, 2022. The U.S. Department of Health and Human Services has also indicated that they will give states at least a 60-day notice before the PHE ends.

### Previous Rates and Review Requirements

Prior to the implementation of the current rates effective March 1, 2022, Arkansas paid Living Choices waiver providers a rate of \$67.25. This rate was implemented on July 1, 2020 as part of an effort to restructure the waiver rates from a four-tier system to a single rate. The July 1, 2020 rate update was the result of analysis conducted by the State's actuary Milliman in 2019. Although the actuary's recommendation included an additional rate decrease to \$62.89 that was to take effect January 1, 2021, DHS used the Appendix K mechanism to suspend that decrease and maintain the rate at \$67.25 in response to the evolving pandemic concerns. At that time DHS also enlisted Milliman to again review the waiver rate. That effort produced a rate review report dated July 2021 concluding that the \$67.25 rate was above the 75<sup>th</sup> percentile of reported per diem costs in both CY 2019 and CY 2020, and that 15 of the 18 providers responding to a cost survey reported per diem costs below that rate.

Part of the impetus for the multiple rate reviews that have occurred since 2019 was a pre-pandemic executive order to review rates on a regular cycle. Governor Hutchinson issued Executive Order 19-02 in March 2019 with the following requirements:

1. The Arkansas Department of Human Services (DHS) shall establish a systematic approach to reviewing Medicaid rates to providers on a regular cycle.
2. The procedures for review shall:
  - a. Prioritize programmatically based on impact;
  - b. Consider the availability and access to care in each geographic area of the state;
  - c. Confirm that rates are sustainable while attracting a sufficient number of providers to deliver quality services; and
  - d. Reward efficiency and quality.
3. [DHS], in advance of any review shall report the rates to be reviewed in the quarterly reports to the General Assembly, pursuant to Act 802 of 2017, and work with each type of provider impacted in the design of the review.



4. [DHS] shall complete the initial reviews of all providers by July 1, 2021 and begin actuarial studies within 60 days of completing a review if necessary.

An additional impetus for this rate review was the direction of the Arkansas State Legislature, through Section 15 of Act 213 of 2022, that DHS study and explore methods to increase the reimbursement rates for assisted living facilities under the Living Choices Assisted Living Waiver.

### Goals of the Rate Study

While the primary objective of this rate study is to determine an appropriate reimbursement rate for assisted living facilities, there are many other goals that are intended to address the multiple issues we've identified in this background section. We want to address the concerns that previous rate studies have produced. We also want to address market factors that have created unforeseen financial pressures for assisted living facilities. We intend to address stakeholder concerns about the adequacy of the rates and the transparency of the rate development process. Finally, we want to fulfill the Department's ongoing obligation to meet the requirements of Executive Order 19-02.



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## Stakeholder Engagement

Stakeholder engagement was identified as a critical element of this study. An initial stakeholder meeting was held on March 31, 2022. This meeting included a review of the project work plan and timeline. Myers and Stauffer shared some general information about plans to gather data through a provider survey and research of other state’s programs, as well as an overview of the proposed rate buildup methodology that would be driven by hourly labor rates and staffing ratios for direct care staff positions.

Additional stakeholder meetings were held nearly every week throughout April and May, with one meeting in June before resuming weekly meetings in July. The meeting for April 14, 2022 was held in person in Little Rock at the DHS offices. All other meetings were conducted virtually. Two facility site visits were conducted in April, with a visit to Four Seasons Assisted Living in Benton on April 13<sup>th</sup>, and a visit to the Manor Senior Living Community on April 14<sup>th</sup>.

The listing below shows the dates for each of the stakeholder meetings and the topics discussed during those meetings.

### Thursday, March 31, 2022

- Work Plan/Timeline – discussed goal of producing an objectively supported rate study to satisfy all program needs, complete by July 15. Project will follow a four-phase approach including research and planning; tool development; data collection/analysis; and report development. Data will be a mix of provider data collected through surveys and market data from many sources to be used in a rate buildup approach.
- Stakeholder Concerns – previous findings, how room and board was defined, transparency, overhead ratio, use of means over medians.
- Stakeholders Requests – use per patient day data, include clear definitions (i.e. room and board), include observations from visits to facilities, analysis of the percentage of nursing facility rates as a methodology to set rates, and development of a methodology that can be used long-term
- Other Topics – providers state that there is a disparity between costs and rates; rates need to be adequate enough to attract investors and providers; rate freeze from 2015 to 2022 and other factors have forced providers to reduce services; 60-70% of costs are labor; there are 53 providers but some have very few beds and the study should focus on the facilities that provide the majority of services; should consider a two-tier rate to address disparity of cost between urban and rural providers and other groupings; Appendix K amendment probably has it backwards with a higher rate for rural facilities; labor rates from state facility were used for previous study and this was supported by the providers.



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## Friday, April 8, 2022

- Tiered reimbursement - discussion of tiered reimbursement rates including how they might be useful in ensuring access for higher acuity individuals. Prescriptions were the primary determinant for classifying residents in the previous four-tier system.
- Program questions – a list of program questions was shared with the stakeholders to assist in the development of the cost survey tool, responses shared/discussed.
- Survey tool - review of initial draft cost survey tool and additional information to add to the survey, as well as how to encourage providers to participate, and the timeframe to allow for survey completion (initially slated for May 7 to May 27).

## Thursday, April 14, 2022

- Cost survey tool- timeline for finalizing the tool, distributing it and providing training on how to complete it was also discussed with a goal of distributing it May 2<sup>nd</sup>. The tool will include validation checks to help ensure preparers complete the report accurately.
- Client share of cost - discussion of how other states handle the client contribution towards the cost of care.

## Thursday, April 21, 2022

- Other state research - discussed lack of other assisted living waivers, most states seem to include assisted living as a possible setting where HCBS services might be provided but few have waiver programs specifically for assisted living.
- Cost survey tool updates - on track for distributing it May 2<sup>nd</sup>, survey should be structured to capture all expenses so that the report will tie back to the facility's trial balance and tax returns. A percentage of building costs should be recognized for administration and common space. Data should be gathered to assess the concept of scheduling compression where higher cost staff such as LPNs are now utilized less and more care is pushed to lower cost staff like CNAs.

## Tuesday, April 26, 2022

- Cost survey tool – walked through the report, asked stakeholders to provide feedback by April 29<sup>th</sup>
- Other state research – No additional information was presented or discussed.

## Friday, May 6, 2022

- Cost Survey Tool – concerns about sharing financial information on Schedule 1 led to decision to make that optional. Discussed allowable vs. non-allowable costs especially how to treat food prep with providers citing an excerpt from the state regulations that states “Preparation and serving of meals and laundry are in a congregate setting”. Discussion of human resources cost



that might be buried in legal fees., Decided that Schedule 4 instructions should be modified to capture data for all pay periods ending in April rather than fully included in April, and survey will be distributed to all Level II ALF.

- Training Plan – two webinar training sessions will be provided on May 12<sup>th</sup>, one will be 10:00-11:30 and the other will be 2:00-3:30. A recording of the training will be made so that it can be shared. Providers commented that the survey will be difficult to complete.
- Other State Research – continuing research, room and board information is mostly general. Plan to use Schedule J cost estimates to determine (calculate) per diem rates for other states even if they do not pay per diem rates. Stakeholder suggestion is to look at Oklahoma waiver that uses tiered rates.

### Thursday, May 12, 2022

- Provider Training – discussed first training session and feedback on things to adjust for the 2<sup>nd</sup> session

### Thursday, May 19, 2022

- Question and Answer session with providers was attended by 12 providers or trade association representatives. Talked through a series of questions that were submitted in advance or through the webinar chat. Nine (9) questions were received covering topics from days of care to shared overhead costs.

### Friday, June 3, 2022

- Cost Survey Status Update – a total of 22 reports have been received as of June 3<sup>rd</sup> and 7 facilities had also been granted extensions. Four facilities had indicated that they would not submit a survey and 54 facilities (out of the 87 licensed facilities) had yet to respond.
- Timeline Adjustments – due to the extensions already granted the due date for all surveys was extended to June 10, 2022.

### Friday, July 1, 2022

- Cost Survey Data Analysis – shared initial cost breakdown of 28% Direct Care/12% Indirect/23% Administrative & General/37% Rent-Food-Utilities. One workgroup member noted that their facility had already increased wages after the survey. Some discussion incurred about how inflation could be used to account for expected cost increases. Some wages seem off to the workgroup including the dietary manager wages that seem low and the maximum wage for a CNA that seems high. Suggestion was made to consult other sources for wage data. The staffing ratios reported were driven by CNAs and contracted staffing utilization was low but stakeholders felt it was accurate.



- Other Information – the stakeholders brought up the SSI payment which by their account works out to \$25.12/day or \$740 to the facilities out of \$841 per month that residents can protect. Stakeholders suggested calculating a per building average for administrative and activities space.

Friday, July 8, 2022

- Other State Research – discussion of what’s included in other state’s ALF rates; discussion of nursing facility-based rates; pay for performance incentives not commonly used for waiver rates. Comment was made that more funds needed to care for difficult patients, some discussion of tiered rates and the limitations of the rate study timeframe that prevent that analysis.
- Cost Analysis – census and private pay rate analysis reviewed. A staffing analysis was presented by workgroup member to show necessary staffing ratios for different facility sizes to just meet minimum staffing requirements. Stakeholders emphasized the need to use a high staffing number not just the minimum.
- Supplemental Payments – discussed other state research, and what analysis to include in the report.
- Updated Timeline – pushing timeline back a couple of weeks to allow more time for review. Final report date will be August 12. Meetings may be held July 15 to discuss possible rate parameters and report content, on July 22 to follow up if needed, and on July 29 to walk through the draft report. Comments will be due to Myers and Stauffer by August 8.

Friday, July 15, 2022

- Cost Analysis – revisited costs to include/exclude. After discussions with others at Myers and Stauffer several cost lines were changed to include (rather than exclude). Myers and Stauffer presented a breakdown of costs between rural/urban and bed size, and further analysis of the wage data led to the conclusion that the median would be the best wage statistic to use since there are some significant outliers in the data that might distort the average. The same is true for staffing ratios. Direct care staffing subtotal calculates to \$48.34 with the current data, adding allowances for indirect/A&G/rent & utilities produced a rate of \$92.84 using the medians from 2021 and using the median wages from 2022 with the 2021 staffing ratios increased the rate calculation to \$94.86. There was discussion about difference between urban and rural, and about fixed rates or annual adjustments to which the Department indicated annual adjustments would require annual cost reporting.



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## Cost Survey

Collecting provider data through a cost survey was a core component of our project work plan. This needed to be completed while also adhering to a short timeline and a desire to minimize the providers' administrative burden. Therefore, it was critical to develop a survey tool that met several objectives: 1) it must be easily understandable by both small and large providers; 2) it should be simple, yet effective in capturing the needed data; and 3) it must capture the required data input to achieve the end goal. To meet this last objective we started by looking at the end goal result and working backwards to plan for what data was needed. We relied heavily on input from the stakeholder workgroup to address the first two objectives.

### Tool Development

To speed the process we started with an existing Excel workbook tool that had been used for a similar waiver rate study. We modified the tool to make it applicable to the Living Choices waiver program and ALF Level II facility operations and shared a first draft of the report with the stakeholder workgroup on April 8, 2022. We took the insight and recommendations shared by the workgroup and made revisions to the tool. Their guidance also helped us determine that the best reporting period to cover would be each facility's fiscal year reporting period ending in 2021. The workgroup felt that this would provide the most current and most complete data and that most facilities would report on the calendar year. Some workgroup members also shared examples of supporting documentation they thought they might utilize to prepare the report. This helped us adjust the report to accommodate the data that providers would most likely have access to. We shared an updated version of the report with the stakeholder workgroup during the meeting on April 14, 2022.

This back-and-forth process of revising the cost survey continued for a few weeks and resulted in the addition of several things. Most notably, we added a schedule to capture current and historical direct care wage information. This schedule asked for direct care hours and salary information from April 2022 and April 2017. This was brought about by discussions of the fact that even though the 2021 data period would provide the most complete full year of data available, it might fail to capture wage increases that have resulted from market pressures. The workgroup thought that the 2017 data would be valuable in providing some historical context about how labor rates have changed but more importantly provide some information about how staffing ratios have changed. The workgroup discussed how staffing plans have changed over the last few years to utilize LPNs less and CNAs more. This point was also noted during our site visits conducted in April.

After several weeks of reviewing and revising the survey tool, we settled on a survey with six schedules, each on individual worksheets or tabs within the Excel workbook, as well as a title worksheet and an instructions worksheet. The schedules include a general information tab, a sources/supporting documentation tab, and expenses tab, a direct care wage tab, a census tab, and an attestation tab. A





final draft version of the report was shared with the workgroup on April 26<sup>th</sup> and they were given until April 29<sup>th</sup> to submit comments and other final feedback. Myers and Stauffer reviewed the comments received from the stakeholders and made some final revisions to the survey tool. The final cost survey tool was presented to the workgroup one final time on May 6<sup>th</sup> with minor updates to the instructions to clarify what was being requested of the providers. The final cost survey tool is included as Appendix A.

## Distribution and Training

The survey was distributed to all 87 ALF Level II providers on May 10, 2022 via email. In that message Myers and Stauffer announced two training sessions that would be provided on May 12<sup>th</sup> to explain the tool and provide guidance to the providers on how to complete it. Facilities were given until May 27, 2022 to complete the survey.

The two training sessions were presented via webinar on May 12, 2022 with approximately 20 participants attending each session. Myers and Stauffer stepped through each of the worksheets included in the survey tool and explained what information was needed, what checks had been built into the tool, and what review would be completed to ensure the accuracy of the data. The training session was also recorded and made available via a web link so that facilities that were unable to participate in the live webinars could still view the training at a later date.

