

**Office of the Secretary**

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August 6, 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 Bentley:

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 1st and is currently being used for claims submissions.

Annual cost reporting for Medicaid funded assisted living facilities is currently being conducted in accordance with Act 198 of 2023. The results of the cost reporting analysis will be shared with ALC once completed. DHS began the required cost reporting period in January of 2025. DHS is working with Meyers and Stauffer to complete and finalize this year's report for SFY26. DHS met with stakeholders and have taken their request back to the Meyers and Stauffer for consideration in the rate setting process.

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 July. We will continue to provide an updated list of this information each month as part of this report, in addition to e-mail and text notifications.

Very respectfully,

A handwritten signature in black ink that reads 'Janet H. Mann'.

Janet Mann
Secretary Designate, Arkansas Department of Human Services