

**Office of the Secretary**

P.O. Box 1437, Slot S201, Little Rock, AR 72203-1437

P: 501.682.8650 F: 501.682.6836 TDD: 501.682.8820

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October 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 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, 2024, and is currently being used for claims submissions.

Annual cost reporting for Medicaid funded assisted living facilities has concluded in accordance with Act 198 of 2023. 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. DHS met with stakeholders and shared their request with Meyers and Stauffer for consideration in the rate setting process. The draft rate report is under consideration by executive leadership and will be shared publicly and with ALC once completed.

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

Finally, as requested in the May 31, 2024, ALC meeting, please find the change of ownerships or closures for the previous month of September.

Very respectfully,

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

Janet Mann  
Secretary, Arkansas Department of Human Services