Myers and Stauffer also shared contact information including a project-specific email address and a toll-free telephone number that facilities could use to request technical assistance. A follow-up question-and-answer webinar was presented on May 19, 2022 to address questions that had been submitted to Myers and Stauffer and give facilities an additional opportunity to ask direct questions during the live session. This session had about 15 participants and nine questions were addressed. A list of questions and answers provided through technical assistance is included in Appendix A after the cost survey.

Myers and Stauffer set up a tracking process to monitor provider submissions and notifications related to the survey. Several reminders were sent to facilities to encourage them to complete the survey. Additionally emails and phone calls were made to individual facilities that had not submitted the report or indicated that they would not participate. Through this process, several facilities asked for extensions to give them another week or more to finish the survey. As a result, providers were given an additional two weeks to June 10, 2022 to complete the survey.

## Participation

A total of 24 facilities completed the survey. This represented 27.6% of 87 ALF Level II providers that received the survey. Of the 24 facilities that completed the survey, 23 are waiver participants (43.4% of waiver participants). Facilities were encouraged to complete the survey regardless of their status as a Living Choices waiver provider, and one facility that does not participate in the waiver completed the survey. The table below summarizes survey participation including dividing the survey participants by



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Medicaid utilization (the percentage of total days of care each facility provided that were covered by the Living Choices waiver program).

**Survey Participation**

High Medicaid Utilization Facilities	> 50%	9
Medium Medicaid Utilization Facilities	≥ 30%, ≤ 50%	10
Low Medicaid Utilization Facilities	< 30%	4
Non-Waiver Providers	No Medicaid	1
Total		24



## Other State Research

To help assess the Arkansas Assisted Living Waiver rate paid, Myers and Stauffer researched approved waiver applications for all 50 states as well as other sources of information. The following sources were used in preparing the Summary of Assisted Living Waiver Programs for States Comparable to Arkansas which can be found in Appendix B Other State Research. The stakeholder work group, with the state's approval, also requested that we review which states may provide an SSI state supplementary payment to assist in covering room and board cost above the SSI amount as room and board is not a covered waiver service and must be paid by the individual resident. The only readily available compiled information was based on reporting in 2011 and performing state specific research on SSI supplemental payments was included in the initial scope of this project. This information was summarized and provided to the state and stakeholder group, however, since this information is significantly old we have not included our findings within this report.

- *Approved waiver applications located at <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/index.html>*
- *2019 Assisted Living State Regulatory Review published by the National Center for Assisted Living (NCAL)*
- *<https://www.dementiacarecentral.com/medicaid/assisted-living-waivers#:~:text=An%20assisted%20living%20waiver%20is,to%20moving%20into%20nursing%20homes>*
- *<https://www.payingforseniorcare.com/medicaid-waivers/assisted-living>*
- *State websites*

The Application for a §1915(c) Home and Community-Based Waiver Instructions, Technical Guide and Review Criteria document contains core waiver service definitions that states may adapt when completing Appendix C-3 of the waiver application. States may modify or supplement the core definition in order to more precisely reflect the nature and scope of each service included in their waiver. In addition, states are not required to use these core definitions as they are suggested rather than mandatory definitions and are provided solely to assist states in waiver design.

During our review of all 50 states' approved waiver application, we first looked to those states who included Assisted Living Services as a core service and not just a place of service. Second, we reviewed the state's definition of assisted living services – specifically the individual services that are required to be provided to individuals such as personal care attendant services, medication administration, and therapeutic social and recreational activities – to determine if the service was comparable to Arkansas. If the service was found to be comparable however the waiver program was part of the state's managed care program, we identified the state as non-comparable. We did find that several states covered services for individuals residing in an assisted living such as personal care attendant and chore services however the rate for these services are not comparable and were excluded. A total of 16 states were identified to be comparable and included in the final analysis.



The following information was compiled and included in Appendix B Other State Research which was presented to the DHS and stakeholder group for discussion:

- *State waiver number*
- *Program title*
- *Brief description of the waiver*
- *Target group population*
- *Summary of services provided under the AL core service*
- *AL Payment rate(s) for 2021 – 2022 period*
- *Additional comments/notes*

This data was reviewed in hopes that it would provide best practices or benchmarks that might be applied to the Arkansas assisted living waiver program. However, the small number of programs that include separate reimbursement for assisted living facilities, the variability between state programs, and the lack of detail provided about some programs made it difficult to draw such conclusions. Our observations did lead us to the conclusion that comparing Arkansas' reimbursement rate to other states to determine if the rate paid by Arkansas is sufficient or insufficient is not practical or appropriate. However the data gathered does provide some insight that can be used to assist in rate methodology development and general comparisons. We have provided a summary of observations:

- *Eight states had some type of tiered rate structure including separate rates for urban vs rural location.*
- *Basing the AL rate as a percentage of the state's average nursing facility rate was a methodology used by three states, Alaska, Illinois, and Montana. These rates tended to be higher.*
- *Per day rates ranged from \$53.00 - \$176.00.*
- *States included in their waiver application that room and board had been excluded from the rate but we did not find any state that described what cost they specifically identified as room and board. Language included in the applications typically mirrored the definition of room and board provided in the waiver instructions.*
- *Based on review of the NCAL report, the square footage requirements for single/double occupancy rooms in Arkansas are on the higher end. There were other states with the same requirements but for the majority of the states the square foot requirements were lower.*
- *Some states do have minimum staffing requirements, however in-depth research was not done to gather this specific information. This could be one factor driving differences in rates.*



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# Data Analysis

## Cost Survey Data Review

As previously stated 24 facilities completed and submitted the cost survey. Upon receipt of the cost survey, Myers and Stauffer performed data verification and analyses to evaluate the accuracy of the cost survey data. The first step involved performing basic quality review such as re-footing, checking formulas and reviewing for incomplete filings. All 24 cost surveys were considered complete and extracted into a database. The initial analysis included the following procedures:

- *Trace expenses in total to provider accounting records if provided.*
- *Perform basic analytical procedures such as calculating total direct care wages/direct care hours to see if the hourly wages are comparable to other providers.*
- *Establish statewide cost element averages and review for outliers.*
- *Look for any obvious anomalies in the data and inquire of the provider.*

Outliers were identified in both staffing ratios and per diem costs however after discussion with the providers the causes were identified and the significant outliers were resolved. It was determined that all 24 cost surveys received would be included in the analyses and resulting rate determination.

## Total Cost Analysis

Expense categories were divided into four general areas or cost centers on the survey. These cost centers include Direct Care, Indirect Care, Administrative & General, and Rent/Utilities/Food. Direct Care included the wages and benefits related to direct hands-on care provided by licensed practical nurses, certified nurse aides, personal care aides, and universal workers. Indirect Care included other program related costs such as nursing supervision provided by registered nurses, activities costs, transportation costs, and meal preparation costs. Administrative & General costs included the salaries and benefits costs for administrators and other office staff, administrative expenses, laundry costs, and housekeeping costs. Rent/Food/Utilities included lease, mortgage, and depreciation costs, as well as maintenance costs and food.

The cost surveys received included a total of \$41.4 million of costs covering expenses for providing 335,520 resident days of care (169,942 Medicaid days). Rent/Utilities/Food represented the largest share of the costs at \$45.16 per resident day or approximately 36.67% of total costs. Direct Care was the second largest per diem expense at \$34.18 or 27.76% of the total. Indirect Care averaged \$14.99 per resident day or 12.18% of total costs, and Administrative & General averaged \$28.81 per resident day or 23.39% of total costs.



Total Cost Analysis					
Statistic	Direct Care	Indirect Care Total	Total Admin & General	Rent, Utilities, and Food Total	Total Costs
Total Costs	\$11,466,788	\$5,029,775	\$9,664,659	\$15,150,424	\$41,311,646
Total Days	335,520	335,520	335,520	335,520	335,520
Per Diem Costs	\$34.18	\$14.99	\$28.81	\$45.16	\$123.13
% of Total Costs	27.76%	12.18%	23.39%	36.67%	100.00%

Next, cost was analyzed to review the cost differences between urban and rural facilities and also by bed size ranges. A facility was identified as urban if they were located in a county that was within the boundaries of a metropolitan statistical area as delineated by the Office of Management and Budget. Counties within the boundaries of a micropolitan statistical area were identified as rural. Bed size ranges were based on the staffing requirements for facilities based upon census. The following tables provide a summary of total cost, total days and per diem cost by cost center.

The average per diem cost of urban facilities was greater in all cost centers and in total except for Rent, Utilities, and Food in which the average per diem cost was greater for the rural facilities. Overall the average per diem cost of the urban facilities was approximately 107.33% greater than the average per diem cost of the rural facilities.

Statistic	Direct Care	Indirect Care Total	Total Admin & General	Rent, Utilities, and Food Total	Total Costs
<b>Urban</b>					
	11				
Cost	\$ 6,170,870	\$ 2,672,503	\$ 5,211,443	\$ 7,602,868	\$ 21,657,684
Days	169,966	169,966	169,966	169,966	169,966
Per Diem	\$ 36.31	\$ 15.72	\$ 30.66	\$ 44.73	\$ 127.42
<b>Rural</b>					
	13				
Cost	\$ 5,295,918	\$ 2,357,272	\$ 4,453,216	\$ 7,547,556	\$ 19,653,962
Days	165,554	165,554	165,554	165,554	165,554
Per Diem	\$ 31.99	\$ 14.24	\$ 26.90	\$ 45.59	\$ 118.72

The total average per diem cost varies across the different bed size categories with a range of \$100.67 - \$211.29. This variability is driven by the small sample sizes within each bed size categories with two



groups having only one facility. One outlier can cause a significant impact when calculating averages however there were comments from the stakeholders that the staffing requirements and how they were established could have an impact on direct care staffing ratios and direct care cost so we decided to go ahead and provide for informational purposes.

Statistic	Direct Care	Indirect Care Total	Total Admin & General	Rent, Utilities, and Food Total	Total Costs
<b>20 - 30 beds</b>	1				
Cost	\$ 420,781	\$ 190,291	\$ 230,516	\$ 277,382	\$ 1,118,970
Days	5,296	5,296	5,296	5,296	5,296
Per Diem	\$ 79.45	\$ 35.93	\$ 43.53	\$ 52.38	\$ 211.29
<b>31-45 beds</b>	1				
Cost	\$ 261,851	\$ 146,395	\$ 248,534	\$ 319,222	\$ 976,002
Days	9,695	9,695	9,695	9,695	9,695
Per Diem	\$ 27.01	\$ 15.10	\$ 25.64	\$ 32.93	\$ 100.67
<b>46 - 50 beds</b>	4				
Cost	\$ 1,659,066	\$ 441,408	\$ 1,395,818	\$ 2,564,818	\$ 6,061,110
Days	49,965	49,965	49,965	49,965	49,965
Per Diem	\$ 33.20	\$ 8.83	\$ 27.94	\$ 51.33	\$ 121.31
<b>51 - 60 beds</b>	4				
Cost	\$ 1,391,245	\$ 608,294	\$ 1,096,950	\$ 2,088,575	\$ 5,185,064
Days	47,634	47,634	47,634	47,634	47,634
Per Diem	\$ 29.21	\$ 12.77	\$ 23.03	\$ 43.85	\$ 108.85
<b>61 - 75 beds</b>	6				
Cost	\$ 4,143,566	\$ 1,854,072	\$ 3,709,793	\$ 5,572,425	\$ 15,279,856
Days	112,943	112,943	112,943	112,943	112,943
Per Diem	\$ 36.69	\$ 16.42	\$ 32.85	\$ 49.34	\$ 135.29
<b>76 - 90 beds</b>	8				
Cost	\$ 3,590,279	\$ 1,789,315	\$ 2,983,048	\$ 4,328,002	\$ 12,690,644
Days	109,987	109,987	109,987	109,987	109,987
Per Diem	\$ 32.64	\$ 16.27	\$ 27.12	\$ 39.35	\$ 115.38



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## Cost Assignment by Cost Report Line Item

Except in limited circumstances, a state may not claim federal financial participation (FFP) for the costs of the room and board expenses for waiver participants. Room and board expenses must be met from participant resources or through other sources. Per the waiver application instructions the term “room” means shelter type expenses, including all property-related costs such as rental or purchase of real estate and furnishings, maintenance, utilities, and related administrative services. The term “board” means three meals a day or any other full nutritional regimen. No additional guidance has been provided by CMS to clarify how to treat what we would consider “gray” areas such as meal preparation, laundry services/supplies and allowance for dining room area. To ensure transparency to all parties, including CMS, we have prepared the following legend and tables to demonstrate how every line on the cost report was treated for purposes of our recommended rate methodology and resulting rate.

- 1 = 100% of the cost is included in the rate calculation referred to as allowable cost.
- 2 = A portion of the cost is included in the rate calculation. Cost is allocated between allowable and unallowable based on wages. This allocation methodology is used to allocate payroll taxes and benefits between allowable salaries versus unallowable salaries.
- 3 = A portion of the cost is included in the rate calculation. Cost is allocated based on square footage statistics. The allowable square footage ratio was calculated as administrative space plus activities space divided by total building area.
- 0 = 100% of the cost is not included in the rate calculation.
- N/A = No cost was reported on the “Other” additional lines provided.

For cost reported on the “Other” lines of the cost report, we reviewed the description that was included with the expense and manually grouped costs by allowability. For example, you will see that there are multiple lines with the description “Other A&G Annual Expense”. We used four of those lines and assigned a 1, 2, 3 and 0 respectively. Costs grouped and assigned a 1 were uniforms, travel for training, computer software and license fees, data processing, management fees and home office allocations. Based on the nature of expenses reported we did not identify any that would be allocated by either wages or square footage. Costs that were grouped and assigned a zero were laundry supplies, bad debt, and public relations/advertising.





