

**STATE OF  
ARKANSAS  
DEPARTMENT OF  
HUMAN SERVICES**

**2023 Arkansas Living Choices  
Assisted Living Waiver  
Rate Study Report**

Draft – January 16, 2024

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# Table of Contents

■ Table of Contents.....	1
• List of Tables.....	2
■ Executive Summary.....	3
• Cost Analysis.....	4
• Hourly Wage and Staffing Analysis.....	4
• Rate Calculation.....	5
• Recommendations .....	7
■ Background and Goals .....	9
• Current Rates – Appendix K Amendment .....	9
• Previous Rates and Review Requirements.....	9
• Goals of the Rate Study.....	10
■ Cost Survey .....	11
• Participation .....	11
■ Data Analysis.....	12
• Cost Survey Data Review.....	12
• Total Cost Analysis (Includes Non-Waiver Service Related Cost).....	12
• Cost Assignment by Cost Report Line Item .....	14
• Analysis of Waiver Service and Non-Waiver Service Cost by Cost Center .....	17
• Hourly Wage Rate and Benefits Data .....	20
Direct Care .....	20
Indirect Care and A&G.....	22
• Staffing Ratio Data.....	22
■ Rate Methodology and Recommendations .....	25
• Rate Buildup Methodology .....	26



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Direct Care Staffing.....	26
Indirect Care, A&G, and RUF .....	28
Costs Included – Food Preparation and Building Costs.....	28
Access Add-On .....	29
• Recommendations .....	29
■ Appendix A: Cost Survey .....	35

## List of Tables

Table 1: Survey Participation .....	3
Table 2: Cost Analysis by Cost Center .....	4
Table 3: Median Hourly Wages .....	5
Table 4: Median Staffing Ratios .....	5
Table 5: Rate Scenario Recommendations .....	8
Table 6: Survey Participation .....	11
Table 7. Total Cost Analysis.....	13
Table 8. Average Per Diem Cost – Urban versus Rural .....	13
Table 9. Average Per Diem Cost – Bed Size .....	14
Table 10. Costs by Allowability .....	16
Table 11. Waiver Service (Allowable) Versus Non-Waiver Service (Non-Allowable) Expenses.....	18
Table 12. Direct Care Hourly Wages .....	20
Table 13. Direct Care Hourly Wage Rates and Benefits Percentages .....	21
Table 14. Direct Care Hourly Wage Rates by Position – Urban versus Rural.....	21
Table 15. Indirect Care Hourly Wage Rates and Benefits .....	22
Table 16. A&G Hourly Wage Rates and Benefits .....	22
Table 17. Direct Care Staffing Ratios .....	23
Table 18. Direct Care Staffing Ratios – Urban versus Rural and Bed Size.....	24
Table 19: Medicaid Occupancy vs. Average Cost.....	25
Table 20: Rural/Urban vs. Average Cost .....	26
Table 21. Cost Coverage Statistics .....	29
Table 22. Rate Scenario 1 – NF Market Basket-Based Inflation with RUF Allocation Included .....	31
Table 23: Rate Scenario 2 – NF Market Basket-Based Inflation with RUF Excluded.....	32
Table 24: Rate Scenario 3 – CPI-Based Inflation with RUF Allocation Included.....	33
Table 25: Rate Scenario 4 – CPI-Based Inflation with RUF Excluded .....	34
Table 26: Rate Scenario Recommendations Summary .....	<b>Error! Bookmark not defined.</b>



## Executive Summary

On behalf of the Arkansas Department of Human Services (DHS, Department, or State), Myers and Stauffer LC (Myers and Stauffer) has prepared this analysis of the Living Choices Assisted Living Waiver program, herein referred to as waiver, rates. This effort included analysis of data collected through a cost survey of all assisted living waiver program providers. The cost survey was developed for the 2022 Living Choices Rate Study and updated by the Department for 2023 to fulfill legislatively mandated reporting requirements. All Living Choices Assisted Living Waiver providers were required to submit a cost survey for the 12-month period ending June 30, 2023.

Myers and Stauffer completed a review of all cost survey data. Reports were reviewed to ensure completeness and to investigate data anomalies. Myers and Stauffer also reviewed supporting documentation to ensure the cost surveys tied back to each facilities financial reports. *Table 1* summarizes this information.

*Table 1: Survey Participation*

High Medicaid Utilization Facilities	> 50%	16
Medium Medicaid Utilization Facilities	≥ 30%, ≤ 50%	16
Low Medicaid Utilization Facilities	< 30%	18
Non-Waiver Providers	No Medicaid	0
Total		50

The costs captured by the survey were separated into cost centers including direct care, indirect care, administrative and general, and rent/utilities/food. Costs were also evaluated to determine if they should be 100% waiver service costs (completely tied to providing waiver services), 100% non-waiver service related (not related to provider waiver services), or allocated between waiver service and non-waiver service related (partially tied to providing waiver services).

- **Direct Care.** Includes wages and benefits for direct caregivers including licensed practical nurses, certified nurse assistants, personal care aides, and universal workers. These costs were considered 100 percent waiver service costs.
- **Indirect Care.** Covers the cost of indirect staffing such as registered nurse (RN) supervisors, dietary supervisor, meal preparation staff and activities staff, as well as non-labor indirect care costs. Most of these costs were treated as 100 percent waiver service costs but a few costs were excluded completely where documentation was not provided to indicate a relevance to the waiver program.
- **Administrative and General (A&G).** Includes the allowable share of administrative expenses such as the salaries for the facility administrator and office staff, as well as any supplies they require. These costs were divided between those considered 100 percent waiver service costs such as the administrator's wages, those that were deemed non-waiver service costs like laundry



workers' wages, costs that were allocated by wages such as benefits, and costs that were allocated by square footage such as housekeeping expenses.

- **Rent, Utilities, and Food (RUF).** Cost of the building, maintenance, utilities, and raw food. Most of these costs were considered non-waiver service costs, but a small portion of building and utilities costs were included in two of the rate recommendations to account for space required to conduct administrative functions and to provide resident activities.

## Cost Analysis

The cost surveys received included a total of \$111.9 million of costs covering expenses for providing 845,806 resident days of care which includes all non-waiver service related expenses. RUF represented the largest share of the costs at \$48.29 per resident day, or approximately 36.49 percent of total costs. Direct care was the second largest per diem expense at \$40.76 or 30.80 percent of the total. Indirect care averaged \$17.11 per resident day, or 12.93 percent of total costs, and A&G averaged \$26.18 per resident day, or 19.78 percent of total costs.

Table 2: Cost Analysis by Cost Center

Statistic	Direct Care	Indirect Care Total	Total Admin & General	Rent, Utilities, and Food Total	Total Costs
Total Costs	\$34,473,863	\$14,472,108	\$22,143,662	\$40,846,633	\$111,936,266
Total Days	845,806	845,806	845,806	845,806	845,806
Per Diem Costs	\$40.76	\$17.11	\$26.18	\$48.29	\$132.34
% of Total Costs	30.80%	12.93%	19.78%	36.49%	100.00%

Note: The A&G and RUF costs shown include both waiver service related costs and non-waiver service related costs.

## Hourly Wage and Staffing Analysis

A key component of the analysis and rate calculation is the hourly wage rates for the direct care staff positions. These positions include licensed practical nurses (LPNs), certified nurse aides (CNAs), personal care assistants (PCAs), and universal workers (UWs). Facilities reported wages and hours for these positions during the cost survey period ending June 30, 2023. This data was also collected during the 2022 rate study which included data for 2021 as well as one-month snapshots from April 2022 and April 2017. Comparing the data from the four separate time periods provides a picture of how wages and staffing rates have changed over time. Table 3 provides a summary of the median hourly wages for each period by direct care staff position.

*Table 3: Median Hourly Wages***Median Hourly Wages (includes overtime and bonuses, excludes benefits)**

Year	LPN	CNA	PCA	Universal Worker
2017	\$17.47	\$10.29	\$8.96	\$9.79
2021	\$21.89	\$12.54	\$11.95	\$11.40
2022	\$22.92	\$13.24	\$12.17	\$12.40
2023	\$26.27	\$14.51	\$13.36	\$13.36

Staffing ratios were also analyzed for each of the direct care staff positions. CNA staff provided the majority of direct care hours with a median of 1.00 hours per resident day in 2023. The median staffing for PCAs was next at 0.70 hours per resident day. LPNs contributed a median of 0.30 hours per resident day, and UWs added a median of 0.09 hours per day during that same timeframe.

*Table 4: Median Staffing Ratios***Median Staffing Ratios**

Year	LPN	CNA	PCA	Universal Worker	Total
2017	0.40	1.07	0.37	1.11	2.95
2021	0.38	1.20	0.48	0.22	2.27
2022	0.23	0.80	0.53	0.20	1.76
2023	0.30	1.00	0.70	0.09	2.09

## Rate Calculation

To calculate a rate for the waiver program Myers and Stauffer used a rate build-up methodology using the hourly wage data and daily staffing ratios from the 2023 cost survey. This methodology was selected due to the diversity of provider characteristics and cost experiences. This methodology reduced the impact of data outliers. The hourly wage data and daily staffing ratios were utilized to calculate a base cost for direct care. Adjustments were applied to this calculation to account for employee benefits costs and inflation. This calculation produced an estimate of the total cost of the direct care labor. Table 5 presents the direct care staffing cost analysis. Note that contracted labor was also included in the calculation. Data for contracted positions was also gathered through the cost survey. This cost represents a smaller share of the total direct care staffing costs.

The direct care staffing costs are the primary driver of the waiver costs, and therefore, the primary component of our rate calculation. Beyond three to five years the analysis and assumptions are likely to become less relevant and we recommend that they be updated using the methodology we have



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established through this study, with updates to introduce new cost data gathered from future cost surveys.

In addition to the staffing ratios and hourly wage rates, other statistics were necessary to complete the direct care staffing calculation. The median staff benefits percentage from the 2023 cost survey data, 18.08 percent, was used as the benefits percentage. Applying this factor to the direct care wages subtotal (not including contracted staff wages) accounts for the expected cost of providing employee benefits.

An inflation factor is also a common reimbursement element in order to account for expected increases in costs between the data collection period and the rate effective period. An inflation factor was applied to adjust historical costs from the midpoint of the cost data period, December 31, 2022 to the midpoint of the fiscal year 2025 rate period, December 31, 2024. Two inflation factor options were evaluated, the IHS Global Insight, Centers for Medicare & Medicaid Services (CMS) Nursing Home without Capital Market Basket Index (NF Market Basket) and the Consumer Price Index (CPI). The NF Market Basket index is a standard source used to calculate inflation factors for long-term care services. The calculation produced an inflation factor of 6.63 percent. Historically the Department has utilized the Consumer Price Index (CPI), for inflation calculations. This inflation factor was calculated to be 5.67 percent.

Allowances for the other cost centers were calculated from the 2023 cost data. The cost survey data elements were reviewed to determine what costs should be considered allowable waiver expenses, and then calculated per diem costs for each of the three remaining rate components: indirect care, A&G, and RUF. In reviewing the data, it was determined that to address the existence of outliers the median for each of these areas was a valid measure of facility norms, and that statistic was used for each of the rate components. Inflation was also applied to these calculations using the same factor (6.63 percent) that was applied to the direct care staffing costs. These calculations resulted in the following per diem allowances for the three non-direct cost components: indirect care, \$16.37; A&G, \$18.69; and RUF, \$1.79.

A challenge for setting a rate for the Living Choices Waiver program is determining what costs should be included in the rate calculation. Some costs, such as direct care staffing wages, are clearly 100 percent related to providing waiver services. Other costs, such as food, should be 100% excluded because these are room and board expenses that the waiver program cannot reimburse. Still other costs, such as building and maintenance expense related to administrative function can be allocated in part to the waiver program. All costs that can reasonably be promoted as directly or indirectly tied to providing required waiver services or administrative functions have been included in the rate calculation. This includes costs related to direct care staffing, indirect care, administrative and general, and property (RUF). However, we acknowledge that this includes some costs that are debatable, and note that redefining what costs are included as allowable could significantly impact the rate calculation. For indirect care, 99 percent of all costs that were classified into this cost center on the cost survey were





included. This includes a per diem of \$7.36 for food preparation salary and related benefits (based on costs inflated with the NFMB), which is 44.97 percent of the indirect care total. For RUF, an allocation of total facility costs was calculated using building area square footage data to allow for the portion of building costs associated with administrative functions and resident activities. This resulted in an average allocation of 6.28 percent of eligible building costs producing a median per diem cost of \$1.79 (based on costs inflated with the NFMB).

