



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

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July 3, 2025

Hon. Jane English, Co-Chair  
Hon. Mary Bently, Co-Chair  
Hospital, Medicaid and Developmental Disabilities Study Subcommittee  
1 Capitol Mall, Fifth Floor  
Little Rock, Arkansas 72201

Dear Senator English and Representative Bently:

As directed by Section 15 of Act 213 of 2022, I am reporting to Arkansas Legislative Council (ALC) the status of our efforts regarding reimbursement rates under the Living Choices Assisted Living Waiver.

DHS has implemented Act 198 of 2023 to establish cost reporting for Medicaid-funded assisted living facilities. The first cost report analysis and public comment responses were compiled and posted on March 4, 2024. Responses can still be found at <https://humanservices.arkansas.gov/rules/ar-living-choices-al-waiver/>.

Formal approval of the new proposed rate resulting from the first cost report analysis was received from both CMS and ALC in the third quarter of 2024. The new rate of \$86.73 was implemented effective September 1<sup>st</sup> and is currently being used for claims submissions.

Annual cost reporting for Medicaid-funded assisted living providers is now being conducted annually in accordance with Act 198 of 2023, and results of this annual cost reporting analysis will be shared with the ALC. DHS opened the current reporting period in January 2025. All cost reports have been received by DHS, with the final report submitted on June 25th. Data is presently being analyzed by the agency's contracted reviewer, Meyers and Stauffer, who estimates presenting a report to DHS by July 11th.

Any recommendations for rate adjustments will be submitted to the Governor's Office and the Arkansas Legislative Council (ALC) for consideration.

Finally, as requested in the May 31, 2024, ALC meeting, please see the attached report on facility change of ownerships or closures for the previous month of June. We will continue to provide an updated list of this information each month as part of this report, in addition to the immediate e-mail and text notifications we have been providing on an ongoing basis.

Very respectfully,

A handwritten signature in blue ink, appearing to read 'Kristi Putnam'.

Kristi Putnam  
Secretary, Arkansas Department of Human Services