<b>DIRECT CARE STAFFING</b>	
LPN Annual Expense	1
CNA Annual Expense	1
PCA Annual Expense	1
Universal Worker Annual Expense	1
Contracted Staff LPN Annual Expense	1
Contracted Staff CNA Annual Expense	1
Contracted Staff PCA Annual Expense	1
Contracted Staff Universal Worker Annual Exp	1
Vacation / Sick / Holiday / Personal Leave Pay	1
Payroll Taxes	1
Workers' Compensation	1
Health Insurance	1
Retirement / 401K	1
Employee Benefits	1
Blank	1

<b>RENT, FOOD, AND UTILITIES</b>	
Building Lease	3
Mortgage and Interest Expense	3
Fixed Deprecaion	3
Major Moveable Equipment Depreciation	3
Utilities	3
Property Insurance	3
Property Taxes	3
Grounds Maintenance	0
Repairs and Maintenance	3
Food	0

<b>INDIRECT CARE</b>	
RN Annual Wages	1
Staff Training Annual Wages	1
Transportation Annual Wages	1
Certified Dietary Manager Services Annual Wages	1
Meal Planning and Food Prep Staff Annual Wages	1
Activities Staff Annual Wages	1
Universal Worker Annual Wages	1
Other Indirect Wages	1
Vacation / Sick / Holiday / Personal Leave Pay	2
Payroll Taxes	2
Workers' Compensation	2
Health Insurance	2
Retirement / 401K	2
Employee Benefits	2
Blank	2
Transportation Vehicle Expense	1
Non-Capitalized Equipment	1
Activity Supplies/Expense	1
Alarm, Fire Suppression Service, & Life Safety	1
Employee Background Checks	1
Non-Labor Training Costs	1
Medical Supplies	1
Blank	1
Blank	1
Blank	1



<b>ADMINISTRATIVE AND GENERAL</b>			
Administrator Wages Annual Expense	1	Auto, Travel and Mileage Annual Expense	1
Second Administrator Annual Expense	1	Bank and Finance Charges Annual Expense	1
Office and Clerical Wages Annual Expense	1	Dues, Licenses & Subscriptions Annual Expense	1
Human Resources Wages Annual Expense	1	Employee Recruitment Annual Expense	1
Receptionist Wages Annual Expense	1	Equipment Expense Annual Expense	1
Housekeeping Wages Annual Expense	3	Home Office Costs Annual Expense	1
Laundry Wages Annual Expense	0	Housekeeping Annual Expense	3
Floor Tech Wages Annual Expense	3	Interest, Working Capital Annual Expense	1
Universal Worker Annual Expense	1	Kitchen and Cleaning Supplies Annual Expense	0
A&G Other: Wages Annual Expense	3	Liability Insurance Annual Expense	1
Other A & G Wages Annual Expense	1	Legal and Other Annual Expense	0
Other A & G Wages Annual Expense	N/A	Office Supplies Annual Expense	1
Other A & G Wages Annual Expense	N/A	Postage Annual Expense	1
Vacation / Sick / Holiday / Personal Leave Pay	2	Telephone and Communications Annual Expense	1
Payroll Taxes	2	Training Annual Expense	1
Workers' Compensation	2	Other A&G Annual Expense	1
Health Insurance	2	Other A&G Annual Expense	2
Retirement / 401K	2	Other A&G Annual Expense	3
Employee Benefits	2	Other A&G Annual Expense	N/A
Blank	2	Other A&G Annual Expense	N/A
Accounts Collection Annual Expense	0	Other A&G Annual Expense	N/A
Accounting Annual Expense	1	Other A&G Annual Expense	N/A

### Analysis of Allowable and Unallowable Waiver Cost by Cost Center

The following cost analyses provided below demonstrate how total costs were allocated between allowable waiver expenses and unallowable waiver expenses where allowable refers to “included” in the rate methodology/calculation and unallowable refers to “not included” in the rate calculation/rate methodology as these are considered room and board or a non-reimbursable expense such as bad debt. After assignment of costs approximately 73.89% of administrative and general cost have been identified as allowable costs and 5.71% of rent, food, utilities cost have been identified as allowable costs. Including meal preparation costs results in 100% of the indirect care costs being classified as allowable.



	Direct Care Totals			
Statistic	Direct Care Non-Allowed	Direct Care Allowed	Direct Care Allocated	Direct Care
Total Costs	\$0	\$11,466,788	\$0	\$11,466,788
Total Days	335,520	335,520	335,520	335,520
Per Diem Costs	\$0.00	\$34.18	\$0.00	\$34.18
% of Total Costs	0.00%	27.76%	0.00%	27.76%
% of Cost To Direct Care Costs				
Average Per Diem Cost				\$ 36.37
Median Per Diem Cost				\$ 33.37
Minimum Per Diem Cost				\$ 17.02
Maximum Per Diem Cost				\$ 79.45

	Indirect Care Totals					
Statistic	Indirect Care Non-Allowed	Indirect Care Non-Allowed Allocated	Indirect Care Allowed	Indirect Care Allocated	Total Allowed Indirect Care	Indirect Care Total
Total Costs	\$0	\$0	\$4,310,575	\$719,200	\$5,029,775	\$5,029,775
Total Days	335,520	335,520	335,520	335,520	335,520	335,520
Per Diem Costs	\$0.00	\$0.00	\$12.85	\$2.14	\$14.99	\$14.99
% of Total Costs	0.00%	0.00%	10.43%	1.74%	12.18%	12.18%
% of Cost To Direct Care Costs			37.59%		43.86%	
Average Per Diem Cost					\$ 14.86	\$ 14.86
Median Per Diem Cost					\$ 14.13	\$ 14.13
Minimum Per Diem Cost					\$ 4.24	\$ 4.24
Maximum Per Diem Cost					\$ 35.93	\$ 35.93



	A&G Totals							
Statistic	A&G Non-Allowed	A&G Non-Allowed Allocated by Wages	A&G Non-Allowed by Space	A&G Allowed @ 100%	A&G Allocated by Wages	A&G Allocated by Space	Total A&G Allowed	Total Admin & General
Total Costs	\$972,405	\$266,033	\$1,285,401	\$6,666,598	\$394,736	\$79,485	\$7,140,820	\$9,664,659
Total Days	335,520	335,520	335,520	335,520	335,520	335,520	335,520	335,520
Per Diem Costs	\$2.90	\$0.79	\$3.83	\$19.87	\$1.18	\$0.24	\$21.28	\$28.81
% of Total Costs	2.35%	0.64%	3.11%	16.14%	0.96%	0.19%	17.29%	23.39%
% of Cost To Direct Care Costs					58.14%	3.44%	0.69%	62.27%
Average Per Diem Cost							\$ 22.07	\$ 29.73
Median Per Diem Cost							\$ 20.37	\$ 27.56
Minimum Per Diem Cost							\$ 9.54	\$ 12.53
Maximum Per Diem Cost							\$ 45.70	\$ 60.68

	RUF Totals					
Statistic	RUF Non-Allowed	RUF Non-Allowed Allocated by Space	RUF Allowed @ 100%	RUF Allocated by Space	Total RUF Allowed	Rent, Utilities, and Food Total
Total Costs	\$2,566,702	\$11,719,126	\$0	\$864,596	\$864,596	\$15,150,424
Total Days	335,520	335,520	335,520	335,520	335,520	335,520
Per Diem Costs	\$7.65	\$34.93	\$0.00	\$2.58	\$2.58	\$45.16
% of Total Costs	6.21%	28.37%	0.00%	2.09%	2.09%	36.67%
% of Cost To Direct Care Costs					7.54%	
Average Per Diem Cost					\$ 2.70	\$ 45.56
Median Per Diem Cost					\$ 2.07	\$ 45.24
Minimum Per Diem Cost					\$ -	\$ 24.70
Maximum Per Diem Cost					\$ 13.23	\$ 90.75



	<b>Total Costs</b>				
<b>Statistic</b>	<b>Total Non-Allowed</b>	<b>Total Allowed @ 100%</b>	<b>Total Allowed Allocated</b>	<b>Total Allowed</b>	<b>Total Costs</b>
Total Costs	\$16,809,668	\$22,443,962	\$2,058,017	\$24,501,979	\$41,311,646
Total Days	335,520	335,520	335,520	335,520	335,520
Per Diem Costs	\$50.10	\$66.89	\$6.13	\$73.03	\$123.13
% of Total Costs	40.69%	54.33%	4.98%	59.31%	100.00%
<b>% of Cost To Direct Care Costs</b>					
Average Per Diem Cost				\$ 112.93	\$ 126.51
Median Per Diem Cost				\$ 104.21	\$ 114.80
Minimum Per Diem Cost				\$ 55.24	\$ 81.34
Maximum Per Diem Cost				\$ 219.61	\$ 211.29



### Hourly Wage Rate and Benefits Data

#### Direct Care

In addition to reporting total costs for each staff position facilities were also asked to report the number of hours worked by staff in each job classification. This allowed for the calculation of average hourly pay rates. For the Direct Care staff positions (LPN, CNA, PCA, and universal workers) salary and hours data was also collected for one-month snapshots from April 2022, and April 2017. This provided some historical context to the labor rates. LPN wages came in with a Median 2021 wage of \$21.89/hr. The median wage for CNA was \$12.54 in 2021. The median wage for PCA in 2021 was \$11.95, and for universal workers it was \$11.40.

Year	LPN	CNA	PCA	Universal Worker
2017	\$17.47	\$10.29	\$8.96	\$9.79
2021	\$21.89	\$12.54	\$11.95	\$11.40
2022	\$22.92	\$13.24	\$12.17	\$12.40

#### Hourly Wage Rates and Benefits Percentage Data

Year and Statistic	Direct Care Hrly Wages and Benefits Rates								
	LPN	CNA	PCA	Universal Worker	Contract LPN	Contract CNA	Contract PCA	Contract Universal Worker	Direct Care Benefits %
2021 Average	\$22.20	\$13.27	\$11.81	\$11.53	\$33.21	\$31.64	\$23.80	\$27.92	17.95%
2021 Median	\$21.89	\$12.54	\$11.95	\$11.40	\$33.38	\$31.64	\$23.80	\$27.92	16.51%
2021 Maximum	\$32.90	\$24.35	\$12.81	\$12.20	\$44.99	\$35.28	\$23.80	\$27.92	32.67%
2021 Minimum	\$14.81	\$11.63	\$10.73	\$11.03	\$21.10	\$28.00	\$23.80	\$27.92	11.05%
2021 Wtd Average	\$21.93	\$13.28	\$11.80	\$11.14	\$38.35	\$28.68	\$23.80	\$27.92	18.99%
2021 75th %ile	\$24.02	\$13.56	\$12.27	\$11.94	\$42.57	\$33.46	\$23.80	\$27.92	20.97%
2022 Average	\$24.15	\$13.95	\$12.30	\$12.39	\$36.14	\$33.28	\$24.77	\$30.01	18.99%
2022 Median	\$22.92	\$13.24	\$12.17	\$12.40	\$34.95	\$33.41	\$24.24	\$30.36	16.51%
2017 Average	\$18.54	\$10.46	\$9.20	\$9.79	\$27.74	\$24.94	\$18.53	\$23.71	18.99%
2017 Median	\$17.47	\$10.29	\$8.96	\$9.79	\$26.64	\$25.97	\$17.84	\$23.97	16.51%

\*Contracted rates estimated for 2017 and 2022

Based on review of the difference in the direct care per diem cost between urban and rural, further analysis was completed to compare the hourly wage rates by position between urban and rural with the results presented below. The largest difference was LPN wages where the average hourly wage rate for LPN for urban was approximately 118% greater than rural. The average hourly rate for personal care attendants for rural facilities is slightly higher than urban facilities.



**Hourly Wage Rates and Benefits Percentage Data**

Year and Statistic	Direct Care Hrly Wages and Benefits Rates								
	LPN	CNA	PCA	Universal Worker	Contract LPN	Contract CNA	Contract PCA	Contract Universal Worker	Direct Care Benefits %
<b>Urban</b>									
Expense	\$ 1,419,631	\$ 2,623,830	\$473,336	\$333,890	\$ 83,665	\$ 221,583	\$ 35,979	\$ 698	
Hours	59,319	188,375	39,432	30,077	1,967	7,726	1,512	25	
Hourly Wage	\$23.93	\$13.93	\$12.00	\$11.10	\$42.53	\$28.68	\$23.80	\$27.92	
<b>Rural</b>									
Expense	\$ 1,416,669	\$ 2,339,024	\$694,293	\$ 29,159	\$ 10,065	\$ -	\$ -	\$ -	
Hours	70,023	185,302	59,526	2,513	477	0	0	0	
Hourly Wage	\$20.23	\$12.62	\$11.66	\$11.60	\$21.10				

*Indirect Care and Administrative and General*

For the Indirect Care and Administrative and General staff positions salary and hours data was only collected for the 2021 cost survey period and was not included in the one-month snapshots from April 2022, and April 2017. The below tables provide a summary of the hourly wage rates and benefits for indirect care and administrative and general staff positions from the 2021 cost data.