It should be noted that the rate calculation for the 2022 rate study included a 5 percent access add-on applied to each rate component. This add-on was included due to considerable concern over the adequacy of the calculated rate. To evaluate the need for including such an add-on two statistics were considered, occupancy percentage and aggregate cost coverage. The average occupancy of the ALF Level II facilities is 74.9% indicating that additional capacity is available to provide more waiver services. It was also determined that the calculated rate without an add-on would cover more than 100% of aggregated allowable waiver costs. While individual providers may experience different occupancy rate and levels of cost coverage, the average occupancy and aggregate cost coverage percentage statistics are strong enough to justify not including an access add-on.

## Recommendations

*Table 5* summarizes the calculations for four different rate scenarios. It lists the parameters used for each scenario and shows each of the four rate components and totals those components together to get the total proposed waiver services rate. Myers and Stauffer provides four rate scenario recommendations for the Department's consideration that are based on the underlying rate-buildup methodology calculation that could be implemented for State Fiscal Year 2025 (July 1, 2024 through June 30, 2025). The scenarios vary based on the inflation factor applied as well as including the RUF expenses. We also recommend that future rate updates utilize the methodology that we have established through this study, with updates to introduce new cost data gathered from future cost surveys.





Table 5: Rate Scenario Recommendations

Parameters	1) NFMB-RUF Included	2) NFMB-RUF Excluded	3) CPI-RUF Included	4) CPI-RUF Excluded
Direct Care Hrs/Day Basis	2023 Median	2023 Median	2023 Median	2023 Median
Direct Care Wage Basis	2023 Median	2023 Median	2023 Median	2023 Median
Inflation Basis	NFMB	NFMB	CPI	CPI
Inflation Start Date	12/1/2022	12/1/2022	12/1/2022	12/1/2022
Inflation End Date	12/1/2024	12/1/2024	12/1/2024	12/1/2024
Inflation Percentage	6.63%	6.63%	5.67%	5.67%
Other Rate Components Basis	Median Cost	Median Cost	Median Cost	Median Cost
Include/Exclude RUF	Include	Exclude	Include	Exclude
<b>Rate Components</b>				
Direct Care	\$ 49.88	\$ 49.88	\$ 49.43	\$ 49.43
Indirect Care	\$ 16.37	\$ 16.37	\$ 16.22	\$ 16.22
Admin & General	\$ 18.69	\$ 18.69	\$ 18.52	\$ 18.52
Rent & Utilities	\$ 1.79	\$ -	\$ 1.77	\$ -
<b>Total Rate</b>	\$ 86.73	\$ 84.94	\$ 85.94	\$ 84.17



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## Background and Goals

Myers and Stauffer was retained to conduct this rate study in September of 2023, as a follow-up to the rate study we completed in 2022. We have a longstanding relationship with the Department and have provided auditing and consulting services for long-term care and other Medicaid programs to the State for many years. In addition, Myers and Stauffer has completed many home and community-based services (HCBS) rate studies for other states. This experience and the experience working with Arkansas programs made the firm a logical choice to evaluate the Living Choices Waiver rates.

This study analyzes data that all Living Choices Waiver providers are now required to submit annually. This is a significant difference to the 2022 rate study that only included data from providers that voluntarily submitted cost data.

### Current Rates – Appendix K Amendment

This background section would be incomplete without some discussion of the current rate and how it was developed. DHS is currently paying a rate of \$81.59 per person per day, with an additional five percent differential for rural facilities, which totals \$85.67 per person per day. These rates were implemented on March 1, 2022 through a mechanism known as an Appendix K amendment to the Living Choices Medicaid Waiver. The rate of \$81.59 was calculated based on the wage rates paid to direct care staff by the Arkansas Health Center, staffing ratios identified in the 2019 rate study conducted by Milliman, and the percentage of administrative and overhead costs identified in the 2019 rate study. The intent of this temporary rate was to address market circumstances related to the COVID-19 pandemic that had evolved since the last waiver renewal. Adoption of these rates into the base waiver is currently pending CMS approval.

### Previous Rates and Review Requirements

Prior to the implementation of the current rates effective March 1, 2022, Arkansas paid Living Choices Waiver providers a rate of \$67.25. This rate was implemented on July 1, 2020 as part of an effort to restructure the waiver rates from a four-tier system to a single rate. The July 1, 2020 rate update was the result of analysis conducted by the State's actuary, Milliman, in 2019. Although the actuary's recommendation included an additional rate decrease to \$62.89 that was to take effect January 1, 2021, DHS used the Appendix K mechanism to suspend that decrease and maintain the rate at \$67.25 in response to the evolving pandemic concerns. At that time, DHS also enlisted Milliman to again review the waiver rate. That effort produced a rate review report dated July 2021 concluding that the \$67.25 rate was above the 75<sup>th</sup> percentile of reported per diem costs in both calendar year (CY) 2019 and CY 2020, and that 15 of the 18 providers responding to a cost survey reported per diem costs below that rate.



Part of the impetus for the multiple rate reviews that have occurred since 2019 was a pre-pandemic executive order to review rates on a regular cycle. Governor Hutchinson issued Executive Order 19-02 in March 2019 with the following requirements:

1. DHS shall establish a systematic approach to reviewing Medicaid rates to providers on a regular cycle.
2. The procedures for review shall:
  - a. Prioritize programmatically based on impact.
  - b. Consider the availability and access to care in each geographic area of the state.
  - c. Confirm that rates are sustainable while attracting a sufficient number of providers to deliver quality services.
  - d. Reward efficiency and quality.
3. [DHS], in advance of any review shall report the rates to be reviewed in the quarterly reports to the General Assembly, pursuant to Act 802 of 2017, and work with each type of provider impacted in the design of the review.
4. [DHS] shall complete the initial reviews of all providers by July 1, 2021 and begin actuarial studies within 60 days of completing a review if necessary.

An additional impetus for this rate review was the direction of the Arkansas State Legislature, through Section 15 of Act 213 of 2022, that DHS study and explore methods to increase the reimbursement rates for ALFs under the Living Choices Assisted Living Waiver. The 2023 Legislature added the additional requirement that all Living Choices Assisted Living Waiver providers complete an annual cost survey.

## Goals of the Rate Study

While the primary objective of this rate study is to determine an appropriate reimbursement rate for ALFs, other goals for this effort include the following:

- *Update the analysis prepared for the 2022 rate study based on more current data.*
- *Maintain the transparency of the rate development process.*
- *Fulfill the Department's ongoing obligation to meet the requirements of Executive Order 19-02.*

## Cost Survey

Myers and Stauffer worked with the Department and a stakeholder workgroup to develop a cost survey for the 2022 rate study. The Department chose to use this cost survey to fulfill the new legislative requirement for Living Choices Assisted Living Waiver providers to submit annual cost data. Only minor modifications were made to the report to update dates and submission instructions/contact information.

### Participation

A total of 50 facilities completed the survey. This contrasts with the 24 facilities that completed the 2022 survey. Of the 50 facilities that completed the survey, 16 were categorized as high Medicaid utilization facilities (more than 50 percent of total days were Medicaid days), 16 more were designated as medium Medicaid utilization facilities (between 30 percent and 50 percent Medicaid days), and 18 were low Medicaid utilization facilities (less than 30 percent Medicaid). *Table 6* summarizes survey participation including dividing the survey participants by Medicaid utilization. For comparison 2022 Survey Participation statistics have also been included.

*Table 6: Survey Participation*

Provider Groups	2022 Survey Participation		2023 Survey Participation	
High Medicaid Utilization Facilities	> 50%	9	> 50%	16
Medium Medicaid Utilization Facilities	≥ 30%, ≤ 50%	10	≥ 30%, ≤ 50%	16
Low Medicaid Utilization Facilities	< 30%	4	< 30%	18
Non-Waiver Providers	No Medicaid	1	No Medicaid	0
Total		24		50

Most facilities (34) reported for the twelve-month period ending June 30, 2023. Other reporting periods included the twelve-month periods ending August 31, 2022 (2), September 30, 2022 (1), December 31, 2022 (9), August 31, 2023 (1), December 1, 2023 (1), and December 31, 2023 (2).



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# Data Analysis

## Cost Survey Data Review

As previously stated, 50 facilities completed and submitted the cost survey. Upon receipt of the cost survey, Myers and Stauffer performed data verification and analyses to evaluate the accuracy of the cost survey data. The first step involved performing basic quality review such as re-footing, checking formulas, and reviewing for incomplete filings. All 50 cost surveys were considered complete and extracted into a database. The initial analysis included the following procedures:

- *Trace expenses in total to provider accounting records if provided.*
- *Perform basic analytical procedures such as calculating total direct care wages/direct care hours to see if the hourly wages are comparable to other providers.*
- *Establish statewide cost element averages and review for outliers.*
- *Look for any obvious anomalies in the data and inquire of the provider.*

Outliers were identified in both staffing ratios and per diem costs; however, after discussion with the providers, most of the causes were identified and the significant outliers were resolved. Myers and Stauffer was not able to resolve concerns about one provider's data. That data has been excluded so that it did influence not the analysis.

## Total Cost Analysis (Includes Non-Waiver Service Cost)

Expense categories were divided into four general areas or cost centers on the survey. These cost centers include direct care, indirect care, A&G, and RUF. Direct care included the wages and benefits related to direct, hands-on care provided by LPNs, CNAs, PCAs, and UWs. Indirect care included other program-related costs, such as nursing supervision provided by RNs, activities costs, transportation costs, and meal preparation costs. A&G costs included the salaries and benefits costs for administrators and other office staff, administrative expenses, laundry costs, and housekeeping costs. RUF included lease, mortgage, and depreciation costs, as well as maintenance costs and food.

The cost surveys received included a total of \$111.9 million of costs covering expenses for providing 845,806 resident days of care. RUF represented the largest share of the costs at \$48.29 per resident day, or approximately 36.49 percent of total costs. Direct care was the second largest per diem expense at \$40.76, or 30.80 percent of the total. Indirect care averaged \$17.11 per resident day, or 12.93 percent of total costs, and A&G averaged \$26.18 per resident day, or 19.78 percent of total costs.



Table 7. Total Cost Analysis

Statistic	Direct Care	Indirect Care Total	Total Admin & General	Rent, Utilities, and Food Total	Total Costs
Total Costs	\$34,473,863	\$14,472,108	\$22,143,662	\$40,846,633	\$111,936,266
Total Days	845,806	845,806	845,806	845,806	845,806
Per Diem Costs	\$40.76	\$17.11	\$26.18	\$48.29	\$132.34
% of Total Costs	30.80%	12.93%	19.78%	36.49%	100.00%

Note: The A&G and RUF costs shown include both waiver service related costs and non-waiver service related costs.

Next, cost was analyzed to review the cost differences between urban and rural facilities, and also by bed size ranges. A facility was identified as urban if they were located in a county that was within the boundaries of a metropolitan statistical area as delineated by the Office of Management and Budget. Counties within the boundaries of a micropolitan statistical area were identified as rural. Bed size ranges were based on the staffing requirements for facilities based on census. The following tables provide a summary of total cost, total days, and per diem cost by cost center.

The average per diem cost of urban facilities was greater in all cost centers. Overall the average per diem cost of the urban facilities was approximately 12.85 percent greater than the average per diem cost of the rural facilities.

Table 8. Average Per Diem Cost – Urban versus Rural

Statistic	Direct Care	Indirect Care Total	Total Admin & General	Rent, Utilities, and Food Total	Total Costs
<b>Urban</b>					
	25				
Cost	\$ 19,914,781	\$ 8,021,531	\$ 11,547,152	\$ 21,215,196	\$ 60,698,659
Days	433,170	433,170	433,170	433,170	433,170
Per Diem	\$ 45.97	\$ 18.52	\$ 26.66	\$ 48.98	\$ 140.13
<b>Rural</b>					
	25				
Cost	\$ 14,559,082	\$ 6,450,577	\$ 10,596,511	\$ 19,631,438	\$ 51,237,607
Days	412,636	412,636	412,636	412,636	412,636
Per Diem	\$ 35.28	\$ 15.63	\$ 25.68	\$ 47.58	\$ 124.17

Note: The A&G and RUF costs shown include both waiver service related costs and non-waiver service related costs.

