



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

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June 13, 2024

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. 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.

Meyers and Stauffer provided a draft report for review by all stakeholders prior to completion of the final version. On January 16, 2024, DHS received the rate study report from Meyers and Stauffer and shared this information with providers. The rate study report was presented to the ALC Hospital and Medicaid Study Subcommittee on February 7. Additionally, the cost report analysis was posted for public comment with the period ending on February 16. DHS has compiled the comments and posted responses as of March 4, 2024. Responses can be found at <https://humanservices.arkansas.gov/rules/ar-living-choices-al-waiver/>.

In October 2023, DHS petitioned the Center for Medicare and Medicaid Services (CMS) for approval to implement the current Appendix K rates in use for ALF reimbursements as the permanent rates for the duration of the current Living Choices waiver. These rates are \$81.59 for urban facilities and \$85.67 for rural facilities. Formal CMS approval of these rates was received on January 24, 2024, with an effective date of March 1, 2024. DHS has petitioned CMS for approval to implement a new rate of \$86.73, which represents the highest resulting rate from the rate study report. In addition, DHS will continue to engage providers to discuss programmatic and policy change requests submitted during public comment. CMS is currently reviewing the proposed rate amendment following the public comment period, which ended on May 13, 2024. A formal request for additional information was received from CMS on May 29, with responses returned by DHS to CMS on June 7.

In addition, DHS's Division of Aging, Adult, and Behavioral Health Services is updating the Living Choices provider manual to reflect the cost reporting requirements of Act 198. These changes have been submitted for the June ALC agenda. Annual cost reporting for Medicaid-funded assisted living providers will now be completed on an annual basis, with determinations presented to ALC for consideration. Finally, as requested in the May 31 ALC committee meeting, please see the attached report on facility change of ownerships or closures for the month of May. As part of this report, we will continue to provide an updated list of this information each month, in addition to the immediate e-mail notifications we have been providing to ALC on an ongoing basis.

Very respectfully,

Kristi Putnam
Secretary, Arkansas Department of Human Services

Notification Received	Status/Update	Date of expected sell or closure	PROVIDER NAME	TYPE	Medicaid:	Beds:	TRANSACTION	PHYSICAL ADDRESS	COUNTY
5/14/2024	5/14/2024 Received Intent to sell.	6/12/2024	Horizons of Hope	RESIDENTIAL CARE FACILITY	Yes	70	CHOW	707 E. Greenwood Street, Hope, AR	Hempstead
5/13/2024	5/14/2024 Received Intent to Purchase; 5/31 Requested a	6/12/2024	Horizons LLC	RESIDENTIAL CARE FACILITY			CHOW	707 E. Greenwood Street, Hope, AR	Hempstead
5/30/2024		7/1/2024	THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY DBA GOOD SAMARITAN SOCIETY	Assisted Living Facility II	Yes	57	CHOW	200 GOOD SAMARITAN DR MOUNTAIN HOME AR 7	Baxter
5/30/2024	5/30/2024 Received Intent to Purchase	7/1/2024	THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY DBA GOOD SAMARITAN SOCIETY	Assisted Living Facility II			CHOW	200 GOOD SAMARITAN DR MOUNTAIN HOME AR 7	Baxter
5/30/2024		7/1/2024	THE EVANGELICA LUTHERAN GOOD SAMARITAN SOCIETY DBA GOOD SAMARITAN SOCIETY HOT SPRINGS VILLAGE	Assisted Living Facility I	No	30	CHOW	121 CORTEZ ROAD HOT SPRINGS VILLAGE AR 719	Garland
5/30/2024	5/30/2024 Received Intent to Purchase	7/1/2024	THE EVANGELICA LUTHERAN GOOD SAMARITAN SOCIETY DBA GOOD SAMARITAN SOCIETY HOT SPRINGS VILLAGE	Assisted Living Facility I			CHOW	121 CORTEZ ROAD HOT SPRINGS VILLAGE AR 719	Garland