**Hourly Wage Rate from 2021 Data**

Year and Statistic	Indirect Care Wages and Benefits						
	RN Hrly Rate	Transportation Hrly Rate	Certified Dietary Manager Hrly Rate	Meal Planning/ Food Prep Hrly Rate	Activities Staff Hrly Rate	Indirect Universal Worker Hrly Rate	Indirect Care Benefits %
2021 Average	\$35.36	\$12.76	\$21.20	\$12.35	\$14.70	\$12.20	17.49%
2021 Median	\$33.44	\$12.20	\$19.93	\$12.25	\$13.36	\$12.20	15.55%
2021 Maximum	\$60.00	\$15.41	\$33.95	\$15.17	\$28.67	\$12.20	42.06%
2021 Minimum	\$19.75	\$10.28	\$11.07	\$9.06	\$10.23	\$12.20	0.95%



**Hourly Wage Rate from 2021 Data**

Year and Statistic	Administrative and General Wages and Benefits										
	Admin Hrly Rate	2nd Admin Hrly Rate	Office/ Clerical Hrly Rate	HR Hrly Rate	Recept. Hrly Rate	Housekeeping Hrly Rate	Laundry Hrly Rate	Floor Tech Hrly Rate	A&G Universal Worker Hrly Rate	Maintenace Hrly Rate	A&G Benefits %
2021 Average	\$29.92	\$16.42	\$19.91	\$19.04	\$13.07	\$12.12	\$12.22	\$11.86	\$11.69	\$17.99	17.92%
2021 Median	\$26.28	\$15.34	\$17.46	\$19.04	\$13.09	\$11.27	\$12.25	\$11.86	\$11.69	\$17.13	14.77%
2021 Maximum	\$44.93	\$21.93	\$48.87	\$19.88	\$14.82	\$17.69	\$12.55	\$11.86	\$12.20	\$35.84	37.46%
2021 Minimum	\$19.12	\$10.75	\$11.00	\$18.21	\$11.27	\$10.00	\$11.82	\$11.86	\$11.17	\$11.56	0.00%

**Staffing Ratio Data**

Staffing ratios were also analyzed for each of the Direct Care staff positions. As expected, CNA staff provided the majority of direct care hours with a median of 1.20 hours per resident day in 2021. The median staffing for PCAs was next at 0.48 hours per resident day. LPNs contributed a median of 0.38 hours per resident day, and universal workers added a median of 0.22 hours per day during that same timeframe.

As stated above for the Direct Care staff positions (LPN, CNA, PCA, and universal workers) salary and hours data was also collected for one-month snapshots from April 2022, and April 2017 which provided the ability to see how staffing ratios have changed over the last several years. It was noted that only two facilities reported data for universal worker in 2017 and four facilities in 2022. Also contracted labor was not collected for 2017 and 2022 therefore the contracted ratios for 2017 have been used for 2017 and 2022 in order to calculate the total hour per resident for analysis purposes. Excluding contracted labor, the median total hour per resident day was the highest in 2017 at 2.95 with the lowest in 2022 at 1.76. This supports the comments from the stakeholder group that to sustain operations staffing levels have been reduced to minimum levels.

Year	LPN	CNA	PCA	Universal Worker	Total
<b>2017</b>	0.40	1.07	0.37	1.11	2.95
<b>2021</b>	0.38	1.20	0.48	0.22	2.27
<b>2022</b>	0.23	0.80	0.53	0.20	1.76





Year and Statistic	Direct Care Staffing Ratios (hours per resident day)								Total Hour Per Resident Day
	LPN	CNA	PCA	Universal Worker	Contract LPN	Contract CNA	Contract PCA	Contract Universal Worker	
2021 Average	0.38	1.36	0.52	0.68	0.03	0.15	0.06	0.00	3.18
2021 Median	0.38	1.20	0.48	0.22	0.04	0.15	0.06	0.00	2.52
2021 Maximum	0.73	2.79	1.03	2.80	0.06	0.28	0.06	0.00	7.75
2021 Minimum	0.09	0.59	0.04	0.02	0.00	0.03	0.06	0.00	0.82
2022 Average	0.37	1.15	0.67	0.64	0.03	0.15	0.06	0.00	3.07
2022 Median	0.23	0.80	0.53	0.20	0.04	0.15	0.06	0.00	2.01
2017 Average	0.42	1.20	0.39	1.11	0.03	0.15	0.06	0.00	3.36
2017 Median	0.40	1.07	0.37	1.11	0.04	0.15	0.06	0.00	3.20

\*Universal Worker Data from 2 facilities in 2017, and 4 facilities in 2022 \*Contracted ratios for 2021 used for 2017 and 2022

Staffing ratios were also analyzed by facility characteristics such as urban and rural, and different bed size ranges. The results of this more detailed analysis are shown in the following table. Based on the reported data, it appears that the total overall staffing ratios, and the staffing ratios for each position are very similar between urban and rural facilities. This means that the differences in wage rates is driving the difference in the direct care per diem cost between the urban and rural facilities. Excluding the 20 – 30 beds and 41-45 bed ranges there is a slight reduction in staffing levels as the facility size increases. This appears to highlight the nature of the staffing requirements.



Statistic	Direct Care Staffing Ratios (hours per resident day)								Total Hour Per Resident Day
	LPN	CNA	PCA	Universal Worker	Contract LPN	Contract CNA	Contract PCA	Contract Universal Worker	
<b>Urban</b>	11								
Hours	59,319	188,375	39,432	35,797	1,967	7,726	1,512	25	334,153
Days	169,966	169,966	169,966	169,966	169,966	169,966	169,966	169,966	169,966
Staffing Ratio	0.35	1.11	0.23	0.21	0.01	0.05	0.01	0.00	1.97
<b>Rural</b>	13								
Hours	70,023	185,302	59,526	2,513	477	0	0	0	317,841
Days	165,554	165,554	165,554	165,554	165,554	165,554	165,554	165,554	165,554
Staffing Ratio	0.42	1.12	0.36	0.02	0.00	0.00	0.00	0.00	1.92
<b>20 - 30 beds</b>	1								
Hours	3,047	14,755	5,474	0	0	0	0	0	23,276
Days	5,296	5,296	5,296	5,296	5,296	5,296	5,296	5,296	5,296
Staffing Ratio	0.58	2.79	1.03	0.00	0.00	0.00	0.00	0.00	4.40
<b>31-45 beds</b>	1								
Hours	846	17,188	0	0	28	0	0	0	18,062
Days	9,695	9,695	9,695	9,695	9,695	9,695	9,695	9,695	9,695
Staffing Ratio	0.09	1.77	0.00	0.00	0.00	0.00	0.00	0.00	1.86
<b>46 - 50 beds</b>	4								
Hours	10,211	38,139	22,494	35,523	0	0	0	25	106,392
Days	49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965	49,965
Staffing Ratio	0.20	0.76	0.45	0.71	0.00	0.00	0.00	0.00	2.13
<b>51 - 60 beds</b>	4								
Hours	17,909	60,348	8,390	75	477	0	0	0	87,199
Days	47,634	47,634	47,634	47,634	47,634	47,634	47,634	47,634	47,634
Staffing Ratio	0.38	1.27	0.18	0.00	0.01	0.00	0.00	0.00	1.83
<b>61 - 75 beds</b>	6								
Hours	53,173	134,678	25,291	0	618	7,003	0	0	220,763
Days	112,943	112,943	112,943	112,943	112,943	112,943	112,943	112,943	112,943
Staffing Ratio	0.47	1.19	0.22	0.00	0.01	0.06	0.00	0.00	1.95
<b>76 - 90 beds</b>	8								
Hours	44,156	108,569	37,309	2,712	1,321	723	1,512	0	196,302
Days	109,987	109,987	109,987	109,987	109,987	109,987	109,987	109,987	109,987
Staffing Ratio	0.40	0.99	0.34	0.02	0.01	0.01	0.01	0.00	1.78



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## Rate Methodology and Recommendations

The predominant concern for any health care reimbursement system is to provide adequate cost coverage to encourage provider participation, ensure the viability of provider networks, and promote access to care for recipients. At the same time, an effective reimbursement system will limit excessive costs and continue to promote the provision of quality services. During the course of this rate review and development process, several different rate setting methodologies were discussed and evaluated such as a per diem based on total allowable cost from the cost survey, basing the ALF rate on a percentage of the average nursing facility rate, and the rate build up methodology that we have utilized as our recommendation.

### Rates Based on a Percentage of the Average Nursing Facility Rate

The Legislature's directive directed the DHS to evaluate setting the ALF rate as a percentage of the reimbursement rate for nursing facilities. As noted in the Other Research section above such methodologies are used in three states; Alaska, Illinois, and Montana. Through our research we did not find a standardized methodology that could be used to determine the percentage that should be applied to the nursing facility rate in order to establish the assisted living rate. Without this standard, the State would need to benchmark the assisted living rate through some other means in order to determine what percentage of the nursing facility rate should be used to implement such a methodology. Even if a standard percentage methodology did exist or was determined, we believe that there are other factors that prevent this methodology from being a best practice.

Basing the AFL rate on the nursing facility rate relies on the premise that there is a constant relationship between the nursing facility and assisted living costs. This assumption is flawed from the outset since by the very nature of the programs, nursing facilities have much higher acuity residents. That higher acuity will amplify the impact of market forces that drive direct care costs for nursing facilities. While assisted living facilities will be impacted by the same market forces, it will be to a lesser degree and over time this will contribute to a change in the relationship between the costs incurred by the two types of facilities. Extreme market factors, such as the COVID-19 pandemic, that drove nursing facility census down and average acuity higher will only make this concern a greater issue.

Changing regulatory factors, such as the possible federal minimum staffing requirements for nursing facilities, may also alter the relationship between the costs incurred by nursing facilities compared to assisted living facilities. A regular review of a percentage methodology, particularly the relationship between the costs incurred at each level of care, would be needed. Since that requires collection and analysis of assisted living data it makes more sense to just apply that effort to setting new assisted living rates directly.



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## Rate Build-Up Methodology

Generally, a rate build up reimbursement methodology is a flexible rate setting approach centered on the core concept of building a reimbursement rate based on the specific cost elements necessary to provide one unit of a service. Each area of cost input (both direct and indirect) are considered in the overall rate modeling process and would include the costs associated with direct service worker wages, supervision, employee benefits and payroll taxes, required staffing ratios or staffing certifications, service supplies, program support, and other overhead and operational considerations.

By determining reasonable and adequate daily staffing ratios required to provide ALF Level II services, and establishing equitable market adjusted hourly pay rates one can determine the base daily cost of providing services for the Living Choices waiver program. To complete the calculation of the cost of direct care staffing additional allowances are required to account for benefits costs and projected inflation. Per diem amounts for indirect care, administrative and general, and rent and utilities are added to the direct care staffing per diem to provide payment for other costs facilities to provide services. This results in a total rate calculation comprised of four per diem components; direct care staffing, indirect care, administrative and general, and rent and utilities. The following paragraphs provide additional details about how the rate for each of the four rate components was determined.

### *Direct Care Staffing*

Direct care staffing is provided by four primary staff positions; licensed practical nurses (LPN), certified nurse aides (CNA), personal care assistants (PCA), and universal workers. While these positions are typically filled by facility staff, contracted or agency staff are also utilized to meet staffing needs at most facilities. We consulted with facility representatives, state staff, and industry consultants to determine what positions account for all direct care services. While our analysis focused on determining staffing ratios that reflect facility norms and best practices, we also reviewed regulations to ensure the staffing ratios we used complied with minimum requirements.

Section 504 of the Arkansas regulations for Assisted Living Facilities Level II includes information about the roles and staffing requirements for these facilities. Descriptions of the services that can be provided by LPNs, CNAs, and PCAs are included in this section. This section also includes minimum on-site staff-to-resident ratios for different times of the day, and other requirements that determine minimum staffing ratio requirements. Facilities are also required to employ at least one registered nurse (RN) but are not required to have an RN physically present at the facility. While RNs may perform all job functions and duties of LPNs, CNAs, or PCAs, it is only required that the RN be available to the facility by phone or pager. Universal workers are also defined in the regulations as an employee trained to perform a variety of functional duties. Universal workers are subject to the requirements specified for the role they assume.

Based on our discussions with the stakeholder workgroup, and our observations during visits to Arkansas facilities we determined that RNs are seldom utilized to provide direct care services but that



universal workers are generally included in the direct care staffing mix along with LPNs, CNAs, and PCAs. Due to these conclusions, the cost survey was designed to capture direct care staffing data for LPNs, CNAs, PCAs, and universal worker, and any contracted (agency) staff that work in those roles.

The direct care wage and staffing data received through the cost survey was used to determine staffing ratios and hourly pay rates which were ultimately used in the rate calculation. The survey data included a full year's worth of cost and staffing information from 2021, and one-month snapshots of staffing and wage data from April 2017 and April 2022. The 2017 data proved to be very limited as only a few facilities provided information from that time period. The 2022 data also proved to be less complete than the 2021 data and included very small datasets for some elements. This led to the decision to utilize 2021 data for the direct care staffing calculations.

Our review and analysis of the 2021 data included efforts to identify and correct reporting errors. Despite our efforts to contact facilities and investigate data anomalies, the 2021 datasets still included some data pieces that we classified as outliers because they exceeded the mean for that data group by a much greater margin than other data elements. To avoid the impact of these outliers it was decided that the median would be the best measure of facility staffing and pay rate norms. Both the staffing ratio and the hourly pay rate for each of the four direct care facility staff positions and their contracted staffing equivalent were determined from the median for the 2021 data. Analysis of minimum staffing requirements applied to different facility sizes allowed us to conclude that these staffing ratios would exceed the minimum staffing requirements for any facility circumstance.

In addition to the staffing ratios and hourly wage rates, other statistics were necessary to complete the direct care staffing calculation. The median staff benefits percentage from the 2021 cost survey data, 18.99%, was used as the benefits percentage. Applying this factor to the direct care wages subtotal (not including contracted staff wages) accounts for the expected cost of providing employee benefits. An inflation factor, calculated from the IHS Global Insight, CMS Nursing Home without Capital Market Basket Index was used to trend the direct care wages per diem. This index is a standard source used to calculate inflation factors for long term care services. The indices for the mid-point of our data period, June 2021, and for the mid-point of the rate period, June 2024 (based on the premise that the end date of the rate period would be December 2025), were utilized to calculate an inflation factor of 12.94%. Applying this factor to the direct care wages and benefits subtotal accounts for expected increase in these costs.

To ensure access to Medicaid waiver individuals and encourage continued and new participation in the waiver program a five percent (5%) access add-on has been provided to each of the individual rate components to calculate the final rate.