The total average per diem cost varies across the different bed size categories with a range of \$101.15 - \$135.55.



Table 9. Average Per Diem Cost – Bed Size

Statistic	Direct Care	Indirect Care Total	Total Admin & General	Rent, Utilities, and Food Total	Total Costs
<b>20 - 30 beds</b>	4				
Cost	\$ 1,287,766	\$ 497,366	\$ 966,263	\$ 1,159,697	\$ 3,911,092
Days	30,760	30,760	30,760	30,760	30,760
Per Diem	\$ 41.86	\$ 16.17	\$ 31.41	\$ 37.70	\$ 127.15
<b>31-45 beds</b>	9				
Cost	\$ 4,213,144	\$ 1,500,320	\$ 1,771,122	\$ 4,520,289	\$ 12,004,875
Days	88,566	88,566	88,566	88,566	88,566
Per Diem	\$ 47.57	\$ 16.94	\$ 20.00	\$ 51.04	\$ 135.55
<b>46 - 50 beds</b>	3				
Cost	\$ 1,431,522	\$ 552,498	\$ 824,111	\$ 1,444,960	\$ 4,253,091
Days	42,047	42,047	42,047	42,047	42,047
Per Diem	\$ 34.05	\$ 13.14	\$ 19.60	\$ 34.37	\$ 101.15
<b>51 - 60 beds</b>	11				
Cost	\$ 5,788,822	\$ 2,665,104	\$ 4,121,521	\$ 9,734,965	\$ 22,310,412
Days	165,784	165,784	165,784	165,784	165,784
Per Diem	\$ 34.92	\$ 16.08	\$ 24.86	\$ 58.72	\$ 134.58
<b>61 - 75 beds</b>	8				
Cost	\$ 1,287,766	\$ 3,009,737	\$ 5,718,258	\$ 7,346,704	\$ 21,848,073
Days	159,641	159,641	159,641	159,641	159,641
Per Diem	\$ 8.07	\$ 18.85	\$ 35.82	\$ 46.02	\$ 136.86
<b>76 - 90 beds</b>	15				
Cost	\$ 15,979,234	\$ 6,247,083	\$ 8,742,387	\$ 16,640,019	\$ 47,608,723
Days	359,008	359,008	359,008	359,008	359,008
Per Diem	\$ 44.51	\$ 17.40	\$ 24.35	\$ 46.35	\$ 132.61

Note: The A&G and RUF costs shown include both waiver service related costs and non-waiver service related costs.

## Cost Assignment by Cost Report Line Item

Except in limited circumstances, a state may not claim federal financial participation for the costs of the room and board expenses for waiver participants. Room and board expenses must be met from participant resources or through other sources. Per the waiver application instructions, the term “room”





means shelter-type expenses, including all property-related costs, such as rental or purchase of real estate and furnishings, maintenance, utilities, and related administrative services. The term “board” means three meals a day or any other full nutritional regimen. No additional guidance has been provided by CMS to clarify how to treat what we would consider “gray” areas, such as meal preparation, laundry services/supplies and allowance for dining room area. To ensure transparency to all parties, including CMS, we have prepared the following legend and tables to demonstrate how every line on the cost survey was treated for the purposes of our recommended rate methodology and resulting rate.

- 1 = 100 percent of the cost is included in the rate calculation referred to as waiver service cost.
- 2 = A portion of the cost is included in the rate calculation. Cost is allocated between waiver service and non-waiver service cost based on wages. This allocation methodology is used to allocate payroll taxes and benefits between waiver service and non-waiver service salaries.
- 3 = A portion of the cost is included in the rate calculation. Cost is allocated between waiver service and non-waiver service cost based on square footage statistics. The allowable square footage ratio was calculated as administrative space plus activities space divided by total building area.
- 0 = 100 percent of the cost is not included in the rate calculation.
- N/A = No cost was reported on the “Other” additional lines provided.

For cost reported on the “Other” lines of the cost report, we reviewed the description that was included with the expense and manually grouped costs by waiver service versus non-waiver service. For example, you will see there are multiple lines with the description “Other A&G Annual Expense.” We used four of those lines and assigned a 1, 2, 3, and 0 respectively. Costs grouped and assigned a 1 were uniforms, travel for training, computer software and license fees, data processing, management fees, and home office allocations. Based on the nature of expenses reported, we did not identify any that would be allocated by either wages or square footage. Costs that were grouped and assigned a zero were laundry supplies, bad debt, and public relations/advertising.

*Table 10. Costs by Assignment*

DIRECT CARE STAFFING	
LPN Annual Expense	1
CNA Annual Expense	1
PCA Annual Expense	1
Universal Worker Annual Expense	1
Contracted Staff LPN Annual Expense	1
Contracted Staff CNA Annual Expense	1
Contracted Staff PCA Annual Expense	1
Contracted Staff Universal Worker Annual Exp	1
Vacation / Sick / Holiday / Personal Leave Pay	1
Payroll Taxes	1
Workers' Compensation	1
Health Insurance	1
Retirement / 401K	1
Employee Benefits	1
Blank	1

INDIRECT CARE	
RN Annual Wages	1
Staff Training Annual Wages	1
Transportation Annual Wages	1
Certified Dietary Manager Services Annual Wages	1
Meal Planning and Food Prep Staff Annual Wages	1
Activities Staff Annual Wages	1
Universal Worker Annual Wages	1
Other Indirect Wages	1
Vacation / Sick / Holiday / Personal Leave Pay	2
Payroll Taxes	2
Workers' Compensation	2
Health Insurance	2
Retirement / 401K	2
Employee Benefits	2
Blank	2
Transportation Vehicle Expense	1
Non-Capitalized Equipment	1
Activity Supplies/Expense	1
Alarm, Fire Suppression Service, & Life Safety	1
Employee Background Checks	1
Non-Labor Training Costs	1
Medical Supplies	1
Blank	1
Blank	1
Blank	1

RENT, FOOD, AND UTILITIES	
Building Lease	3
Mortgage and Interest Expense	3
Fixed Deprectaion	3
Major Moveable Equipment Depreciation	3
Utilities	3
Property Insurance	3
Property Taxes	3
Grounds Maintenance	0
Repairs and Maintenance	3
Food	0



ADMINISTRATIVE AND GENERAL			
Administrator Wages Annual Expense	1	Auto, Travel and Mileage Annual Expense	1
Second Administrator Annual Expense	1	Bank and Finance Charges Annual Expense	1
Office and Clerical Wages Annual Expense	1	Dues, Licenses & Subscriptions Annual Expense	1
Human Resources Wages Annual Expense	1	Employee Recruitment Annual Expense	1
Receptionist Wages Annual Expense	1	Equipment Expense Annual Expense	1
Housekeeping Wages Annual Expense	3	Home Office Costs Annual Expense	1
Laundry Wages Annual Expense	0	Housekeeping Annual Expense	3
Floor Tech Wages Annual Expense	3	Interest, Working Capital Annual Expense	1
Universal Worker Annual Expense	1	Kitchen and Cleaning Supplies Annual Expense	0
A&G Other: Wages Annual Expense	3	Liability Insurance Annual Expense	1
Other A & G Wages Annual Expense	1	Legal and Other Annual Expense	0
Other A & G Wages Annual Expense	N/A	Office Supplies Annual Expense	1
Other A & G Wages Annual Expense	N/A	Postage Annual Expense	1
Vacation / Sick / Holiday / Personal Leave Pay	2	Telephone and Communications Annual Expense	1
Payroll Taxes	2	Training Annual Expense	1
Workers' Compensation	2	Other A&G Annual Expense	1
Health Insurance	2	Other A&G Annual Expense	2
Retirement / 401K	2	Other A&G Annual Expense	3
Employee Benefits	2	Other A&G Annual Expense	N/A
Blank	2	Other A&G Annual Expense	N/A
Accounts Collection Annual Expense	0	Other A&G Annual Expense	N/A
Accounting Annual Expense	1	Other A&G Annual Expense	N/A

## Analysis of Waiver Service and Non-Waiver Service Cost by Cost Center

The cost analyses provided in *Table 11* demonstrate how total costs were allocated between waiver service expenses and non-waiver service expenses where waiver service refers to “included or allowable” in the rate methodology/calculation and non-waiver service refers to “not included or non-allowable” in the rate calculation/rate methodology as these are considered room and board or a non-reimbursable expense, such as bad debt. After assignment of costs, approximately 73.58 percent of A&G cost have been identified as waiver service costs, and 7.12 percent of RUF cost have been identified as waiver costs. Including meal preparation costs results in 99.94 percent of the indirect care costs being classified as waiver service costs.



Table 11. Waiver Service (Allowable) Versus Non-Waiver Service (Non-Allowable) Expenses

Total Cost Analysis	Direct Care Totals			
Statistic	Direct Care Non-Allowed	Direct Care Allowed	Direct Care Allocated	Direct Care
Total Costs	\$0	\$34,473,863	\$0	\$34,473,863
Total Days	845,806	845,806	845,806	845,806
Per Diem Costs	\$0.00	\$40.76	\$0.00	\$40.76
% of Total Costs	0.00%	30.80%	0.00%	30.80%
% of Cost To Direct Care Costs				
Average Per Diem Cost				
Median Per Diem Cost				
Minimum Per Diem Cost				
Maximum Per Diem Cost				

Total Cost Analysis	Indirect Care Totals					
Statistic	Indirect Care Non-Allowed	Indirect Care Non-Allowed Allocated	Indirect Care Allowed	Indirect Care Allocated	Total Allowed Indirect Care	Indirect Care Total
Total Costs	\$8,065	\$0	\$12,450,755	\$2,013,288	\$14,464,043	\$14,472,108
Total Days	845,806	845,806	845,806	845,806	845,806	845,806
Per Diem Costs	\$0.01	\$0.00	\$14.72	\$2.38	\$17.10	\$17.11
% of Total Costs	0.01%	0.00%	11.12%	1.80%	12.92%	12.93%
% of Cost To Direct Care Costs						
Average Per Diem Cost						
Median Per Diem Cost						
Minimum Per Diem Cost						
Maximum Per Diem Cost						



Total Cost Analysis	A&G Totals							
Statistic	A&G Non-Allowed	A&G Non-Allowed Allocated by Wages	A&G Non-Allowed by Space	A&G Allowed @ 100%	A&G Allocated by Wages	A&G Allocated by Space	Total A&G Allowed	Total Admin & General
Total Costs	\$2,331,195	\$494,576	\$3,024,327	\$14,960,358	\$1,161,443	\$171,763	\$16,293,565	\$22,143,662
Total Days	845,806	845,806	845,806	845,806	845,806	845,806	845,806	845,806
Per Diem Costs	\$2.76	\$0.58	\$3.58	\$17.69	\$1.37	\$0.20	\$19.26	\$26.18
% of Total Costs	2.08%	0.44%	2.70%	13.37%	1.04%	0.15%	14.56%	19.78%
% of Cost To Direct Care Costs	43.40%				3.37%	0.50%	47.26%	
Average Per Diem Cost							\$ 19.47	\$ 26.82
Median Per Diem Cost							\$ 17.53	\$ 26.11
Minimum Per Diem Cost							\$ 4.47	\$ 5.39
Maximum Per Diem Cost							\$ 45.37	\$ 59.24

Total Cost Analysis	RUF Totals					
Statistic	RUF Non-Allowed	RUF Non-Allowed Allocated by Space	RUF Allowed @ 100%	RUF Allocated by Space	Total RUF Allowed	Rent, Utilities, and Food Total
Total Costs	\$8,148,885	\$29,788,953	\$0	\$2,908,795	\$2,908,795	\$40,846,633
Total Days	845,806	845,806	845,806	845,806	845,806	845,806
Per Diem Costs	\$9.63	\$35.22	\$0.00	\$3.44	\$3.44	\$48.29
% of Total Costs	7.28%	26.61%	0.00%	2.60%	2.60%	36.49%
% of Cost To Direct Care Costs	8.44%					
Average Per Diem Cost						\$ 4.24 \$ 48.63
Median Per Diem Cost						\$ 1.68 \$ 45.18
Minimum Per Diem Cost						\$ - \$ 2.08
Maximum Per Diem Cost						\$ 115.36 \$ 177.56





