



**DHS Secretary Kristi Putnam
Office of the Secretary**

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August 18, 2023

Hon. Terry Rice, Arkansas Legislative Council Co-Chair
Hon. Jeff Wardlaw, Arkansas Legislative Council Co-Chair
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 (ALC) the status of our efforts to increase reimbursement rates under the Living Choices Assisted Living Waiver.

In the July meeting of the ALC, I announced that DHS would be disbursing \$2 million for support of assisted living facilities (ALF) as bridge funding to assist with continued operations while DHS implements the cost reporting process required by Act 198 of 2023. To qualify to receive funding, as reported at the July ALC, ALFs would have to agree to attest that they incurred operating losses during the COVID-19 public health emergency, and would have to agree to submit to a financial review by DHS. Most ALFs chose to comply with these requirements as a condition of receiving funding based on a Medicaid filled bed utilization formula.

There were five ALFs that did not return attestation forms to participate in the \$2 million ARPA project, with one of those directly declining funding. They were:

- Autumn Home Care Facilities in Rogers
- Bentonville Assisted Living in Bentonville
- New Care Assisted Living in Cabot
- Stonehaven Senior Living in Maumelle
- Fox Ridge in Bryant (declined to receive funds)

Funds were distributed by DHS on August 10, 2023, to the ALFs who met the requirements for disbursement. There is a balance of \$184k that could be distributed to the facilities that chose to participate. This balance also could be reserved in case the five facilities listed above decide to request funding and comply with the conditions for disbursement. DHS is requesting guidance from the ALC on how to proceed with the remaining funding.

DHS is continuing the work necessary to implement Act 198 of 2023 which authorizes DHS to establish cost reporting for Medicaid-funded assisted living facilities.

In addition, DHS is continuing its broad-based review of the entire Medicaid system, and we will bring forth recommendations later this year to ensure the long-term sustainability of the program. Assisted living payment rates are part of this review process. We look forward to reporting this information to ALC when the review is concluded.

Very respectfully,

A handwritten signature in blue ink, appearing to read "Kristi Putnam", is written over a faint, light-colored rectangular stamp or watermark.

Kristi Putnam
Secretary of Human Services