### *Indirect Care, A&G, Rent & Utilities*

Two options were considered for calculating the allowances for the other rate components. One methodology involved linking these costs to the total direct care staffing cost by determining ratios to



relate each of these component costs to the direct care staffing cost. This option was later rejected over concerns that creating a precedent for linking these costs to direct care staffing might cause them to be overstated by market factors that have a more significant impact on direct labor costs than these other expenses. To address this concern a second option was employed to calculate the allowances using 2021 cost data. We reviewed the cost survey data elements and determined what costs should be considered allowable waiver expenses and then calculated per diem costs for each of the three remaining rate components; Indirect Care, Administrative and General (A&G), and Rent and Utilities. In reviewing the data we determined that to address the existence of outliers the median for each of these areas was a valid measure of facility norms and that statistic was used for each of the rate components. The median per diem cost for each rate component was increase by five percent to apply the access add-on the applied inflation to these calculations using the same factor that was applied to the 2021 data for direct care staffing These calculations resulted in the following per diem allowances for the three non-direct cost components; Indirect Care \$16.75, Administrative and General \$24.15, and Rent and Utilities \$2.45.

### *Food Preparation and Building Costs*

Some additional detail should be noted about what costs are included in Indirect Care and Rent and Utilities. For indirect care 100% of all costs that were classified into this cost center on the cost survey were included. This includes a per diem total of \$9.68 for food preparation salaries and related benefits, which is 56.78% of the indirect care total. For rent and utilities, an allocation of total facility costs was calculated using building area square footage data to allow for the portion of building costs associated with administrative functions and resident activities. This resulted in an allocation of 6.12% of eligible building costs which came to a weighted average of \$2.58.

## Recommendations

The chart below summarizes the calculations for each of the four rate components and totals those components together to get the total proposed waiver services rate. Myers and Stauffer recommends that this rate be implemented no later than January 1, 2023 to provide a long-term replacement for the rate implemented with the Appendix K amendment. Beyond three to five years the analysis and assumptions are likely to become less relevant and we recommend that they be updated using the methodology that we've established through this study with updates to introduce new cost data gathered from future cost surveys.



**AR AL Rate Study - Rate Calculation**

2021 Median Data, Plus 5% Access Add-on, Inflation to 06/30/24

Position	Hrs/Day		Hrly Rt	Tot/Day
	2021 Median	2021 Median		
LPN		0.38	\$21.89	\$8.35
CNA		1.20	\$12.54	\$15.00
PCA		0.48	\$11.95	\$5.72
Universal Worker		0.22	\$11.40	\$2.48
Contract LPN		0.04	\$33.38	\$1.25
Contract CNA		0.15	\$31.64	\$4.85
Contract PCA		0.06	\$23.80	\$1.37
Contract Universal Worker		0.00	\$27.92	\$0.06
Direct Care Wages Subtotal		2.52	\$15.48	\$39.05
Direct Care Benefits Cost			18.99%	\$5.99
Direct Care Wages and Benefits Subtotal				\$45.04
Inflation (from/thru)	Jun-21	Jun-24	12.94%	\$5.83
Direct Care Staffing Subtotal		2.52	\$20.16	\$50.87
Access Add-on %	5%			\$53.41

Indirect Care	Median Cost	Add-on %	Inflation %	
Allowable Indirect Staffing and Non-Labor Related Expenses	\$14.13	5%	12.94%	\$16.75
<i>The Indirect Care rate component includes \$9.68 for meal planning/prep wages.</i>				

Administrative & General	Median Cost	Add-on %	Inflation %	
Allowable A&G Costs	\$20.37	5%	12.94%	\$24.15

Rent and Utilities	Median Cost	Add-on %	Inflation %	
Allowable Rent and Utilities Costs	\$2.07	5%	12.94%	\$2.45

Total Rate		
Total Rate (DC+Indirect+Allowable A&G+Allowable RUF)		\$96.76



## Appendix A: Cost Survey

STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
2022 Cost Survey Form**

**Title Page**

For the Period Beginning (choose your most currently ended fiscal period)
and Ending (choose your most currently ended fiscal period)
Name of Facility
Address
City, State, Zip
County
Medicaid Provider Number -OR-
National Provider Identifier (NPI) -OR-
Other Provider Number
<b>for admin purposes only</b> MSLC Randomly Assigned Provider Number

This survey is for the reporting of expenses related to Living Choices Assisted Living Waiver Services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this survey. If they are not, the survey may not be included in the statewide results.

**PRIVACY AND CONFIDENTIALITY STATEMENT**

This survey is being conducted for the purpose of identifying costs related to providing Living Choices Assisted Living Waiver services. The information disclosed on this survey will be treated as confidential and only reported in aggregate or anonymized forms. MSLC will use randomly assigned provider numbers when presenting data to the Department, unless doing so inhibits the Department's use of the data for intended purposes. DHS will treat the data each survey participant submits as proprietary and confidential, and exempt from the Freedom of Information Act as data that if disclosed would give advantage to competitors.





STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
2022 Cost Survey Form**

**Instructions for Filing**

*Provider Name -*

1. Completion of the electronic form, "Living Choices Assisting Living Waiver 2022 Cost Survey Form," is the required method of filing. If your system is not compatible with Excel, please contact Myers and Stauffer as stated in step 7 below.
2. The Cost Survey Form is set up as an Excel workbook. There are 8 worksheets within the workbook as seen by the corresponding tabs along the bottom of your screen. To access each worksheet, click on the appropriate tab with your mouse. Following is a high level description of each worksheet:  
  
Title Page - For provider name, address, fiscal year reported on, and provider numbers  
Instructions - Directions on how to work in the file, webinar training information, and filing submission directions  
Schedule 1 - General information and questions about your facility  
Schedule 2 - Data sources and gathering information  
Schedule 3 - Schedule of expenses and staff hours  
Schedule 4 - Direct care worker hourly pay rates for direct care staffing categories  
Schedule 5 - Census and other statistical information  
Schedule 6 - Certification statement
3. Every schedule except for the Instructions page requires that some information be keyed. All cells available for input are designated with a yellow background.
4. If your business operates in multiple facilities, you must submit a separate survey for each.
5. The file is password protected, as no text, formatting, or other changes are allowed. For this reason, information can only be keyed into the yellow cells. If you require additional lines on a worksheet, please contact Myers and Stauffer via one of the methods described in step 7 below to request a modified version of the file.
6. Two Teams webinar information sessions on completing the survey will be conducted. Each will include the same information so it is not necessary to participate in both. A recording of the training will be made available following the final session.

**Thursday, May 12, 2022**

**Session 1: 10:00 AM - 11:30 AM**

**Session 2: 2:00 PM - 3:30 PM**

-- These webinar sessions will walk through the survey.

Use the information provided below to attend (You do not need to download the Teams application):

**Session 1:** [Click here to join the meeting](#)

Use the Teams application if you have it or choose the "Continue on this browser" option to view the webinar through your web browser.

To participate by phone only: Call 929.352.2629 and use conference ID 382 696 678



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
2022 Cost Survey Form**

**Instructions for Filing**

*Provider Name -*

<p><b>Session 2:</b> <a href="#">Click here to join the meeting</a></p>	<p>Use the Teams application if you have it or choose the "Continue on this browser" option to view the webinar through your web browser.</p>
<p>To participate by phone only: Call 929.352.2629 and use conference ID 476 657 329</p>	

7. After all schedules have been completed, the file should be transferred electronically to Myers and Stauffer. This survey is set up to exclude protected health information and protected employee wage information. **Do not include employee names** on Schedule 4, Hourly Wage Average. This will eliminate the need to submit the file through our Secure File Transfer Portal (SFTP) site.

You may e-mail the completed survey and supporting documents to Myers and Stauffer at [AR.ALStudy@mslc.com](mailto:AR.ALStudy@mslc.com). Once received, a confirmation e-mail will be sent. If you do not receive a confirmation e-mail within 48 hours of submission, please contact Myers and Stauffer at 800.255.2309.

8. Once your completed survey and other required documents are received, Myers and Stauffer LC may contact you in order to address any questions related to this information.
9. Completed surveys and supporting documentation are due to Myers and Stauffer by May 27, 2022.



STATE OF ARKANSAS DEPARTMENT OF HUMAN SERVICES

Living Choices Assisted Living Waiver 2022 Cost Survey Form

Schedule 1 - General Information and Questions

Provider Name -

This survey is for the reporting of expenses related to Living Choices Assisted Living Facility Waiver services ONLY, or similar services in the case of a facility that does not participate in the waiver. If your company operates other businesses, those expenses for the other company operations must be excluded from this survey. If they are not, the survey may not be included in the statewide results.

- 1. Does your facility provide Living Choices Assisted Living Waiver services? Select answer from drop-down menu. Yes/No
a) If yes, please continue completing the survey as this information will be used to analyze waiver and non-waiver ALF Level II costs as part of the rate review process.
b) If no, you are encouraged to complete the survey as this information may also be useful to the rate review process.
If you choose not to complete the survey, please perform one of the following simple options:
1) Email Myers and Stauffer at AR.ALStudy@mslc.com identifying your provider name and include a statement that you do not intend to complete the survey.
2) Call Myers and Stauffer and identify your provider name and tell us you will not complete the survey.

This will help us track who we should expect to receive surveys from, and avoid unnecessary calls from our staff.

- 2. Please identify the administrator of the facility (name) as of the date of the end of the fiscal year used to complete Schedule 3 of this survey:

[Redacted text box]

- 3. Please identify the nature of your facility. Select "Yes" or "No" for Each

Table with 2 columns: Nature of facility (e.g., Part of a chain operation with corporate overhead allocations, Owner is also the administrator) and Yes/No response boxes.

- 4. Please identify any services other than Living Choices Assisted Living Waiver services your business operates. This is unique to each provider. Any non-waiver operations should be identified below. (i.e., Nursing Facility, Residential Care Services, Home Health Agency, Transportation, Private Duty Nursing, Hospice, etc.):

a) [Redacted text box]



**Schedule 1 - General Information and Questions**

*Provider Name -*

This survey is for the reporting of expenses related to Living Choices Assisted Living Facility Waiver services ONLY, or *similar services in the case of a facility that does not participate in the waiver*. If your company operates other businesses, those expenses for the other company operations must be excluded from this survey. If they are not, the survey may not be included in the statewide results.

- b)
- c)
- d)

**5. Non-Waiver Costs Excluded from Survey**

As is noted above and throughout this survey, if your facility operates any business or services that incurs costs not related to caring for assisted living waiver residents (or not related to providing similar services for a Level II ALF that does not participate in the waiver), all costs associated with the non-waiver services must be excluded from this survey.

a) Do your facility's books and records include any costs for services other than waiver (or similar private pay) services? If yes, you must exclude all costs associated with these non-waiver services from this survey. Were these costs excluded? Yes/No

b) If yes, using the yellow box below, please describe the method you used to carve out the non-waiver costs for this survey. (Note: To start a new line or row within the box, use ALT+Enter)

6. If your business operates in multiple facilities, you must submit a separate survey for each. Is this survey prepared for a single building?

Yes/No

Building Name:

7. If you have anything else you would like to explain or share, please use the yellow box below. (Note: To start a new line or row within the box, use ALT+Enter)



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
2022 Cost Survey Form**

**Schedule 2 - Data Sources and Gathering Expenses**

*Provider Name -*

This survey is for the reporting of expenses related to operating Level II Assisted Living Facilities eligible to participate in the Living Choices Assisted Living Facility Waiver program **ONLY**. If your company operates other businesses, those expenses for the other company operations must be excluded from this survey. If they are not, the survey may not be included in the statewide results.

1. You will need to gather your waiver expenses from your most recently ended twelve (12) month fiscal period. For most providers, this will be for the calendar year ended 12/31/2021. This data will be used for reporting the expenses on Schedule 3 and should only include expenses related to providing waiver (or similar private pay) services.
2. Below are examples of sources you might use to collect this expense data. Please select the document(s) used and also indicate if you are submitting a copy of that documentation with the completed survey. While it is optional to submit the supporting documentation, doing so will help ensure an accurate and transparent calculation of costs. *DHS will treat the data each survey participant submits as proprietary and confidential, and exempt from the Freedom of Information Act as data that if disclosed would give advantage to competitors.*

Select with "X"	Source Document Used to Complete the Survey	Copy Enclosed? Mark with "X"
<input type="checkbox"/>	<b>Income Statement (Profit &amp; Loss Statement)</b> -- This document identifies all sources of income, gains, expenses, and losses. Generally, this report will list descriptions of the income and expenses along with <u>total amounts related to each category</u> .	<input type="checkbox"/>
<input type="checkbox"/>	<b>Trial Balance</b> -- This document lists accounts that are in the general ledger. The balance of each account is identified and is usually denoted as either a debit or credit balance. The total of all debits should equal the total of all credits.	<input type="checkbox"/>
<input type="checkbox"/>	<b>Latest Filed Income Tax Return</b> -- This document was filed with the IRS. This document should be used only if your accounting records cannot produce an income (Profit & Loss) statement or trial balance.	<input type="checkbox"/>
<input type="checkbox"/>	<b>Other (Please describe)</b>	<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>

**3. Schedule 3 - General Layout**

This schedule is divided into five categories as follows. Each category includes language at the top in *italics* defining the type of expenses that go into each category. Each section includes groupings for wages, employee benefits, and other expenses.

- Section I: Direct Hands on Resident Care
- Section II: Indirect - Care Related Expenses
- Section III: Administrative & General (A&G) Expenses
- Section IV: Rent, Utilities, and Food (RUF)
- Section V: Square Footage Statistics

**4. Schedule 3 - Shared Overhead Allocations**



**Schedule 2 - Data Sources and Gathering Expenses**

*Provider Name -*

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If you have multiple buildings that you will be filing separate surveys for, and if you have any shared overhead costs, such as administrative, you will want to allocate the shared expenses between the separate surveys for each building. Therefore, you will need to determine an allocation methodology to split the shared costs. Some ideas are as follows:

- a) Apportion based on the census at each building
- b) Apportion based on licensed beds at each building
- c) Apportion based on a time study of the administrative time spent on each building.

d) Enter the method you used here.