*Table 13. Direct Care Hourly Wage Rates and Benefits Percentages*

Year and Statistic	Direct Care Hrly Wages and Benefits Rates								
	LPN	CNA	PCA	Universal Worker	Contract LPN	Contract CNA	Contract PCA	Contract Universal Worker	Direct Care Benefits %
2023 Median	\$26.27	\$14.51	\$13.36	\$13.36	\$45.17	\$24.38	\$30.29	\$55.37	17.27%
2023 Maximum	\$49.52	\$20.84	\$52.73	\$24.11	\$62.29	\$31.87	\$32.09	\$55.37	50.25%
2023 Minimum	\$16.33	\$5.38	\$10.11	\$10.97	\$25.02	\$11.00	\$28.50	\$55.37	9.47%
2023 Wtd Average	\$26.35	\$14.69	\$13.47	\$13.20	\$54.11	\$24.71	\$28.57	\$64.97	18.08%
2023 75th %ile	\$28.81	\$16.33	\$14.50	\$15.45	\$49.37	\$29.61	\$31.19	\$55.37	22.23%
2022 Average	\$24.15	\$13.95	\$12.30	\$12.39	\$40.59	\$20.79	\$25.77	\$46.12	18.08%
2022 Median	\$22.92	\$13.24	\$12.17	\$12.40	\$39.41	\$22.24	\$27.59	\$51.39	17.27%
2017 Average	\$18.54	\$10.46	\$9.20	\$9.79	\$31.16	\$15.58	\$19.28	\$36.43	18.08%
2017 Median	\$17.47	\$10.29	\$8.96	\$9.79	\$30.03	\$17.28	\$20.32	\$40.57	17.27%

\*Contracted rates estimated for 2017 and 2022

Based on review of the difference in the direct care per diem cost between urban and rural, further analysis was completed to compare the hourly wage rates by position between urban and rural with the results presented in *Table 14*. The largest difference was in universal worker wages where the average hourly wage rate for a universal worker in an urban area was approximately 123 percent of the wage in a rural area.

*Table 14. Direct Care Hourly Wage Rates by Position – Urban versus Rural*

Year and Statistic	Direct Care Hrly Wages and Benefits Rates								
	LPN	CNA	PCA	Universal Worker	Contract LPN	Contract CNA	Contract PCA	Contract Universal Worker	Direct Care Benefits %
<b>Urban</b>									
Expense	\$ 5,151,272	\$ 7,201,589	\$ 3,901,974	\$ 206,300	\$ 238,066	\$ 118,877	\$ 124,477	\$ 4,418	17.81%
Hours	189,406	467,466	288,446	13,483	4,115	4,189	4,368	68	
Hourly Wage	\$27.20	\$15.41	\$13.53	\$15.30	\$57.85	\$28.38	\$28.50	\$64.97	
<b>Rural</b>									
Expense	\$ 3,005,912	\$ 5,691,726	\$ 3,112,519	\$ 461,054	\$23,532	\$19,239	\$2,984	\$0	19.30%
Hours	120,138	410,023	232,367	37,078	720	1,400	93	0	
Hourly Wage	\$25.02	\$13.88	\$13.39	\$12.43	\$32.68	\$13.74	\$32.09	NA	





## Indirect Care and A&G

For the indirect care and A&G staff positions, salary and hours data was collected for the 2023 cost survey period. Tables 15 and 16 provide a summary of the hourly wage rates and benefits for indirect care and A&G staff positions from the 2023 cost data.

*Table 15. Indirect Care Hourly Wage Rates and Benefits*

Year and Statistic	Indirect Care Wages and Benefits						
	RN Hrly Rate	Transportation Hrly Rate	Certified Dietary Manager Hrly Rate	Meal Planning/ Food Prep Hrly Rate	Activities Staff Hrly Rate	Indirect Universal Worker Hrly Rate	Indirect Care Benefits %
2023 Average	\$39.82	\$17.00	\$21.82	\$15.18	\$16.11	\$19.89	17.25%
2023 Median	\$33.75	\$15.00	\$18.22	\$13.70	\$15.37	\$15.61	14.38%
2023 Maximum	\$236.45	\$52.13	\$50.14	\$54.16	\$25.26	\$38.21	54.10%
2023 Minimum	\$17.76	\$11.27	\$11.00	\$11.19	\$12.44	\$10.13	0.30%

*Table 16. A&G Hourly Wage Rates and Benefits*

Year and Statistic	Administrative and General Wages and Benefits										
	Admin Hrly Rate	2nd Admin Hrly Rate	Office/ Clerical Hrly Rate	HR Hrly Rate	Recept. Hrly Rate	Housekeeping Hrly Rate	Laundry Hrly Rate	Floor Tech Hrly Rate	A&G Universal Worker Hrly Rate	Maintenance (Line 59) Hrly Rate	A&G Benefits %
2023 Average	\$34.21	\$27.83	\$18.93	\$20.96	\$15.33	\$12.95	\$15.65	\$20.61	\$0.84	\$18.18	19.85%
2023 Median	\$31.63	\$25.48	\$17.94	\$21.21	\$14.27	\$13.05	\$15.32	\$19.21	\$0.00	\$16.92	17.53%
2023 Maximum	\$66.95	\$46.11	\$36.94	\$33.59	\$27.50	\$24.01	\$24.00	\$28.13	\$3.37	\$25.01	60.77%
2023 Minimum	\$9.42	\$17.21	\$11.72	\$11.00	\$11.00	\$1.34	\$11.01	\$14.50	\$0.00	\$12.30	1.76%

## Staffing Ratio Data

Staffing ratios were also analyzed for each of the direct care staff positions. As expected, CNA staff provided the majority of direct care hours with a median of 1.00 hours per resident day in 2021. The median staffing for PCAs was next at 0.70 hours per resident day. LPNs contributed a median of 0.30 hours per resident day, and UWs added a median of 0.09 hours per day during that same timeframe.

Table 17 below summarizes direct care staffing ratio information. For comparison, staffing ratios determined from the previous rate study have been included. This includes data from 2021 cost surveys as well as for one-month snapshots from April 2022 and April 2017. Including this information provides some insight into how staffing ratios have changed over recent years. It is important to consider that the 2022 rate study included data submitted by 24 provider voluntarily, while the 2023 data includes information from all 50 waiver providers.



Table 17. Direct Care Staffing Ratios

Year	LPN	CNA	PCA	Universal Worker	Total
2017	0.40	1.07	0.37	1.11	2.95
2021	0.38	1.20	0.48	0.22	2.27
2022	0.23	0.80	0.53	0.20	1.76
2023	0.30	1.00	0.70	0.09	2.09

Year and Statistic	Direct Care Staffing Ratios (hours per resident day)								Total Hour Per Resident Day
	LPN	CNA	PCA	Universal Worker	Contract LPN	Contract CNA	Contract PCA	Contract Universal Worker	
2023 Average	0.39	1.24	0.78	0.16	0.06	0.06	0.20	0.01	2.09
2023 Median	0.30	1.00	0.70	0.09	0.03	0.02	0.20	0.01	2.34
2023 Maximum	1.44	3.38	2.18	0.72	0.25	0.28	0.39	0.01	4.82
2023 Minimum	0.03	0.10	0.13	0.01	0.00	0.00	0.01	0.01	0.29
2022 Average	0.37	1.15	0.67	0.64	0.03	0.15	0.06	0.00	3.07
2022 Median	0.23	0.80	0.53	0.20	0.04	0.15	0.06	0.00	2.01
2021 Average	0.38	1.36	0.52	0.68	0.03	0.15	0.06	0.00	3.18
2021 Median	0.38	1.20	0.48	0.22	0.04	0.15	0.06	0.00	2.52
2017 Average	0.42	1.20	0.39	1.11	0.03	0.15	0.06	0.00	3.36
2017 Median	0.40	1.07	0.37	1.11	0.04	0.15	0.06	0.00	3.20

\*Universal Worker Data from 2 facilities in 2017, and 4 facilities in 2022 \*Contracted ratios for 2021 used for 2017 and 2022

Staffing ratios were also analyzed by facility characteristics such as urban and rural, and different bed size ranges. The results of this more detailed analysis are shown in *Table 18*. Based on the reported data, it appears that the total overall staffing ratios, and the staffing ratios for each position are very similar between urban and rural facilities. This means that the differences in wage rates is driving the difference in the direct care per diem cost between the urban and rural facilities. Excluding the 20-30 beds and 41-45 bed ranges, there is a slight reduction in staffing levels as the facility size increases. This appears to highlight the nature of the staffing requirements.



Table 18. Direct Care Staffing Ratios – Urban versus Rural and Bed Size

Statistic	Direct Care Staffing Ratios (hours per resident day)								Total Hour Per Resident Day
	LPN	CNA	PCA	Universal Worker	Contract LPN	Contract CNA	Contract PCA	Contract Universal Worker	
<b>Urban</b>	25								
Hours	189,406	467,466	288,446	13,483	4,115	4,189	4,368	68	971,541
Days	433,170	433,170	433,170	433,170	433,170	433,170	433,170	433,170	433,170
Staffing Ratio	0.44	1.08	0.67	0.03	0.01	0.01	0.01	0.00	2.24
<b>Rural</b>	25								
Hours	120,138	410,023	232,367	37,078	720	1,400	93	0	801,819
Days	412,636	412,636	412,636	412,636	412,636	412,636	412,636	412,636	412,636
Staffing Ratio	0.29	0.99	0.56	0.09	0.00	0.00	0.00	0.00	1.94
<b>20 -30 beds</b>	4								
Hours	4,543	54,259	16,630	0	0	0	0	0	75,432
Days	30,760	30,760	30,760	30,760	30,760	30,760	30,760	30,760	30,760
Staffing Ratio	0.15	1.76	0.54	0.00	0.00	0.00	0.00	0.00	2.45
<b>31-45 beds</b>	9								
Hours	29,830	156,397	13,798	3,740	493	0	0	0	204,258
Days	88,566	88,566	88,566	88,566	88,566	88,566	88,566	88,566	88,566
Staffing Ratio	0.34	1.77	0.16	0.04	0.01	0.00	0.00	0.00	2.31
<b>46 - 50 beds</b>	3								
Hours	6,315	47,093	26,961	2,158	8	257	0	0	82,792
Days	42,047	42,047	42,047	42,047	42,047	42,047	42,047	42,047	42,047
Staffing Ratio	0.15	1.12	0.64	0.05	0.00	0.01	0.00	0.00	1.97
<b>51 - 60 beds</b>	11								
Hours	62,482	185,977	73,793	8,009	323	1,400	93	0	332,077
Days	165,784	165,784	165,784	165,784	165,784	165,784	165,784	165,784	165,784
Staffing Ratio	0.38	1.12	0.45	0.05	0.00	0.01	0.00	0.00	2.00
<b>61 - 75 beds</b>	8								
Hours	63,128	139,671	76,880	0	0	25	0	0	279,704
Days	159,641	159,641	159,641	159,641	159,641	159,641	159,641	159,641	159,641
Staffing Ratio	0.40	0.87	0.48	0.00	0.00	0.00	0.00	0.00	1.75
<b>76 - 90 beds</b>	15								
Hours	143,246	294,092	312,751	36,654	4,011	3,907	4,368	68	799,097
Days	359,008	359,008	359,008	359,008	359,008	359,008	359,008	359,008	359,008
Staffing Ratio	0.40	0.82	0.87	0.10	0.01	0.01	0.01	0.00	2.23



## Rate Methodology and Recommendations

Setting a reimbursement rate for any Medicaid program requires balancing competing concerns. Rates need to be adequate enough to ensure provider participation and promote access to program services. Yet rates must also be efficient in order to effectively manage limited resources. Striking a balance between these concerns can be complicated by diversity amongst providers. Simply looking at average costs may not provide a benchmark that can reasonably be applied to all providers. In such circumstances reimbursement methodologies must determine a fair compensation rate for the services to be provided. The calculated rate may not align with the cost experience of every provider but it should address the core cost components of the program.

A rate buildup reimbursement methodology is often used to set rates for home and community based services programs. This methodology is attractive because it does not require significant cost data from providers. Instead it relies on estimated hourly wage rates and staffing ratios to account for core program costs, with additional allowances added to compensate overhead expenses. This methodology can also be useful in calculating a fair compensation rate when provider practices and cost experience vary greatly. This is the case with the Living Choices Waiver program.