**5. Schedule 3 - Section V - Square Footage Statistics**

Square footage statistics will be used to apportion certain expenses between allowable and non-allowable costs.

6. Medicare and Medicaid Reimbursement principles do not allow various expenses to be reimbursed. Providing waiver services for Medicaid clients also requires following Medicare Reimbursement principles, as a portion of the funds paid by the State are matched with federal funds. Below is a brief listing of expenses that are generally excluded from reimbursable cost. We encourage you not to report the expenses on Schedule 3. If Myers and Stauffer identifies these expenses during review, the amounts may be removed from Schedule 3 for statewide reporting purposes. This list is not all inclusive, but provides a list of expenses commonly seen on provider records. A listing of these expenses can be found in the Medicare Provider Reimbursement Manual (PRM) Publication 15, Part 1.

Section of PRM 15-1	Description
304	Bad Debt Excluded from Allowable Cost
2105.7	Costs of Gifts or Donations
2105.9	Costs of Employees' Personal Use of Motor Vehicles
2105.10	Costs of Fines or Penalties
2122.2	Non-Allowable Taxes Including Federal Income Tax, State Income Tax
2136.2	Unallowable Advertising Expense Related to Fund-Raising, Promotional Advertising, and Publicity (Costs Related to Yellow-Book Advertising is Allowable)

7. Schedule 4 will be completed with hourly wage rate and staffing information for the direct hands-on caregivers only. This schedule will use data from your payroll records related to pay periods ending in the ranges listed below:

- Schedule 4.A - Pay periods ending April 1, 2022 - April 30, 2022
- Schedule 4.B - Pay periods ending April 1, 2017 - April 30, 2017

We do not want wage information for specific employees on Schedule 4, just totals by position. Please note that the reporting time periods for Schedule 4 are different from the data used to compile the information on Schedule 3, Schedule of Expenses. This hourly wage information will be used to determine the most recent wage experience as well as historical changes to wages.



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
2022 Cost Survey Form**

**Schedule 3 - Schedule of Expenses**

*Provider Name -*

This survey is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services **ONLY**. If your company operates other businesses, those expenses for the other company operations must be excluded from this survey. If they are not, the survey may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
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**I. Direct Hands-On Resident Care**

*Direct care is defined as services related to directly assisting residents. Examples include assisting residents with meal prep in their room, eating, toileting, mobility, transferring, personal hygiene, bathing, dressing, shopping, laundry, housework, night needs, medications, and supervision.*

**A1. Wages - Direct Hands-On Caregivers (wages, bonuses, commissions, overtime)**

1	Licensed Practical Nurse (LPN)	<i>Wages for LPNs providing nursing and/or direct care services, that may also administer medication as provided by Arkansas law or applicable regulation. Exclude training time and leave time (vacation, sick, etc) as these will be reported elsewhere.</i>		
2	Certified Nurse Assistants (CNA)	<i>Wages for CNAs providing direct care services to residents. This may include services as permitted in Part II, Unit VII of the Rules and Regulation governing Long Term Care Facility Nursing Assistance Training Curriculum. Exclude training time and leave time.</i>		
3	Personal Care Aide (PCA)	<i>Wages for PCAs providing direct care services. Exclude training time and leave time.</i>		
4	Universal Worker	<i>Wages for staff that perform multiple functions such as direct hands-on care, A&amp;G, and other services. Please split their time and record only direct hands-on resident care on this line. Their expense should be split and separated with no duplication of cost within this survey. Exclude training time and leave time.</i>		
5	Total Direct Caregiver Staff Wages		-	-



**Schedule 3 - Schedule of Expenses**

*Provider Name -*

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Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
<b>A2. Contracted Staff - Direct Hands-On Caregivers</b>				
6	Licensed Practical Nurse (LPN, contracted, not wages)	<i>Contracted expenses for LPNs providing nursing and/or direct care services, that may also administer medication as provided by Arkansas law or applicable regulation.</i>		
7	Certified Nurse Assistants (CNA, contracted, not wages)	<i>Contracted expenses for CNAs providing direct care services to residents. This may include services as permitted in Part II, Unit VII of the Rules and Regulation governing Long Term Care Facility Nursing Assistance Training Curriculum.</i>		
8	Personal Care Aide (PCA, contracted, not wages)	<i>Contracted expenses for PCAs providing direct care services.</i>		
9	Universal Worker (contracted, not wages)	<i>Contracted expenses for staff that perform multiple functions such as direct hands-on care, A&amp;G, and other indirect services. Please split their time and record only direct hands-on resident care on this line. Their expense should be split and separated with no duplication of cost within this survey.</i>		
10	Total Direct Caregiver Contracted Staff		-	-

**B. Employee Benefits Related to Direct Care Wages Above**

*The benefits reported in this section should relate only to the wages reported in Section A1 above. Do not include any benefits for any other employees in this section.*

11	Vacation / Sick / Holiday / Personal Leave Pay			
12	Payroll Taxes	<i>Includes Social Security, Medicare, Federal and State Unemployment.</i>		
13	Workers' Compensation			
14	Health Insurance	<i>Includes Health, Life, Dental, Vision and Short-Term and Long-Term Disability.</i>		





**Schedule 3 - Schedule of Expenses**

*Provider Name -*

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Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
15	Retirement / 401k			
16	Employee Benefits	<i>Includes College Tuition Reimbursement.</i>		
17	Other (define)			
18	Total Employee Related Benefits		-	
19	Total Section I - Direct Wages, Contracted Staff, and Employee Benefits	(Lines 5 + 10 + 18)	-	-

**II. Indirect Care Related Expenses**

*Indirect care related expenses are those expenses associated with caring for residents that do not involve direct hands-on care. Examples include nursing supervision, staff training, resident activities, transportation, certified dietary services, and meal planning.*

<b>C. Indirect Care Related Wages (wages, bonuses, commissions, overtime, etc.)</b>				
20	Registered Nurse (RN, employed or contracted)	<i>Wages and/or contracted expenses for RNs responsible for reviewing and overseeing all LPN, CNAs, and PCA personnel.</i>		
21	Staff Training	<i>Wages for individuals while participating in required orientation and annual training as outlined in 504.4.</i>		
22	Transportation	<i>Wages and or contracted expenses for individuals that provide transportation services.</i>		



**Schedule 3 - Schedule of Expenses**

*Provider Name -*

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Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
23	Certified Dietary Manager Services	<i>Wages and/or contracted expenses for individuals that provide certified dietary manager services as outlined in 700.3.23.</i>		
24	Meal Planning and Food Prep Staff	<i>Wages and/or contracted expenses for individuals that plan or prepare food for congregate meals.</i>		
25	Activities Staff	<i>Wages and/or contracted expenses for individuals that plan, coordinate, and conduct resident activities.</i>		
26	Universal Worker	<i>Wages and/or contracted expenses for staff that perform multiple functions such as direct hands-on care, A&amp;G, and other indirect services. Please split their time and record only their indirect PRE time here. Their expense should be split and separated with no duplication of cost within this survey.</i>		
27	Other Wages (type description)			
28	Other Wages (type description)			
29	Total Indirect Care Related Wages		-	-

**D. Employee Benefits Related to Indirect Care Related Wages Above**

*The benefits reported in this section should relate only to the wages noted in Section C above. Do not include any benefits for any other employees in this section.*

30	Vacation / Sick / Holiday / Personal Leave Pay			
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**Schedule 3 - Schedule of Expenses**

*Provider Name -*

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Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
31	Payroll Taxes	<i>Includes Social Security, Medicare, Federal and State Unemployment.</i>		
32	Workers' Compensation			
33	Health Insurance	<i>Includes Health, Life, Dental, Vision and Short-Term and Long-Term Disability.</i>		
34	Retirement / 401k			
35	Employee Benefits	<i>Includes College Tuition Reimbursement.</i>		
36	Other (define)			
36	Total Employee Related Benefits		-	

**E. Non-Labor Indirect Care Related Expenses**

*Expenses in this section are the non-labor costs of indirect care related services. They may include company vehicles, mileage, equipment, alarm service, fire suppression service, background checks, non-labor training costs, and medical supplies.*

37	Transportation Vehicle Expense	<i>Expenses for assisting/transporting residents to/from services as well as to community-based services (include gas/maintenance/insurance). Exclude personal use.</i>		
38	Non-Capitalized Equipment	<i>Expenses for non-capitalized equipment utilized to provide program services.</i>		
39	Activity Supplies/Expense	<i>Expenses for activity supplies or other non-labor activity costs.</i>		
40	Alarm, Fire Suppression Service, & Life Safety	<i>Including First Aid, CPR, Medication Assistance, DS Certifications, required new hire orientation, annual training, resources, materials, and subscriptions.</i>		
41	Employee Background Checks	<i>Expenses related to performing background checks on employees.</i>		
42	Non-Labor Training Costs	<i>Expenses for materials and other non-wage related costs of providing program related training.</i>		
43	Medical Supplies	<i>Expenses for supplies to conduct periodic nursing evaluations, limited nursing services, and assistance with medication.</i>		



**Schedule 3 - Schedule of Expenses**

*Provider Name -*

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Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
44	Other (type description)			
45	Other (type description)			
46	Other (type description)			
47	Total Indirect Non Wage Expenses		-	
48	Total Section II - Other PRE Expenses		(Lines 29 + 36 + 47)	-
49	Grand Total Sections I + II Direct and Other PRE Lines		(Lines 19 + 48)	-

**III. Administrative & General Expenses (A&G)**

*A&G expenses are defined as those wages and other costs associated administrative activities and general operations. These include wages for the administrator, clerical staff, human resources staff, and others, as well as corporate overhead if applicable, management fees, and accounting costs. Only A&G expenses related to the waiver costs included in this survey should be reported. Any A&G costs associated with operating other businesses or services must be excluded.*

**F. A&G Wages (include all wages, bonuses, overtime, commissions, etc.)**

50	Administrator Wages	<i>Wages for the individual responsible for daily operation of facility. The administrator may be shared with other assisted living facilities or other types of long-term care facilities as permitted pursuant to Section 504.2.1.4 and costs should be allocated accordingly.</i>		
51	Second Administrator	<i>Wages for the individual acting as a second administrator. The requirement for a part-time and full-time second administrator are outlined in 504.2.1.4.</i>		



**Schedule 3 - Schedule of Expenses**

*Provider Name -*

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Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
52	Office and Clerical Wages			
53	Human Resources Wages			
54	Receptionist Wages			
55	Housekeeping Wages	<i>Record expense related to facility-wide efforts. Do not include the costs of time spent assisting individual residents.</i>		
56	Laundry Wages	<i>Record expense related to facility-wide efforts. Do not include the costs of time spent assisting individual residents.</i>		
57	Floor Tech Wages	<i>Record expense related to facility-wide efforts. Do not include the costs of time spent assisting individual residents.</i>		
58	Universal Worker	<i>For those providers where your staff perform multiple functions such as direct hands-on care, A&amp;G, and other indirect services. Please split their time and record only their A&amp;G time here. Their expense should be split and separated with no duplication of cost within this survey.</i>		
59	Other A&G Wages (type description)			



**Schedule 3 - Schedule of Expenses**

*Provider Name -*

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Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
60	Other A&G Wages (type description)			
61	Other A&G Wages (type description)			
62	Other A&G Wages (type description)			
63	Total A&G Wages		-	-

**G. Employee Benefits Related to A&G Wages Above**

*The benefits reported in this section should relate only to the wages noted in Section G above. Do not include any benefits for any other employees in this section.*

64	Vacation / Sick / Holiday / Personal Leave Pay		
65	Payroll Taxes	<i>Includes Social Security, Medicare, Federal and State Unemployment.</i>	
66	Workers' Compensation		
67	Health Insurance	<i>Includes Health, Life, Dental, Vision and Short-Term and Long-Term Disability.</i>	
68	Retirement / 401k		
69	Employee Benefits	<i>Includes College Tuition Reimbursement.</i>	
70	Other (define)		



**Schedule 3 - Schedule of Expenses**

*Provider Name -*

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Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
71	Total A&G Employee Related Benefits		-	

**H. A&G Non-Wage Expenses**

72	Accounts Collection			
73	Accounting			
74	Auto, Travel and Mileage Expense	<i>Transportation costs not related to allowable program expenses.</i>		
75	Bank and Finance Charges			
76	Dues, Licenses & Subscriptions			
77	Employee Recruitment			
78	Equipment Expense			
79	Home Office Costs	<i>Allocation of actual costs, not the "management fee" the home office charges.</i>		
80	Housekeeping Expense	<i>Record expense related to facility-wide efforts.</i>		
81	Interest, Working Capital			
82	Kitchen and Cleaning Supplies	<i>Record expense related to facility-wide efforts.</i>		
83	Liability Insurance	<i>Do not include property insurance.</i>		
84	Legal and Other			
85	Office Supplies			
86	Postage			



**Schedule 3 - Schedule of Expenses**

*Provider Name -*

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Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
87	Telephone and Communications			
88	Training	<i>Expense for non-program related training.</i>		
89	Other A&G (type description)			
90	Other A&G (type description)			
91	Other A&G (type description)			
92	Other A&G (type description)			
93	Other A&G (type description)			
94	Other A&G (type description)			
95	Other A&G (type description)			
96	Total A&G Non-Wage Expense		-	
97	Total Section III - A&G Expense	(Lines 63 + 71 + 96)	-	-
98	Grand Total All Expense (excluding RUF)	(Lines 49 + 97)	-	-

**IV. Rent, Utilities, and Food (RUF)**

**I. RUF Expenses**

*These will not be included in costs for the purposes of the cost survey because they are reimbursed separately. They are being collected for informational purposes only.*

99	Building Lease	<i>Lease expenses paid for the use of the assisted living facility.</i>	-	
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**Schedule 3 - Schedule of Expenses**

*Provider Name -*

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Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
100	Mortgage and Interest Expense	<i>Mortgage and interest expense paid for the assisted living facility.</i>	-	
101	Fixed Depreciation			
102	Major Moveable Equipment Depreciation			
103	Utilities			
104	Property Insurance			
105	Property Taxes			
106	Grounds Maintenance	<i>Lawn mowing, snow removal, etc.</i>		
107	Repairs and Maintenance			
108	Food			
109	Total RUF Expenses		-	-
110	Grand Total All Expense (including RUF)	(Lines 98 + 109)	-	-

**V. Square Footage Statistics**

*Square footage statistics will be used to apportion certain expenses between allowable and non-allowable costs.*

**J. Report Square Footage**

Line	Area Description	Additional Clarification if Needed	Square Footage
111	Administrative Overhead Space	<i>Sum of square footage for employee offices, nurse stations, break rooms.</i>	



**Schedule 3 - Schedule of Expenses**

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Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
112	Space Reserved for Activities	<i>Sum of square footage for areas reserved for providing resident activities. Do not include general common areas used for multiple purposes.</i>		
113	Dining Room Space	<i>Sum of square footage for dining room(s).</i>		
114	Enter the Total Square Footage of the Entire Building			



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
2022 Cost Survey Form**

**Schedule 4 - Direct Care Worker Hourly Pay Rate and Staffing Information**

*Provider Name -*

This survey is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services **ONLY**. If your company operates other businesses, those expenses for the other company operations must be excluded from this survey. If they are not, the survey may not be included in the statewide results.