The Living Choices Waiver program providers are diverse in many ways. Some are very dependent on Medicaid participation, while others provide very few days of service to Medicaid participants. For the 2023 reporting period, Medicaid occupancy ranged from 2.0 percent to 90.5 percent. Providers were evenly distributed across Medicaid occupancy ranges with 16 providers having more than 50 percent Medicaid occupancy, 16 providers having between 30 percent and 50 percent Medicaid occupancy, and 18 providers having less than 30 percent Medicaid occupancy. The average Medicaid occupancy was 37.32 percent.

The balance of the days of care provided by Living Choices Waiver providers is mostly covered by private pay which accounted for 59.42 percent of the days in the 2023 reporting period. Other payer sources covered the remaining 3.26 percent of service days. Providers that rely heavily on the private pay market have much greater control over their revenues and in turn greater flexibility in managing their costs. This is evident in reviewing the average costs incurred by providers relative to their Medicaid occupancy. Providers with a Medicaid occupancy less than 30 percent have an average cost per day that is nearly \$40 more per day than providers with an occupancy rate that is 30 percent or more. That's roughly one-third greater than the average costs incurred by other providers. Table 19 illustrates this relationship.

*Table 19: Medicaid Occupancy vs. Average Cost*

Medicaid Occupancy	Avg Cost Per Day
>50%	\$ 120.89
30% to 50%	\$ 118.14
<30%	\$ 158.13



A similar, although less significant, disparity in costs per day exists between rural and urban providers. Urban providers have approximately 10 percent higher average costs per day than rural providers.

*Table 20: Rural/Urban vs. Average Cost*

Rural/Urban	Avg Cost Per Day
Rural	\$ 126.96
Urban	\$ 139.12

Due to the diversity of provider characteristics and cost experiences Myers and Stauffer utilized a rate buildup methodology to calculate a rate for the Living Choices Waiver program. In doing so, the rate calculation accounts for costs required to provide program services but is less susceptible to undue influence from data outliers.

### Rate Buildup Methodology

Generally, a rate buildup reimbursement methodology is a flexible rate setting approach centered on the core concept of building a reimbursement rate based on the specific cost elements necessary to provide one unit of a service. Each area of cost input (both direct and indirect) are considered in the overall rate modeling process and would include the costs associated with direct service worker wages, supervision, employee benefits and payroll taxes, required staffing ratios or staffing certifications, service supplies, program support, and other overhead and operational considerations.

By determining reasonable and adequate daily staffing ratios required to provide ALF Level II services, and establishing equitable market adjusted hourly pay rates, one can determine the base daily cost of providing services for the Living Choices Waiver program. To complete the calculation of the cost of direct care staffing, additional allowances are required to account for benefits costs and projected inflation. Per diem amounts for indirect care, A&G, and RUF are added to the direct care staffing per diem to provide payment for other costs facilities to provide services. This results in a total rate calculation comprised of four per diem components: direct care staffing, indirect care, A&G, and RUF. The following paragraphs provide additional details about how the rate for each of the four rate components was determined.

#### Direct Care Staffing

Direct care staffing is provided by four primary staff positions: LPNs, CNAs, PCAs, and UWs. While these positions are typically filled by facility staff, contracted or agency staff are also utilized to meet staffing needs at most facilities. Data from the 2023 cost surveys was used to establish staffing ratios. While our analysis focused on determining staffing ratios that reflect facility norms and best practices, we also reviewed regulations to ensure the staffing ratios we used complied with minimum requirements.



Section 504 of the Arkansas regulations for ALF Level II includes information about the roles and staffing requirements for these facilities. Descriptions of the services that can be provided by LPNs, CNAs, and PCAs are included in this section. This section also includes minimum on-site staff-to-resident ratios for different times of the day, and other requirements that determine minimum staffing ratio requirements. Facilities are also required to employ at least one RN, but are not required to have an RN physically present at the facility. While RNs may perform all job functions and duties of LPNs, CNAs, or PCAs, it is only required that the RN be available to the facility by phone or pager. UWs are also defined in the regulations as an employee trained to perform a variety of functional duties. UWs are subject to the requirements specified for the role they assume.

The direct care wage and staffing data received through the cost survey was used to determine staffing ratios and hourly pay rates, which were ultimately used in the rate calculation. The survey data included a full years' worth of cost and staffing information from 2023. This data proved to be similar to the data used in the 2022 rate study but some differences are notable. Hourly pay rates did increase for all direct care staff positions. That was expected and it's anticipated that wages will continue to increase through the rate period and therefore an inflation factor has been applied to the wage cost used in the rate calculation. Staffing ratio data was mixed with hours per day falling for some direct care staff positions but increasing for others. This may be due to the data representing a broader view of waiver provider practices since all providers were included in this study as opposed to the 2022 study that included about half of the waiver providers. It could also be indicative of changing trends in how facilities are staffing. The 2023 staffing ratio data was used for the rate calculation but this information should be reviewed again with the next round of cost reporting. Similar to staffing ratios, changes in per diem costs for non-direct care cost centers varied with some increasing and some decreasing. Again, the 2023 survey data may be more representative of the norm since it's a larger data set or the changes could reflect updated facility practices. These costs should also be reviewed with the next cost survey.

Our review and analysis of the 2023 data included efforts to identify and correct reporting errors. Despite our efforts to contact facilities and investigate data anomalies, the 2023 datasets still included some data pieces that we classified as outliers because they exceeded the mean for that data group by a much greater margin than other data elements. To avoid the impact of these outliers, it was decided that the median would be the best measure of facility staffing and pay rate norms. Both the staffing ratio and the hourly pay rate for each of the four direct care facility staff positions and their contracted staffing equivalent were determined from the median for the 2023 data. Analysis of minimum staffing requirements applied to different facility sizes allowed us to conclude that these staffing ratios would exceed the minimum staffing requirements for any facility circumstance.

In addition to the staffing ratios and hourly wage rates, other statistics were necessary to complete the direct care staffing calculation. The median staff benefits percentage from the 2023 cost survey data, 18.08 percent, was used as the benefits percentage. Applying this factor to the direct care wages subtotal (not including contracted staff wages) accounts for the expected cost of providing employee



benefits. An inflation factor, calculated from the IHS Global Insight, CMS Nursing Home without Capital Market Basket Index was used to trend the direct care wages per diem. This index is a standard source used to calculate inflation factors for long-term care services. The indices for the mid-point of our data period, December 2022, and for the mid-point of the rate period, December 2024 (based on the assumption that the rate period would cover FY 2025), were utilized to calculate an inflation factor of 6.63 percent. Applying this factor to the direct care wages and benefits subtotal accounts for expected increase in these costs during the rate period. A second option was completed using the Consumer Price Index (CPI), which the Department has historically utilized for inflation calculations. The inflation factor was 5.67 percent.

### Indirect Care, A&G, and RUF

To account for costs related to indirect care, administrative and general, and RUG, the cost survey data elements were reviewed and identified what costs should be considered waiver service expenses, then calculated per diem costs for each of these three rate components. In reviewing the data, we determined that to address the existence of outliers the median per diem cost for each of these areas was a valid measure of facility norms, and that statistic was used for each of the rate components. Inflation was applied to these median per diem costs using the same factor that was applied to the direct care staffing data. These calculations resulted in the following per diem allowances for the three non-direct cost components: indirect care, \$16.37; A&G, \$18.69; and RUF, \$1.79.

### Costs Included – Food Preparation and Building Costs

Another challenge with setting a rate for the Living Choices Waiver program is determining what costs should be considered waiver service expense and included in the rate. Some services that assisted living facilities provide, namely room and board, cannot be reimbursed through the Medicaid waiver program. Some costs, such as food, can clearly be classified as 100 percent non-waiver service costs since they are only incurred for providing room and board. However, other costs associated with room and board are also costs that can be tied in part to services or functions that are reimbursable through the Medicaid waiver program. Costs such as property expenses and housekeeping costs are mostly related to room and board, but a portion of those costs go to providing and maintaining space for administrative functions and for conducting resident activities. There are even some costs like dietary planning services and meal prep expenses that are debatable as to whether they should be included or excluded from the waiver rate. Because the assisted living regulations require facilities to ensure that balanced nutritional meals are provided and this contributes to the wellbeing of residents, a compelling argument can be made to include dietary planning and meal prep services in the waiver rate. All costs that can reasonably be promoted as directly or indirectly tied to providing required waiver services or administrative functions have been included in the rate calculation. This includes direct staffing costs, costs allocated for conducting administrative services, and costs for dietary planning and meal prep. However, we acknowledge that this includes some costs that are debatable, and note that redefining what costs are





included as waiver service costs and included in the waiver rate could significantly impact the rate calculation.

Additional detail should be noted about what costs are included in indirect care and RUF. For indirect care, 99.94 percent of all costs that were classified into this cost center on the cost survey were included. This includes a per diem of \$7.36 for food preparation salary and related benefits (based on costs inflated with the NFMB), which is 44.97 percent of the indirect care total. For RUF, an allocation of total facility costs was calculated using building area square footage data to allow for the portion of building costs associated with administrative functions and resident activities. This resulted in an allocation of 6.28 percent of eligible building costs which came to a weighted average of \$1.79 (based on costs inflated with the NFMB).

### Access Add-On

During the development of the 2022 rate study strong arguments were made that the calculated rate was not adequate to promote provider participation and access to services. After considerable debate an access add-on was included in the rate calculation, adding 5 percent to each rate component. This concept was revisited with the 2023 rate study. To evaluate the need for such an add-on two statistics were calculated, average occupancy and aggregate cost coverage. The average occupancy of the ALF Level II facilities is 74.9%. It was also determined that the calculated rate without an add-on would cover 104.57% of aggregated allowable waiver costs. Table 21 summarizes the cost coverage analysis. Occupancy and cost coverage will vary greatly by provider as there are many factors (noted previously) that can contribute to each provider's unique experience. However, the average occupancy and aggregate cost coverage statistics provide strong justification for not including an access add-on. Therefore an access add-on was not included in this rate calculation.

*Table 21. Cost Coverage Statistics*

Calculated Per Diem Rate	Allowable Cost Coverage
\$ 86.73	104.57%

## Recommendations

Myers and Stauffer provides four rate scenario recommendations for the Department's consideration that are based on the underlying rate-buildup methodology calculation. Myers and Stauffer recommends that one of these scenarios be implemented for State Fiscal Year 2025 (July 1, 2024 through June 30, 2025). The scenarios vary based on the inflation factor applied as well as including the RUF expenses. We also recommend that future rate updates utilize the methodology that we have established through this study, with updates to introduce new cost data gathered from future cost surveys.



Table 22 summarizes the four scenarios, and *Tables 23-26* show the calculations for each of the rate scenarios. Each table details the calculation of the four rate components and totals those components together to get the total proposed assisted living waiver service rate. Table 23 shows the rate calculation based on inflation calculated using the NF Market Basket Index, and includes an allocation for RUF expenses. Table 24 is the same calculation but with the RUF allocation excluded. Table 25 shows the rate calculation based on inflation calculated using the CPI, and includes an allocation for RUF expenses. Table 26 is the same calculation but with the RUF allocation excluded.

Myers and Stauffer recommends that a rate be implemented for state fiscal year 2025 to provide a long-term replacement for the rate implemented with the Appendix K amendment. We also recommend that the analysis included in this report be updated and reviewed annually as new cost data becomes available. While updating the rate for new cost data is not necessary on an annual basis, we recommend an annual inflation factor be applied effective each July 1. Beyond three to five years, the analysis and assumptions are likely to become less relevant and we recommend using the reimbursement methodology that we have established through this study, with updates to introduce the new cost data and other data elements particularly if annual inflation has not been provided.

*Table 22: Rate Scenario Recommendations*

Parameters	1) NFMB-RUF Included	2) NFMB-RUF Excluded	3) CPI-RUF Included	4) CPI-RUF Excluded
Direct Care Hrs/Day Basis	2023 Median	2023 Median	2023 Median	2023 Median
Direct Care Wage Basis	2023 Median	2023 Median	2023 Median	2023 Median
Inflation Basis	NFMB	NFMB	CPI	CPI
Inflation Start Date	12/1/2022	12/1/2022	12/1/2022	12/1/2022
Inflation End Date	12/1/2024	12/1/2024	12/1/2024	12/1/2024
Inflation Percentage	6.63%	6.63%	5.67%	5.67%
Other Rate Components Basis	Median Cost	Median Cost	Median Cost	Median Cost
Include/Exclude RUF	Include	Exclude	Include	Exclude
<b>Rate Components</b>				
Direct Care	\$ 49.88	\$ 49.88	\$ 49.43	\$ 49.43
Indirect Care	\$ 16.37	\$ 16.37	\$ 16.22	\$ 16.22
Admin & General	\$ 18.69	\$ 18.69	\$ 18.52	\$ 18.52
Rent & Utilities	\$ 1.79	\$ -	\$ 1.77	\$ -
<b>Total Rate</b>	\$ 86.73	\$ 84.94	\$ 85.94	\$ 84.17



Table 23. Rate Scenario 1 – NF Market Basket-Based Inflation with RUF Allocation Included

AR AL Rate Study - Rate Calculation						
Direct Care Staffing						
Position	Hrs/Day		Hrly Rt		Tot/Day	
	2023 Median	2023 Median				
LPN	0.30		\$26.27		\$7.78	
CNA	1.00		\$14.51		\$14.49	
PCA	0.70		\$13.36		\$9.39	
Universal Worker	0.09		\$13.36		\$1.16	
Contract LPN	0.03		\$45.17		\$1.16	
Contract CNA	0.02		\$24.38		\$0.50	
Contract PCA	0.20		\$30.29		\$6.03	
Contract Universal Worker	0.01		\$55.37		\$0.34	
Direct Care Wages Subtotal	2.34		\$17.49		\$40.84	
Direct Care Benefits Cost			18.08%		\$5.93	
Direct Care Wages and Benefits Subtotal					\$46.77	
Inflation (from/thru)	NFMB	Dec-22	Dec-24	6.63%	\$3.10	
Direct Care Staffing Subtotal	2.34		\$21.36		\$49.88	
Indirect Care						
	Median Cost		Inflation %			
Allowable Indirect Staffing and Non-Labor Related Expenses	\$15.35		6.63%		\$16.37	
The Indirect Care rate component includes \$7.36 for meal planning/prep wages.						
Administrative & General						
	Median Cost		Inflation %			
Allowable A&G Costs	\$17.53		6.63%		\$18.69	
Rent and Utilities						
	Median Cost		Inflation %			
Allowable Rent and Utilities Costs	Include	\$1.68	6.63%		\$1.79	
Total Rate						
Total Rate (DC+Indirect+Allowable A&G+Allowable RUF)					\$86.73	



Table 24: Rate Scenario 2 – NF Market Basket-Based Inflation with RUF Excluded

AR AL Rate Study - Rate Calculation						
Direct Care Staffing						
Position	Hrs/Day		Hrly Rt		Tot/Day	
	2023 Median	2023 Median				
LPN			0.30	\$26.27		\$7.78
CNA			1.00	\$14.51		\$14.49
PCA			0.70	\$13.36		\$9.39
Universal Worker			0.09	\$13.36		\$1.16
Contract LPN			0.03	\$45.17		\$1.16
Contract CNA			0.02	\$24.38		\$0.50
Contract PCA			0.20	\$30.29		\$6.03
Contract Universal Worker			0.01	\$55.37		\$0.34
Direct Care Wages Subtotal			2.34	\$17.49		\$40.84
Direct Care Benefits Cost				18.08%		\$5.93
Direct Care Wages and Benefits Subtotal						\$46.77
Inflation (from/thru)	NFMB	Dec-22	Dec-24	6.63%		\$3.10
Direct Care Staffing Subtotal			2.34	\$21.36		\$49.88
Indirect Care						
	Median Cost		Inflation %			
Allowable Indirect Staffing and Non-Labor Related Expenses	\$15.35		6.63%			\$16.37
The Indirect Care rate component includes \$7.36 for meal planning/prep wages.						
Administrative & General						
	Median Cost		Inflation %			
Allowable A&G Costs	\$17.53		6.63%			\$18.69
Rent and Utilities						
	Median Cost		Inflation %			
Allowable Rent and Utilities Costs	Exclude	\$0.00	6.63%			\$0.00
Total Rate						
Total Rate (DC+Indirect+Allowable A&G)						\$84.94



Table 25: Rate Scenario 3 – CPI-Based Inflation with RUF Allocation Included

AR AL Rate Study - Rate Calculation						
Direct Care Staffing						
Position	Hrs/Day		Hrly Rt		Tot/Day	
	2023 Median	2023 Median				
LPN	0.30		\$26.27		\$7.78	
CNA	1.00		\$14.51		\$14.49	
PCA	0.70		\$13.36		\$9.39	
Universal Worker	0.09		\$13.36		\$1.16	
Contract LPN	0.03		\$45.17		\$1.16	
Contract CNA	0.02		\$24.38		\$0.50	
Contract PCA	0.20		\$30.29		\$6.03	
Contract Universal Worker	0.01		\$55.37		\$0.34	
Direct Care Wages Subtotal	2.34		\$17.49		\$40.84	
Direct Care Benefits Cost			18.08%		\$5.93	
Direct Care Wages and Benefits Subtotal					\$46.77	
Inflation (from/thru)	CPI	Dec-22	Dec-24	5.67%	\$2.65	
Direct Care Staffing Subtotal	2.34			\$21.16	\$49.43	
Indirect Care						
	Median Cost		Inflation %			
Allowable Indirect Staffing and Non-Labor Related Expenses	\$15.35		5.67%		\$16.22	
The Indirect Care rate component includes \$7.29 for meal planning/prep wages.						
Administrative & General						
	Median Cost		Inflation %			
Allowable A&G Costs	\$17.53		5.67%		\$18.52	
Rent and Utilities						
	Median Cost		Inflation %			
Allowable Rent and Utilities Costs	Include	\$1.68	5.67%		\$1.77	
Total Rate						
Total Rate (DC+Indirect+Allowable A&G+Allowable RUF)					\$85.94	



Table 26: Rate Scenario 4 – CPI-Based Inflation with RUF Excluded

AR AL Rate Study - Rate Calculation						
Direct Care Staffing						
Position	Hrs/Day		Hrly Rt		Tot/Day	
	2023 Median		2023 Median			
LPN	0.30		\$26.27		\$7.78	
CNA	1.00		\$14.51		\$14.49	
PCA	0.70		\$13.36		\$9.39	
Universal Worker	0.09		\$13.36		\$1.16	
Contract LPN	0.03		\$45.17		\$1.16	
Contract CNA	0.02		\$24.38		\$0.50	
Contract PCA	0.20		\$30.29		\$6.03	
Contract Universal Worker	0.01		\$55.37		\$0.34	
Direct Care Wages Subtotal	2.34		\$17.49		\$40.84	
Direct Care Benefits Cost			18.08%		\$5.93	
Direct Care Wages and Benefits Subtotal					\$46.77	
Inflation (from/thru)	CPI	Dec-22	Dec-24	5.67%	\$2.65	
Direct Care Staffing Subtotal	2.34		\$21.16		\$49.43	
Indirect Care		Median Cost		Inflation %		
Allowable Indirect Staffing and Non-Labor Related Expenses		\$15.35		5.67%		
The Indirect Care rate component includes \$7.29 for meal planning/prep wages.						
Administrative & General		Median Cost		Inflation %		
Allowable A&G Costs		\$17.53		5.67%		
Rent and Utilities		Median Cost		Inflation %		
Allowable Rent and Utilities Costs		Exclude	\$0.00	5.67%		
Total Rate						
Total Rate (DC+Indirect+Allowable A&G)					\$84.17	



## Appendix A: Cost Survey

STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
Cost Report**

**Title Page**

For the Period Beginning (choose your most currently ended fiscal period)

and Ending (choose your most currently ended fiscal period)

Name of Facility

Address

City, State, Zip

County

Medicaid Provider Number

-OR-

National Provider Identifier (NPI)

-OR-

Other Provider Number

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver Services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.





STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
Cost Report**

**Instructions for Filing**

*Provider Name -*

1. Completion of the electronic form, "Living Choices Assisted Living Waiver Cost Report Form," is the required method of filing.
2. The Cost Report Form is set up as an Excel workbook. There are 8 worksheets within the workbook as seen by the corresponding tabs along the bottom of your screen. To access each worksheet, click on the appropriate tab with your mouse. Following is a high level description of each worksheet:
  - Title Page - For provider name, address, fiscal year reported on, and provider numbers
  - Instructions - Directions on how to work in the file, webinar training information, and filing submission directions
  - Schedule 1 - General information and questions about your facility
  - Schedule 2 - Data sources and gathering information
  - Schedule 3 - Schedule of expenses and staff hours
  - Schedule 4 - Direct Care Worker Hourly Pay Rate and Staffing Information
  - Schedule 5 - Census and other statistical information
  - Schedule 6 - Certification statement
  - Schedule 7 - Owner and Related Party Information
3. Every schedule except for the Instructions page requires that some information be keyed. All cells available for input are designated with a yellow background.
4. If your business operates in multiple facilities, you must submit a separate Cost Report for each.
5. After all schedules have been completed, the file should be transferred electronically to the State. This Cost Report is set up to exclude protected health information and protected employee wage information. **Do not include employee names** on Schedule 4, Hourly Wage Average. This will eliminate the need to submit the file through our Secure File Transfer Portal (SFTP) site.

The deadline to submit the cost report is September 11, 2023. You must e-mail the completed Cost Report and supporting documents to the State at [DHS.DMS.ProviderReimb@DHS.Arkansas.gov](mailto:DHS.DMS.ProviderReimb@DHS.Arkansas.gov). Once received, a confirmation e-mail will be sent. If you do not receive a confirmation e-mail within 48 hours of submission, please contact the State at [501.682.1857](tel:501.682.1857).
6. Once your completed Cost Report and other required documents are received, the State may contact you in order to address any questions related to this information.



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
Cost Report**

**Schedule 1 - General Information and Questions**

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Facility Waiver services ONLY, or *similar services in the case of a facility that does not participate in the waiver.*

If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

1. Please identify the administrator of the facility (name) as of the date of the end of the fiscal year used to complete Schedule 3 of this Cost Report:

2. Please identify the nature of your facility.

Select "Yes"  
or "No" for  
Each

Owner is also the administrator

Multiple buildings on one campus with shared overhead expense

Expenses are recorded on a accrual basis (this is a requirement)




### Schedule 1 - General Information and Questions

*Provider Name -*

This Cost Report is for the reporting of expenses related to **Living Choices Assisted Living Facility Waiver services ONLY**, or **similar services in the case of a facility that does not participate in the waiver**.

If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

3. Please identify any services other than Living Choices Assisted Living Waiver services your business operates. This is unique to each provider. Any non-waiver operations should be identified below.  
(i.e., Nursing Facility, Residential Care Services, Home Health Agency, Transportation, Private Duty Nursing, Hospice, etc.):

- a)
- b)
- c)
- d)

4. Non-Waiver Costs Excluded from Cost Report

As is noted above and throughout this Cost Report, if your facility operates any business or services that incurs costs not related to caring for assisted living waiver residents (or not related to providing similar services for a Level II ALF that does not participate in the waiver), all costs associated with the non-waiver services must be excluded from this Cost Report.

- a) Do your facility's books and records include any costs for services other than waiver (or similar private pay) services? If yes, you must exclude all costs associated with these non-waiver services from this Cost Report. Were these costs excluded?

Yes/No

- b) If yes, using the yellow box below, please describe the method you used to carve out the non-waiver costs for this Cost Report.



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
Cost Report**

**Schedule 2 - Data Sources and Gathering Expenses**

*Provider Name -*

This Cost Report is for the reporting of expenses related to operating Level II Assisted Living Facilities eligible to participate in the Living Choices Assisted Living Facility Waiver program ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

You will need to gather your waiver expenses from your most recently ended twelve (12) month fiscal period. This data will be used for reporting the expenses on Schedule 3 and should only include expenses related to providing waiver (or similar private pay) services.

**1. Items to be submitted with the Cost Report:**

- a) Compilation Report by the preparer of the Cost Report.
- b) Trial Balance
- c) Balance Sheet
- d) Copy of any management report, audit report, or written opinion issued by a certified public accountant, accounting or audit firm, or internal auditor or compliance officer concerning the facility's accounting or financial reporting practices, internal auditing practices, or the preparation or contents of the current or any prior cost report if available.
- e) If Home Office Cost is reported on Schedule 3, submit a detail schedule of cost.
- f) Other documents as requested by the Agency if applicable.