*The purpose of this section is to collect average hourly wage rates and staffing information for the staffing categories that provide direct care to your residents for current payroll periods ending in April 2022, and for comparison similar information from the payroll periods that ended in April 2017.*

1. This section should only include wages for staff who provide direct care to waiver residents.
2. Do not include any wages related to non-direct care staffing.
3. To ensure we have a good representation the most current wage data and historical wage date, the periods being collected here are different from the data periods from Schedule 3.
4. This data should be obtained from your payroll journals for the pay periods that ended 04/1/22 - 04/30/22, and if possible for the pay periods that ended 04/1/17 - 04/30/17.
5. Do not include any employee name information on this form as that is considered Protected Identifiable Information under HIPAA laws.
6. If you cannot break wages out into the various descriptions (regular pay, overtime, incentives), please use the regular pay columns (columns B and C) for total wages and hours. For direct care employees that are not LPNs, CNAs, or PCAs, please use the universal worker line.
7. To complete schedule 4.A and 4.B, perform the following:
  - a) Column A is pre-populated with the direct hands-on caregiver job titles from Schedule 3, Section A1.
  - b) Type in the total regular wages paid for that position in column B of Schedule 4.A for the pay periods ending 04/1/22 - 04/30/22, and in Schedule 4.B for the pay periods ending 04/01/17 - 04/30/17.
  - c) Type in the total regular hours worked for that position in column C of Schedule 4.A for the pay periods ending 04/1/22 - 04/30/22, and in Schedule 4.B for the pay periods ending 04/01/17 - 04/30/17.
  - d) Column D is formula driven to calculate the average hourly rate for each position. Review to confirm the calculations appear accurate. Check inputs to columns B and C if anything looks off.
  - e) Type in the total overtime wages paid for that position column E of Schedule 4.A for the pay periods ending 04/1/22 - 04/30/22, and in Schedule 4.B for the pay periods ending 04/01/17 - 04/30/17.
  - f) Type in the total overtime hours worked for that position in column F of Schedule 4.A for the pay periods ending 04/1/22 - 04/30/22, and in Schedule 4.B for the pay periods ending 04/01/17 - 04/30/17.
  - g) Column G is formula driven to calculate the average overtime hourly rate for each position. Review to confirm the calculations appear accurate. Check inputs to columns E and F if anything looks off.
  - h) Type in the total incentive payments for each position in column E of Schedule 4.A for the pay periods ending 04/1/22 - 04/30/22, and in Schedule 4.B for the pay periods ending 04/01/17 - 04/30/17.
  - i) Column I is formula driven to pull the total hours for regular and overtime combined. Review to confirm the calculations appear accurate. Check inputs to columns C and F if anything looks off.
  - j) Column J is formula driven to calculate the average hourly rate for incentive payments. Review to confirm the calculations appear accurate. Check inputs to columns C, F and H if anything looks off.
  - k) Column K is formula driven to calculate the weighted average hourly rate for all payments by position. Review to confirm the calculations appear accurate. Check inputs to columns B, C, E, F and H if anything looks off.
  - l) Type in the total days of service provided in column L of Schedule 4.A (for the pay periods included), and in Schedule 4.B (for the pay periods included). The days only need to be entered in the first cell.
  - m) Column M is formula driven to calculate the total hours of care provided by each job position. Review to confirm the calculations appear accurate. Check inputs to columns C and F if anything looks off.
  - n) Column N is formula driven to calculate the hours of care provided per resident day by each job position. Review to confirm the calculations appear accurate. Check inputs to columns C, F and L if anything looks off.



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
2022 Cost Survey Form**

**Schedule 4 - Direct Care Worker Hourly Pay Rate and Staffing Information**  
*Provider Name -*

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<b>Schedule 4.A 2022 Wage and Staffing Data</b>				<b>Regular Pay (Hourly Wages, No Benefits or Taxes)</b>			<b>Overtime Pay (Hourly Wages, No Benefits or Taxes)</b>			<b>Incentive Pay (Bonuses, Shift Differentials, etc.)</b>			<b>Combined Weighted Average Rate</b>	<b>Staffing Ratios (Hours/Resident Day)</b>		
Job Description From Schedule 3, Section A1 (A)	Total Regular Wages Paid from 04/1/22 - 04/30/22 (B)	Total Regular Hours Worked from 04/1/22 - 04/30/22 (C)	Average Hourly Rate (D)	Total Overtime Wages Paid from 04/1/22 - 04/30/22 (E)	Total Overtime Hours Worked from 04/1/22 - 04/30/22 (F)	Overtime Average Hourly Rate (G)	Total Incentives Paid from 04/1/22 - 04/30/22 (H)	Total Hours Worked from 04/1/22 - 04/30/22 (I)	Incentives Average Hourly Rate (J)	Calculated Weighted Average Hourly Rate (K)	Total Days of Service Provided 04/1/22 - 04/30/22 (L)	Total Hours Worked from 04/1/22 - 04/30/22 (M)	Staffing Ratio Hours/Day (N)			
Licensed Practical Nurse (LPN)			\$ -			\$ -			\$ -	\$ -			0.00			
Certified Nurse Assistants (CNA)			\$ -			\$ -			\$ -	\$ -	0		0.00			
Personal Care Aide (PCA)			\$ -			\$ -			\$ -	\$ -	0		0.00			
Universal Worker			\$ -			\$ -			\$ -	\$ -	0		0.00			
<b>Combined Total</b>	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	0	-	0.00			

  

<b>Schedule 4.B 2017 Wage and Staffing Data</b>				<b>Regular Pay (Hourly Wages, No Benefits or Taxes)</b>			<b>Overtime Pay (Hourly Wages, No Benefits or Taxes)</b>			<b>Incentive Pay (Bonuses, Shift Differentials, etc.)</b>			<b>Combined Weighted Average Rate</b>	<b>Staffing Ratios (Hours/Resident Day)</b>		
Job Description From Schedule 3, Section A1 (A)	Total Regular Wages Paid from 04/1/17 - 04/30/17 (B)	Total Regular Hours Worked from 04/1/17 - 04/30/17 (C)	Average Hourly Rate (D)	Total Overtime Wages Paid from 04/1/17 - 04/30/17 (E)	Total Overtime Hours Worked from 04/1/17 - 04/30/17 (F)	Overtime Average Hourly Rate (G)	Total Incentives Paid from 04/1/17 - 04/30/17 (H)	Total Hours Worked from 04/1/17 - 04/30/17 (I)	Incentives Average Hourly Rate (J)	Calculated Weighted Average Hourly Rate (K)	Total Days of Service Provided 04/1/17 - 04/30/17 (L)	Total Hours Worked from 04/1/17 - 04/30/17 (F)	Staffing Ratio Hours/Day (N)			
Licensed Practical Nurse (LPN)			\$ -			\$ -			\$ -	\$ -		0	0.00			
Certified Nurse Assistants (CNA)			\$ -			\$ -			\$ -	\$ -	0	0	0.00			
Personal Care Aide (PCA)			\$ -			\$ -			\$ -	\$ -	0	0	0.00			
Universal Worker			\$ -			\$ -			\$ -	\$ -	0	0	0.00			
<b>Combined Total</b>	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	0	0	0.00			



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
2022 Cost Survey Form**

**Schedule 5 - Licensed Beds and Patient Days  
Census and Statistical Information**

*Provider Name -*

This survey is for the reporting of expenses related to Living Choices Assisted Living Facility Waiver (or similar private pay) services **ONLY**. If your company operates other businesses, those expenses for the other company operations must be excluded from this survey. If they are not, the survey may not be included in the statewide results.

1. Reporting Period:

Beginning Date - (Copies from Title Page)

1/0/1900

Ending Date - (Copies from Title Page)

1/0/1900

Total Days

1

2. Provider Number (Copies from Title Page)

0

3. Licensed Beds for Reporting Period:

[Yellowed out box]

4. Available Bed Days

-

5. Resident Days Provided in Reporting Period:

Medicaid

[Yellowed out box]



**Schedule 5 - Licensed Beds and Patient Days  
Census and Statistical Information**

*Provider Name -*

This survey is for the reporting of expenses related to Living Choices Assisted Living Facility Waiver (or similar private pay) services **ONLY**. If your company operates other businesses, those expenses for the other company operations must be excluded from this survey. If they are not, the survey may not be included in the statewide results.

Private	
Other	
Total	0

6. Utilization by Payer Source (% of Days)

Medicaid	0.0%
Private	0.0%
Other	0.0%
Total	0.0%

7. Occupancy (% of Available Licensed Days)

0.0%
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8. What was your average private pay rate (including all rate add-ons) during the period?



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
2022 Cost Survey Form**

**Schedule 6 - Certification Statement**

*Provider Name -*

**CERTIFICATION BY OFFICER OF ADMINISTRATOR OF PROVIDER(S)**

I certify that the information reflected herein is true and accurate to the best of my ability, and supported by our financial and other records. I understand that this information will be used to identify expenses related to providing Living Choices Assisted Living Waiver (or similar private pay) Services. I understand that this survey is for the reporting of expenses related to waiver (or similar private pay) services ONLY. If my company operates other businesses, those expenses for the other company operations must be excluded from this survey. If they are not, the survey may not be included in the statewide results.

0

Facility

1/0/1900

For the Period Beginning

1/0/1900

and Ending

Signature

Print Name

Title

Contact Phone Number

Contact E-Mail Address

Date



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## **Arkansas Living Choices Assisted Living Waiver Rate Study**

### **Q&A and Technical Assistance Related to the Cost Survey**

Myers and Stauffer has received some technical assistance questions related to the cost survey for the Living Choices waiver rate study. This document provides a summary of those inquiries and the guidance provided.

#### **Title Page**

Reporting Period –

Q: If a facility is new and has not been operating for an entire year can they still complete the survey?

A: Yes, a new facility could still provide valuable information by completing schedule 4 (current wage information), and even schedule 3 (expense data) and 5 (census data). The report should cover the period of operation they are able to report for and this should be indicated on the Title page using the Beginning and Ending dates for the report.

#### **Schedule 1**

Additional Information –

Q: Where can we provide additional details such as an explanation for days we include as “Other” on Schedule 5?

A: Schedule 1, Question 7 is a great place to provide additional details about information you’ve provided.

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#### **Schedule 2**

Shared Overhead Allocations –

Q: Do we need to indicate which lines our shared allocation methodology applies to?

A: You are not required to indicate which lines of Schedule 3 include allocated amounts but it would be helpful if you could list the lines that include allocated costs in your response to Question 4(d) on Schedule 2.





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### **Schedule 3**

#### Wages and Hours –

Q: What is the best source of data for wage expenses?

A: Source documentation might include the payroll records, working trial balance/general ledger, facility profit and loss statement and even federal or state labor withholding reports.

#### Allowable/Non-Allowable Expenses –

Q: Should non-allowable expenses be reported on the survey?

A: The report should include all costs associated with operating the Level II assisted living facility. Whether or not a cost is allowable under the waiver does not preclude you from reporting it. The report should clearly identify what the cost is so that a determination can be made as to whether or not it should be included in the waiver rate calculation. An extensive list of cost categories has been included but lines for “Other” types of expenses have been included so that you can add additional categories if needed.

### **Schedule 4**

#### Position Classifications –

Q: What if we use other direct care job classifications, such as Registered Nurses (RNs) that are not included in the tables provided?

A: We’ve included LPNs, CNAs, PCAs, and Universal workers as the regulations and feedback from the stakeholder workgroup indicated that those are the positions that provide direct care services. Please contact Myers and Stauffer if you believe it is appropriate to include other positions for direct care. We can modify your cost survey to incorporate other staff positions but want to keep this information separate. Myers and Stauffer contact information is provided at the end of this document.

#### Older Wages and Hours Information –

Q: What if a facility does not have data from 2017 to complete the look back data requested?



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A: If you cannot report for 2017 please report for another time period and make a note of this difference in your response to Schedule 2, Question 7.

## **Schedule 5**

### Licensed Beds –

Q: Should the licensed bed total include the actual licensed beds or the number of beds that are actually in service?

A: The licensed bed total should include all licensed beds. This information will be used mostly as a means of checking the reasonableness of the census data.