**2. Schedule 3 - General Layout**

This schedule is divided into five categories as follows. Each category includes language at the top in *italics* defining the type of expenses that go into each category. Each section includes groupings for wages, employee benefits, and other expenses.

Section I: Direct Hands on Resident Care

Section II: Indirect - Care Related Expenses

Section III: Administrative & General (A&G) Expenses

Section IV: Rent, Utilities, and Food (RUF)

Section V: Square Footage Statistics



## **Schedule 2 - Data Sources and Gathering Expenses**

*Provider Name -*

This Cost Report is for the reporting of expenses related to operating Level II Assisted Living Facilities eligible to participate in the Living Choices Assisted Living Facility Waiver program ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

### **3. Schedule 3 - Shared Overhead Allocations**

If you have multiple buildings that you will be filing separate Cost Reports for, and if you have any shared overhead costs, such as administrative, you will want to allocate the shared expenses between the separate Cost Reports for each building. Therefore, you will need to determine an allocation methodology to split the shared costs. Some ideas are as follows:

- a) Apportion based on the census at each building
- b) Apportion based on licensed beds at each building
- c) Apportion based on a time study of the administrative time spent on each building.
- d) Enter the method you used here.

### **4. Schedule 3 - Section V - Square Footage Statistics**

Square footage statistics will be used to apportion certain expenses between allowable and non-allowable costs.

5. Medicare and Medicaid Reimbursement principles do not allow various expenses to be reimbursed. Providing waiver services for Medicaid clients also requires following Medicare Reimbursement principles, as a portion of the funds paid by the State are matched with federal funds. Below is a brief listing of expenses that are generally excluded from reimbursable cost. Do not report the expenses on Schedule 3. If the State identifies these expenses during review, the amounts may be removed from Schedule 3 for statewide reporting purposes. This list is not all inclusive, but provides a list of expenses commonly seen on provider records. A listing of these expenses can be found in the Medicare Provider Reimbursement Manual (PRM) Publication 15, Part 1.

Section of PRM 15-1	Description
304	Bad Debt Excluded from Allowable Cost
2105.7	Costs of Gifts or Donations
2105.9	Costs of Employees' Personal Use of Motor Vehicles
2105.10	Costs of Fines or Penalties
2122.2	Non-Allowable Taxes Including Federal Income Tax, State Income Tax
2136.2	Unallowable Advertising Expense Related to Fund-Raising, Promotional Advertising, and Publicity (Costs Related to Yellow-Book Advertising is Allowable)

6. **Schedule 4** will be completed with hourly wage rate and staffing information for the direct hands-on caregivers only. This schedule will use data from your payroll records related to pay periods ending in the ranges listed below:

Schedule 4 - Pay periods ending July 1, 2022 - June 30, 2023

We do not want wage information for specific employees on Schedule 4, just totals by position.



## APPENDIX A: COST SURVEY

STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

Living Choices  
Assisted Living Waiver  
Cost Report

Schedule 3 - Schedule of Expenses

Provider Name -

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
--------------------	-----------------------------	---------------------------	---------------------------------	--

### I. Direct Hands-On Resident Care

Direct care is defined as services related to directly assisting residents. Examples include assisting residents with meal prep in their room, eating, toileting, mobility, transferring, personal hygiene, bathing, dressing, shopping, laundry, housework, night needs, medications, and supervision.

#### A1. Wages - Direct Hands-On Caregivers (wages, bonuses, commissions, overtime)

1	Licensed Practical Nurse (LPN)	Wages for LPNs providing nursing and/or direct care services, that may also administer medication as provided by Arkansas law or applicable regulation. Exclude training time and leave time (vacation, sick, etc) as these will be reported elsewhere.	-	-
2	Certified Nurse Assistants (CNA)	Wages for CNAs providing direct care services to residents. This may include services as permitted in Part II, Unit VII of the Rules and Regulation governing Long Term Care Facility Nursing Assistance Training Curriculum. Exclude training time and leave time.		
3	Personal Care Aide (PCA)	Wages for PCAs providing direct care services. Exclude training time and leave time.		
4	Universal Worker	Wages for staff that perform multiple functions such as direct hands-on care, A&G, and other services. Please split their time and record only direct hands-on resident care on this line. Their expense should be split and separated with no duplication of cost within this Cost Report. Exclude training time and leave time.		
5	Total Direct Caregiver Staff Wages		-	-





## APPENDIX A: COST SURVEY

### Schedule 3 - Schedule of Expenses

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
--------------------	-----------------------------	---------------------------	---------------------------------	--

#### A2. Contracted Staff - Direct Hands-On Caregivers

6	Licensed Practical Nurse (LPN, contracted, not wages)	Contracted expenses for LPNs providing nursing and/or direct care services, that may also administer medication as provided by Arkansas law or applicable regulation.	-	-
7	Certified Nurse Assistants (CNA, contracted, not wages)	Contracted expenses for CNAs providing direct care services to residents. This may include services as permitted in Part II, Unit VII of the Rules and Regulation governing Long Term Care Facility Nursing Assistance Training Curriculum.	-	-
8	Personal Care Aide (PCA, contracted, not wages)	Contracted expenses for PCAs providing direct care services.	-	-
9	Universal Worker (contracted, not wages)	Contracted expenses for staff that perform multiple functions such as direct hands-on care, A&G, and other indirect services. Please split their time and record only direct hands-on resident care on this line. Their expense should be split and separated with no duplication of cost within this Cost Report.	-	-
10	Total Direct Caregiver Contracted Staff		-	-



## APPENDIX A: COST SURVEY

### Schedule 3 - Schedule of Expenses

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
--------------------	-----------------------------	---------------------------	---------------------------------	--

#### B. Employee Benefits Related to Direct Care Wages Above

The benefits reported in this section should relate only to the wages reported in Section A1 above. Do not include any benefits for any other employees in this section.

11	Vacation / Sick / Holiday / Personal Leave Pay		
12	Payroll Taxes	<i>Includes Social Security, Medicare, Federal and State Unemployment.</i>	
13	Workers' Compensation		
14	Health Insurance	<i>Includes Health, Life, Dental, Vision and Short-Term and Long-Term Disability.</i>	
15	Retirement / 401k		
16	Employee Benefits	<i>Includes College Tuition Reimbursement.</i>	
17	Other (define)		
18	Total Employee Related Benefits		-

19	Total Section I - Direct Wages, Contracted Staff, and Employee Benefits	(Lines 5 + 10 + 18)	-	-
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**Schedule 3 - Schedule of Expenses**

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
--------------------	-----------------------------	---------------------------	---------------------------------	--

**II. Indirect Care Related Expenses**

*Indirect care related expenses are those expenses associated with caring for residents that do not involve direct hands-on care. Examples include nursing supervision, staff training, resident activities, transportation, certified dietary services, and meal planning.*

**C. Indirect Care Related Wages (wages, bonuses, commissions, overtime, etc.)**

20	Registered Nurse (RN, employed or contracted)	Wages and/or contracted expenses for RNs responsible for reviewing and overseeing all LPN, CNAs, and PCA personnel.		
21	Staff Training	Wages for individuals while participating in required orientation and annual training as outlined in Rules for Assisted Living Facilities II Section 504.4.		
22	Transportation	Wages and or contracted expenses for individuals that provide transportation services.		
23	Certified Dietary Manager Services	Wages and/or contracted expenses for individuals that provide certified dietary manager services as outlined in Rules for Assisted Living Facilities II Section 700.3.23.		



**Schedule 3 - Schedule of Expenses**

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
24	Meal Planning and Food Prep Staff	<i>Wages and/or contracted expenses for individuals that plan or prepare food for congregate meals.</i>		
25	Activities Staff	<i>Wages and/or contracted expenses for individuals that plan, coordinate, and conduct resident activities.</i>		
26	Universal Worker	<i>Wages and/or contracted expenses for staff that perform multiple functions such as direct hands-on care, A&amp;G, and other indirect services. Please split their time and record only their indirect PRE time here. Their expense should be split and separated with no duplication of cost within this Cost Report.</i>		
27	Other Wages (type description)			
28	Other Wages (type description)			
29	Total Indirect Care Related Wages		-	-



## APPENDIX A: COST SURVEY

### Schedule 3 - Schedule of Expenses

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services **ONLY**. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
--------------------	-----------------------------	---------------------------	---------------------------------	--

#### **D. Employee Benefits Related to Indirect Care Related Wages Above**

*The benefits reported in this section should relate only to the wages noted in Section C above. Do not include any benefits for any other employees in this section.*

30	Vacation / Sick / Holiday / Personal Leave Pay		
31	Payroll Taxes	<i>Includes Social Security, Medicare, Federal and State Unemployment.</i>	
32	Workers' Compensation		
33	Health Insurance	<i>Includes Health, Life, Dental, Vision and Short-Term and Long-Term Disability.</i>	
34	Retirement / 401k		
35	Employee Benefits	<i>Includes College Tuition Reimbursement.</i>	
36	Other (define)		
36	Total Employee Related Benefits		-



## APPENDIX A: COST SURVEY

### Schedule 3 - Schedule of Expenses

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services **ONLY**. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
--------------------	-----------------------------	---------------------------	---------------------------------	--

#### E. Non-Labor Indirect Care Related Expenses

Expenses in this section are the non-labor costs of indirect care related services. They may include company vehicles, mileage, equipment, alarm service, fire suppression service, background checks, non-labor training costs, and medical supplies.

37	Transportation Vehicle Expense	Expenses for assisting/transporting residents to/from services as well as to community-based services (include gas/maintenance/insurance). Exclude personal use.		
38	Non-Capitalized Equipment	Expenses for non-capitalized equipment utilized to provide program services.		
39	Activity Supplies/Expense	Expenses for activity supplies or other non-labor activity costs.		
40	Alarm, Fire Suppression Service, & Life Safety	Including First Aid, CPR, Medication Assistance, DS Certifications, required new hire orientation, annual training, resources, materials, and subscriptions.		
41	Employee Background Checks	Expenses related to performing background checks on employees.		
42	Non-Labor Training Costs	Expenses for materials and other non-wage related costs of providing program related training.		
43	Medical Supplies	Expenses for supplies to conduct periodic nursing evaluations, limited nursing services, and assistance with medication.		
44	Other (type description)			
45	Other (type description)			
46	Other (type description)			
47	Total Indirect Non Wage Expenses		-	

48	Total Section II - Other PRE Expenses	(Lines 29 + 36 + 47)	-	-
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49	Grand Total Sections I + II Direct and Other PRE Lines	(Lines 19 + 48)	-	-
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### III. Administrative & General Expenses (A&G)



## APPENDIX A: COST SURVEY

### Schedule 3 - Schedule of Expenses

Provider Name -

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
--------------------	-----------------------------	---------------------------	---------------------------------	--

A&G expenses are defined as those wages and other costs associated administrative activities and general operations. These include wages for the administrator, clerical staff, human resources staff, and others, as well as corporate overhead if applicable, management fees, and accounting costs. Only A&G expenses related to the waiver costs included in this Cost Report should be reported. Any A&G costs associated with operating other businesses or services must be excluded.

#### F. A&G Wages (include all wages, bonuses, overtime, commissions, etc.)

50	Administrator Wages	Wages for the individual responsible for daily operation of facility. The administrator may be shared with other assisted living facilities or other types of long-term care facilities as permitted pursuant to Rules for Assisted Living Facilities II Section 504.2.1.4 and costs should be allocated accordingly.		
51	Second Administrator	Wages for the individual acting as a second administrator. The requirement for a part-time and full-time second administrator are outlined in Rules for Assisted Living Facilities II Section 504.2.1.4.		
52	Office and Clerical Wages			
53	Human Resources Wages			
54	Receptionist Wages			
55	Housekeeping Wages	Record expense related to facility-wide efforts. Do not include the costs of time spent assisting individual residents.		
56	Laundry Wages	Record expense related to facility-wide efforts. Do not include the costs of time spent assisting individual residents.		
57	Floor Tech Wages	Record expense related to facility-wide efforts. Do not include the costs of time spent assisting individual residents.		