Q: What licensed bed total should be reported if the facility changes its licensed bed count during the year?

A: Report the licensed bed total at the end of the report period. Again this count will be used to check the reasonableness of the census data reported. If there are concerns about this data, Myers and Stauffer will contact the facility.

### Medicaid Pending Days –

Q: How should providers report Medicaid pending days on question 5?

A: Medicaid pending days can be included with other private pay days, or they can be reported separately as “Other” days. An explanation of any days included as “Other” can be provided in the response to Schedule 2, Question 7.

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### **Technical Assistance:**

Myers and Stauffer is committed to providing technical assistance to help you complete the cost survey. Please use the following contact information to send us your questions/concerns or to reach out to us and arrange a time when we can talk to you directly.

**Email:** [AR.ALStudy@mslc.com](mailto:AR.ALStudy@mslc.com)

**Phone:** 800.255.2309



## Appendix B: Other State Research

Arkansas Department of Human Services  
Rate Review for Living Choices Assisted Living Waiver Rates  
Summary of Assisted Living Waiver Programs for States Comparable to Arkansas

State Waiver #	Program Title	Brief Description	Target Group Population	Services	Payment Rate	Comments/Notes
Arkansas AR.0400.R04.00	Living Choices Assisted Living Waiver	The Living Choices Assisted Living waiver program allows individuals to live in apartment-style living units in licensed level II assisted living facilities & receive individualized personal, health & social services. The major goal of this program is to delay or prevent institutionalization of these individuals.	Aged/PD	Attendant Care Therapeutic Social/Recreational Activities Periodic Nursing Evaluations Limited Nursing Services Medication Assistance Medication Oversight Assistance Obtaining NEMT	\$67.25/day (1,505 users)	07/01/2021-06/30/2026
Alaska	Alaskans Living Independently Waiver	One of the benefits under the ALI waiver is assisted living home services (formally called residential supported living in Alaska) for persons 21+ years old who require a nursing home level of care. This includes 24-hour supervision and security, assistance with ADLs, medication management, social and recreational activities, and transportation as determined by one's care plan.	Aged/PD	24-hour supervision and security Assistance with ADLs Medication Management Social and Recreational Activities Transportation	\$160.44/day (1,809 users)	07/01/2021 - 06/30/2026 Room and Board included cost of building maintenance, upkeep and improvement. Rates are set using nursing facility cost report data.
Connecticut CT.0140.R07.00	Home and Community Based Services Waiver for Elders	Provides adult day health, care management, homemaker, personal care assistant, respite, adult family living, assistive technology, bill payer, care transitions, chore, chronic disease self-management program, companion, environmentally accessibility adaptations, home delivered meals, mental health counseling, PERS, recovery assistant, transportation for aged individuals aged 65 to no max age.	Aged	Personal Care and Services Homemaker Chore Attendant Care Companion Services Medication Oversight Therapeutic Social and Recreational Programming	\$54.90/day (766 users) 4 tiers for direct service provided (based on nursing assistance, RN and LPN) plus a CORE rate for overhead (housekeeping) Tier rates were not available. The \$54.90 is an average of the tier rates plus the CORE rate.	If participant is receiving AL services, they may not receive PCA services as well. The claims will be rejected to prevent duplicative billing. 07/01/2020-06/30/2025 Used Year 2 data for per diem rate Rates are also based on service packages according to the participants' level of need: • Occasional Personal Service- 1 hour per week, up to 3.75 hours per week of personal services plus nursing visits as needed. • Limited Personal Service- 4 hours per week, up to 8.75 hours per week of personal services plus nursing visits as needed. • Moderate Personal Service- 9 hours per week, up to 14.75 hours per week of personal services plus nursing visits as needed. • Extensive Personal Services-15 hours per week, up to 25 hours per week of personal services plus nursing visits as needed



**APPENDIX B:  
OTHER STATE RESEARCH**

State Waiver #	Program Title	Brief Description	Target Group Population	Services	Payment Rate	Comments/Notes
District of Columbia DC.0334.R05.06	Elderly & Persons With Physical Disabilities Waiver Amendment	Provides adult day health, case management, homemaker, personal care aide, respite, assisted living, chore aide, community transition services, DSNP/managed care capitated waiver services, environment accessibility and adaptation services, individual directed goods and services, and participant-directed community support services for aged individuals 65-no max age and individuals with physical disabilities ages 18-64.	Aged/PD	Personal Care and Services Personal Care and Supportive Services < Homemaker < Chore < Attendant Services < Meal Preparation Social and Recreational Programming Coordinating Transportation Medication Assistance	\$176.81/day (380 users)	02/07/2022-02/06/2027  EPD wavier assisted living services do not include housing or meals. Assisted living services are reimbursed through a bundled, per diem rate. The per diem payment does not include, nor will additional payment be made for, 24-hour skilled care or skilled supervision; room and board; costs of facility maintenance; or upkeep and improvement. DHCF does not reimburse for PCA services provided to waiver participants residing in assisted living facilities, as the provision of these services is already accounted for in District Medicaid's assisted living per diem reimbursement rate.
Idaho ID.1076.R06.05	Aged and Disabled Waiver	Provides adult day health, day habilitation, homemaker, residential habilitation, respite, supported employment, attendant care, adult residential care, chore services, companion services, consultation, environmental accessibility adaptations, home delivered meals, non-medical transportation, personal emergency response system, skilled nursing, specialized medical equipment and supplies, and transition services for aged individuals ages 65 to no max age and individuals with physical and other disabilities ages 18 to 64 years.	Aged/PD/D-Other	Adult Residential Care: Medication assistance, to the extent permitted under State law Assistance with activities of daily living; Meals, including special diets Housekeeping Laundry Transportation Opportunities for socialization Recreation Assistance with personal finances.	\$37.03 per diem (1,417 users) - Adult Residential Care  \$37.03 per diem (2,178 users) - Adult Residential Care MMCP  \$37.03 per diem (2,692 users) - Adult Residential Care Idaho Medicaid Plus	10/1/2017-9/30/2022 Year 5 data used for per diem rate  Service is Adult Residential Care that can be provided in a certified family home or a Residential Assisted Living Facility.  This service is paid on a per diem basis based on the number of hours and types of assistance required by the participant in the Uniform Assessment Instrument.



## APPENDIX B: OTHER STATE RESEARCH

State Waiver #	Program Title	Brief Description	Target Group Population	Services	Payment Rate	Comments/Notes
Illinois IL.0326.R04.07	HCBS Waiver for Supportive Living Facilities	The Supportive Living Program (SLP) provides "supportive living" benefits, such as personal care assistance and homemaker services, for physically disabled adults and seniors who require a nursing home level of care. Program participants can reside in board and care homes, assisted living residences, or residential memory care, the latter specifically for Illinois residents diagnosed with Alzheimer's disease and similar dementias.	Aged/PD	Personal Care and Supportive Services Social and Recreational Programming Medication Assistance Laundry/Housekeeping Arrangement for Transportation	\$74.18 per diem Assisted Living  There are other rates but those are lower and paid through the managed care program.	12/01/21 In 2019 legislation was passed that links the daily Medicaid rate for Supportive Living Program at 54.3% of the average nursing facility rate.
Indiana IN.0210.R06.00	Aged & Disabled Waiver	Provides adult day service, attendant care, care management, home and community assistance services, respite, adult family care, assisted living, community transition, home delivered meals, home modification assessment, home modifications, integrated health care coordination, nutritional supplements, personal emergency response system, pest control, specialized medical equipment and supplies, structured family caregiving, transportation, and vehicle modifications for individuals aged 65 - no max, and individuals with physical and other disabilities ages 0-64.	Aged/PD/D-Other	Attendant Care Related to ADL's Home and Community Assistance Related to IADL's Medication Oversight Non-emergency non-medical transportation Therapeutic Social and Recreational Programming	Level 1= \$72.52/day Level 2 = \$80.52/day Level 3 = \$93.20/day  Level 1 = \$2153.84/month Level 2 = \$2,391.44/month Level 3 = \$2,768.04/month	7/1/2018-6/30/2023 Year 4 data used for per diem rate  Includes tiered and bundled rate where tiers are assigned based on the level of service assessment for each participant. The rate composite for Level 2 rates includes the following components: Attendant Care: 4.5 units (1.13 hours per day) Home Maker: 4 units (1 hour per day) Skilled Nursing: 1.5 units (22.5 minutes per day) Adult Day Service: 4 units (1 hour per day) Emergency Response: One unit per month, or 0.03 units per day Non-Medical Transportation: 0.3 trips at 2 miles per trip per day)
Maryland MD.0265.R05.01	Home and Community Based Options Waiver	Provide needed community services and supports to people with physical disabilities and older adults under one comprehensive waiver in an efficient and cost effective manner.	Aged/PD/D-Other	Residential Habilitation: <Personal Care and Chore Services < Medication Management < Facilitating access to health care, social and spiritual services < Nursing supervision and delegation of nursing tasks by registered nurse < Assistance with transportation to Medicaid covered services  Three levels of care. HCBOW reimburses only Levels 2 and 3.	ALS Level 3 w/o Medical Day Care = \$68.36 ALS Level 3 w/ Medical Day Care = \$52.08 ALS Level 2 w/o Medical Day Care = \$49.50 ALS Level 2 w/ Medical Day Care = \$39.74	10/1/2019 - Year 3 data used for per diem rate



## APPENDIX B: OTHER STATE RESEARCH

State Waiver #	Program Title	Brief Description	Target Group Population	Services	Payment Rate	Comments/Notes
New Hampshire NH.0060.R08.00	Choices for Independence Waiver Renewal	The goal of the Choices for Independence (CFI) Waiver, administered by the NH Department of Health and Human Services (NH DHHS), is to support elders and adults with disabilities to live independently in the community.	Aged/PD/D-Other	Personal Care Services Assistance with ADLs and IADLs Activities that Promote and Support Health and Wellness	\$53.45/day (2,674 users)	7/1/2022 - 06/30/2027 Year 1 data used for per diem rate. Referred to as Residential Care Facility Services.
Ohio OH.0446.R03.0	Assisted Living	Provides assisted living services and community transition services for individuals with physical disabilities ages 21-64 and individuals aged 65 - no max age.	Aged/PD	Personal Care Assistance Homemaker/Chore Services Social and Recreational Programming Non-medical Transportation	\$53.71/day (36 users - Tier 1) \$64.47/day (222 users - Tier 2) \$75.20/day (4,962 users - Tier 3)	7/1/2019 - 6/29/2024 Year 3 data used for per diem rate In certain counties, for dual-eligible, the AL waiver has been replaced with a Managed Medicaid program called MyCare Ohio.
Oklahoma OK.0256.R06.00	ADvantage	Provides adult day health, case management, personal care, respite, extended state plan skilled nursing, prescribed drugs, advanced supportive/restorative assistance, assisted living services, consumer-directed personal assistance supports and services, environmental accessibility modifications, home delivered meals, hospice care, institution transition services, nursing, personal emergency response systems, specialized medical equipment and supplies, and therapy services for individuals aged 65 - no max age, and individuals with physical and other disabilities ages 21-64.	Aged/PD/D-Other	Personal Care Assistance Intermittent Nursing Services Medication Assistance Housekeeping/Laundry Meal Preparation	Tier 1 = \$48.99/day (158 users) Tier 2 = \$66.11/day (156 users) Tier 3 = \$92.47/day (410 users)	07/01/2021 - 06/30/2026 Year 1 data used for per diem rates Proposed changes effective April 1, 2022 or upon CMS approval: Tier 1 (Standard tier) = \$58.79/day Tier 2 (Intermediate tier) = \$79.33/day Tier 3 (High tier) = \$110.96/day Personal Care Services are also covered under the Medicaid state plan. However the service definition is different. Members served under the waiver have a higher level of care need than those individuals served under State Plan Personal Care. Waiver members meet nursing facility LOC



**APPENDIX B:  
OTHER STATE RESEARCH**

State Waiver #	Program Title	Brief Description	Target Group Population	Services	Payment Rate	Comments/Notes
South Dakota SD.0189.R07.00	Home and Community-Based Options and Person Centered Excellence (HOPE) Waiver	Provides adult day services, in-home respite care, homemaker, in-home nursing services, personal care, specialized medical equipment, specialized medical supplies, adult companion services, assisted living, chore services, community living home, community transition coordination, community transition supports, emergency response system (ERS), environmental accessibility adaptations, meals nutritional supplements, residential respite care, and structured family caregiving for individuals ages 65 - no max age, and individuals with physical and other disabilities ages 18-64.	Aged/PD/D-Other	Homemaker Personal Care Chore Meal Preparation Social and Recreational Programming Medication Assistance	Tier 1 = \$66.25/day (113 users) Tier 2 = \$76.92 (95 users) Base = \$56.15/day (896 users)	10/1/2021-9/30/2026 Year 1 data used for per diem rates
Utah UT.0439.R03.03	New Choices Waiver	The Utah New Choices Waiver focuses on offering a home and community-based option for individuals residing in medical institutions (non-IMD), nursing facilities, small health care facilities and licensed assisted living facilities.	Aged/PD/D-Other	Homemaking Services Chore Services Attendant Care Services Meal preparation Medication Assistance Social/Recreational Programming	AL Level I, Level II and Type N = \$69.01/day (2,037 users) AL Memory Care Unit = \$79.96/day (322 users)	07/01/2020 - 06/30/2025 Year 2 data was used for the per diem rate
Wyoming	Community Choices Waiver (CCW)	The Community Choices Waiver (CCW) provides older adults and adults with disabilities a community-based alternative to nursing facility care. Participants are supported to achieve independence, maintain health and safety, and fully participate in community living through access to high quality, cost effective community-based services.	Aged/D-Other	Personal Care and Supportive Services Social and Recreational Programming Medication Assistance	\$58.91/day (397 users)	07/01/2021 - 06/30/2026 Year 1 data was use for the per diem rate.