**Schedule 3 - Schedule of Expenses**

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
58	Universal Worker	<i>For those providers where your staff perform multiple functions such as direct hands-on care, A&amp;G, and other indirect services. Please split their time and record only their A&amp;G time here. Their expense should be split and separated with no duplication of cost within this Cost Report.</i>		
59	Other A&G Wages (type description)			
60	Other A&G Wages (type description)			
61	Other A&G Wages (type description)			
62	Other A&G Wages (type description)			
63	Total A&G Wages		-	-



## APPENDIX A: COST SURVEY

### Schedule 3 - Schedule of Expenses

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services **ONLY**. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
--------------------	-----------------------------	---------------------------	---------------------------------	--

#### **G. Employee Benefits Related to A&G Wages Above**

*The benefits reported in this section should relate only to the wages noted in Section G above. Do not include any benefits for any other employees in this section.*

64	Vacation / Sick / Holiday / Personal Leave Pay		
65	Payroll Taxes	<i>Includes Social Security, Medicare, Federal and State Unemployment.</i>	
66	Workers' Compensation		
67	Health Insurance	<i>Includes Health, Life, Dental, Vision and Short-Term and Long-Term Disability.</i>	
68	Retirement / 401k		
69	Employee Benefits	<i>Includes College Tuition Reimbursement.</i>	
70	Other (define)		
71	Total A&G Employee Related Benefits		-



## APPENDIX A: COST SURVEY

### Schedule 3 - Schedule of Expenses

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services **ONLY**. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
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#### H. A&G Non-Wage Expenses

72	Accounts Collection			
73	Accounting			
74	Auto, Travel and Mileage Expense	<i>Transportation costs not related to allowable program expenses.</i>		
75	Bank and Finance Charges			
76	Dues, Licenses & Subscriptions			
77	Employee Recruitment			
78	Equipment Expense			
79	Home Office Costs	<i>Allocation of actual costs, not the "management fee" the home office charges.</i>		
80	Housekeeping Expense	<i>Record expense related to facility-wide efforts.</i>		
81	Interest, Working Capital			
82	Kitchen and Cleaning Supplies	<i>Record expense related to facility-wide efforts.</i>		
83	Liability Insurance	<i>Do not include property insurance.</i>		
84	Legal and Other			





## APPENDIX A: COST SURVEY

### Schedule 3 - Schedule of Expenses

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
85	Office Supplies			
86	Postage			
87	Telephone and Communications			
88	Training	<i>Expense for non-program related training.</i>		
89	Other A&G (type description)			
90	Other A&G (type description)			
91	Other A&G (type description)			
92	Other A&G (type description)			
93	Other A&G (type description)			
94	Other A&G (type description)			
95	Other A&G (type description)			
96	Total A&G Non-Wage Expense		-	
97	Total Section III - A&G Expense	(Lines 63 + 71 + 96)	-	-
98	Grand Total All Expense (excluding RUF)	(Lines 49 + 97)	-	-



## APPENDIX A: COST SURVEY

### Schedule 3 - Schedule of Expenses

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
--------------------	-----------------------------	---------------------------	---------------------------------	--

#### IV. Rent, Utilities, and Food (RUF)

##### I. RUF Expenses

*These will not be included in costs for the purposes of the Cost Report because they are reimbursed separately. They are being collected for informational purposes only.*

99	Building Lease	<i>Lease expenses paid for the use of the assisted living facility.</i>		
100	Mortgage and Interest Expense	<i>Mortgage and interest expense paid for the assisted living facility.</i>		
101	Fixed Depreciation			
102	Major Moveable Equipment Depreciation			
103	Utilities			
104	Property Insurance			
105	Property Taxes			
106	Grounds Maintenance	<i>Lawn mowing, snow removal, etc.</i>		
107	Repairs and Maintenance			
108	Food			
109	Total RUF Expenses		-	-
110	Grand Total All Expense (including RUF)	(Lines 98 + 109)	-	-



## APPENDIX A: COST SURVEY

### Schedule 3 - Schedule of Expenses

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Line (Col A)	Expense Title (Column B)	Description (Column C)	Annual Expense (Column D)	Staff Hours (Wage Rows Only) (Column E)
--------------------	-----------------------------	---------------------------	---------------------------------	--

### V. Square Footage Statistics

*Square footage statistics will be used to apportion certain expenses between allowable and non-allowable costs.*

#### J. Report Square Footage

Line	Area Description	Additional Clarification if Needed	Square Footage
111	Administrative Overhead Space	<i>Sum of square footage for employee offices, nurse stations, break rooms.</i>	
112	Space Reserved for Activities	<i>Sum of square footage for areas reserved for providing resident activities. Do not include general common areas used for multiple purposes.</i>	
113	Dining Room Space	<i>Sum of square footage for dining room(s).</i>	
114	Enter the Total Square Footage of the Entire Building		



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
Cost Report**

**Schedule 4 - Direct Care Worker Hourly Pay Rate and Staffing Information**

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

*The purpose of this section is to collect average hourly wage rates and staffing information for the staffing categories that provide direct care to your residents for current payroll periods ending in June 2022.*

1. This section should only include wages for staff who provide direct care to waiver residents.
2. Do not include any wages related to non-direct care staffing.
4. This data should be obtained from your payroll journals for the pay periods that ended 07/1/22 - 06/30/23.
5. Do not include any employee name information on this form as that is considered Protected Identifiable Information under HIPAA laws.
6. If you cannot break wages out into the various descriptions (regular pay, overtime, incentives), please use the regular pay columns (columns B and C) for total wages and hours.  
For direct care employees that are not LPNs, CNAs, or PCAs, please use the universal worker line.



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

Living Choices  
Assisted Living Waiver  
Cost Report

**Schedule 4 - Direct Care Worker Hourly Pay Rate and Staffing Information**

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7. To complete schedule 4, perform the following:

- a) Column A is pre-populated with the direct hands-on caregiver job titles from Schedule 3, Section A1.
- b) Type in the total regular wages paid for that position in column B of Schedule 4 for the pay periods ending 07/1/22 - 06/30/23.
- c) Type in the total regular hours worked for that position in column C of Schedule 4 for the pay periods ending 07/1/22 - 06/30/23.
- d) Column D is formula driven to calculate the average hourly rate for each position. Review to confirm the calculations appear accurate. Check inputs to columns B and C if anything looks off.
- e) Type in the total overtime wages paid for that position column E of Schedule 4 for the pay periods ending 07/1/22 - 06/30/23.
- f) Type in the total overtime hours worked for that position in column F of Schedule 4 for the pay periods ending 07/1/22 - 06/30/23.
- g) Column G is formula driven to calculate the average overtime hourly rate for each position. Review to confirm the calculations appear accurate. Check inputs to columns E and F if anything looks off.
- h) Type in the total incentive payments for each position in column H of Schedule 4 for the pay periods ending 07/1/22 - 06/30/23.
- i) Column I is formula driven to pull the total hours for regular and overtime combined. Review to confirm the calculations appear accurate. Check inputs to columns C and F if anything looks off.
- j) Column J is formula driven to calculate the average hourly rate for incentive payments. Review to confirm the calculations appear accurate. Check inputs to columns C, F and H if anything looks off.
- k) Column K is formula driven to calculate the weighted average hourly rate for all payments by position. Review to confirm the calculations appear accurate. Check inputs to columns B, C, E, F and H if anything looks off.
- l) Type in the total days of service provided in column L of Schedule 4 (for the pay periods included). The days only need to be entered in the first cell.
- m) Column M is formula driven to calculate the total hours of care provided by each job position. Review to confirm the calculations appear accurate. Check inputs to columns C and F if anything looks off.
- n) Column N is formula driven to calculate the hours of care provided per resident day by each job position. Review to confirm the calculations appear accurate. Check inputs to columns C, F and L if anything looks off.



## APPENDIX A: COST SURVEY

### Arkansas Living Choices Waiver Rate Study Report

STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

#### Living Choices Assisted Living Waiver Cost Report

##### Schedule 4 - Direct Care Worker Hourly Pay Rate and Staffing Information

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Waiver (or similar private pay) services **ONLY**. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

Schedule 4 Wage and Staffing Data		Regular Pay (Hourly Wages, No Benefits or Taxes)		Overtime Pay (Hourly Wages, No Benefits or Taxes)			Incentive Pay (Bonuses, Shift Differentials, etc.)			Combined Weighted Average Rate	Staffing Ratios (Hours/Resident Day)		
Job Description From Schedule 3, Section A1 (A)	Total Regular Wages Paid from 07/1/22 - 06/30/23 (B)	Total Regular Hours Worked from 07/1/22 - 06/30/23 (C)	Average Hourly Rate (D)	Total Overtime Wages Paid from 07/1/22 - 06/30/23 (E)	Total Overtime Hours Worked from 07/1/22 - 06/30/23 (F)	Overtime Average Hourly Rate (G)	Total Incentives Paid from 07/1/22 - 06/30/23 (H)	Total Hours Worked from 07/1/22 - 06/30/23 (I)	Incentives Average Hourly Rate (J)	Calculated Weighted Average Hourly Rate (K)	Total Days of Service Provided 07/1/22 - 06/30/23 (L)	Total Hours Worked from 07/1/22 - 06/30/23 (M)	Staffing Ratio Hours/Day (N)
Licensed Practical Nurse (LPN)			\$ -			\$ -			\$ -	\$ -			0.00
Certified Nurse Assistants (CNA)			\$ -			\$ -		133	\$ -	\$ -	365	8,977	24.59
Personal Care Aide (PCA)			\$ -			\$ -		193	\$ -	\$ -	365	9,927	27.20
Universal Worker			\$ -			\$ -		4	\$ -	\$ -	365	2,827	7.75
Combined Total	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	330	\$ -	\$ -	365	21,731	59.54



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
Cost Report**

**Schedule 5 - Licensed Beds and Patient Days  
Census and Statistical Information**

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Facility Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

1. Reporting Period:

Beginning Date - (Copies from Title Page)

Ending Date - (Copies from Title Page)

Total Days


2. Provider Number (Copies from Title Page)

0
---

3. Licensed Beds for Reporting Period:

--

4. Available Bed Days

-
---



**Schedule 5 - Licensed Beds and Patient Days  
Census and Statistical Information**

*Provider Name -*

This Cost Report is for the reporting of expenses related to Living Choices Assisted Living Facility Waiver (or similar private pay) services ONLY. If your company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report. If they are not, the Cost Report may not be included in the statewide results.

5. Resident Days Provided in Reporting Period:

Medicaid	
Private	
Other	
Total	0

6. Utilization by Payer Source (% of Days)

Medicaid	0.0%
Private	0.0%
Other	0.0%
Total	0.0%

7. Occupancy (% of Available Licensed Days)

0.0%
------

8. What was your average private pay rate  
(including all rate add-ons) during the period?

--





STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
Cost Report**

**Schedule 6 - Certification Statement**

*Provider Name -*

**CERTIFICATION BY OFFICER OF ADMINISTRATOR OF PROVIDER(S)**

I certify that the information reflected herein is true and accurate to the best of my ability, supported by our financial and other records, and in compliance with Ark. Code Ann. § 20-10-2401 et seq. (Act 198 of 2023). I understand that this information will be used to identify expenses related to providing Living Choices Assisted Living Waiver (or similar private pay) Services. I understand that this Cost Report is for the reporting of expenses related to waiver (or similar private pay) services ONLY. If my company operates other businesses, those expenses for the other company operations must be excluded from this Cost Report.

Facility

For the Period Beginning

and Ending

Signature

Print Name

Title

Contact Phone Number

Contact E-Mail Address

Date

Cost Report Prepared By

Address of Preparer

Telephone Number of Preparer



STATE OF ARKANSAS  
DEPARTMENT OF HUMAN SERVICES

**Living Choices  
Assisted Living Waiver  
Cost Report**

**Schedule 7 - Owner and Related Party Information**

Are any costs included in the allowable costs on Schedule 3 which are a result of transactions with a related party? A related organization (includes individuals, partnerships, corporations, etc.) is one where the provider is associated or affiliated with, has common ownership, control, or common board members, or has control of or is controlled by the organization furnishing the services, facilities, or supplies.

Yes/No

If Yes:

Schedule 3 Section & Line Number	Name of Related Organization	Transaction Amount	Cost to Related Organization	Amount in Excess of Cost

Name of Owner	Name of Related Organization	Percent of Ownership