

**H.5(a)**

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

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September 12, 2024

Hon. Terry Rice, Arkansas Legislative Council Co-Chair
Hon. Jeff Wardlaw, Arkansas Legislative Council Co-Chair
1 Capitol Mall, Fifth Floor
Little Rock, Arkansas 72201

Dear Senator Rice and Representative Wardlaw:

As directed by Section 15 of Act 213 of 2022, I am reporting to Arkansas Legislative Council (ALC) the status of our efforts to increase reimbursement rates under the Living Choices Assisted Living Waiver. DHS has completed the work necessary to implement Act 198 of 2023, which authorized DHS to establish cost reporting for Medicaid-funded assisted living facilities.

As previously reported to this committee, Meyers and Stauffer completed the cost report on January 16, 2024, and DHS shared this information with providers. The rate study report was presented to the ALC Hospital and Medicaid Study Subcommittee on February 7. The cost report analysis was posted for public comment with the period ending on February 16. DHS compiled the comments and posted responses as of March 4, 2024. Responses can still be found at <https://humanservices.arkansas.gov/rules/ar-living-choices-al-waiver/>.

In January 2024, DHS received formal CMS approval to make the temporary Appendix K rates of \$81.59 for urban facilities and \$85.67 for rural facilities permanent for the curation of the current Living Choices waiver, with an effective date of March 1, 2024. DHS then petitioned CMS for approval to implement a new rate of \$86.73, which represented the highest resulting rate from the rate study report. In addition, DHS continues to engage providers to discuss programmatic and policy change requests submitted during public comment. On July 3, 2024, DHS received formal approval of the Living Choices waiver amendment from CMS, approving the proposed rate to begin on July 1, 2024. DHS presented the proposed rate increase to Public Health on August 14 with full ALC approval received on August 23rd. Assisted living facilities will be reimbursed at the new rate retroactive to July 1, 2024. The new rate was implemented effective September 1st for all new claims submissions. All claims submitted between July 1 and August 31 will be reprocessed and an adjustment to those payments will be made to facilities in the coming weeks.

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

Very Respectfully,

Kristi Putnam
Secretary, Arkansas Department of Human Services

Notification Received	Status/Update	Date of expected sell or closure	PROVIDER NAME	TYPE	Medicaid :	TRANSACTI Beds: ON TYPE	PHYSICAL ADDRESS	COUNTY
4/3/2024	08/09/24 Closed	Closed	INDIAN ROCK VILLAGE LLC DBA VILLAGE GARDENS	ASSISTED LIVING FACILITY I	No	CHOW	266 DAVE CREEK PARKWAY FAIRFIELD BAY AR 72088	Van Buren
5/30/2024	08/30/2024 Closed	Closing	THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY DBA GOOD SAMARITAN SOCIETY	Assisted Living Facility II	Yes	57 CHOW	200 GOOD SAMARITAN DR MOUNTAIN HOME AR 72653-9309	Baxter
5/30/2024	08/30/2024 Closed	Closing	THE EVANGELICA LUTHERAN GOOD SAMARITAN SOCIETY DBA GOOD SAMARITAN SOCIETY HOT SPRINGS VILLAGE	Assisted Living Facility I	No	30 CHOW	121 CORTEZ ROAD HOT SPRINGS VILLAGE AR 71909-6101	Garland
5/30/2024	8/15/2024 License Issued	Issued	Mountain Home AL OPCO LLC	Assisted Living Facility II	No	57 CHOW	200 Good Samaritan Drive, Mountain Home	Garland
6/20/2024	8/19/24 Closed	Closed	Chapters Living of Little Rock	Assisted Living Faciity II	No	74 CHOW	2501 Aldersgate, Little Rock, Arkansas 72205	Pulaski
6/20/2024	License issued 08/06/2024	Issued	IVQ Little Rock OpCo, LP	Assisted Living Faciity II		CHOW	2501 Aldersgate, Little Rock, Arkansas 72205	Pulaski
4/3/2024	08/09/24 License issued	Issued	INDIAN ROCK AL LLC	ASSISTED LIVING FACILITY II	Not yet enrolled	CHOW	265 DAVE CREEK PARKWAY FAIRFIELD BAY AR 72088	Van Buren
4/3/2024	08/09/24 Closed	Closed	INDIAN ROCK VILLAGE LLC DBA VILLAGE GARDENS	ASSISTED LIVING FACILITY II	No	46 CHOW	266 DAVE CREEK PARKWAY FAIRFIELD BAY AR 72088	Van Buren
8/1/2024	08/06/2024 Closed	Closed	PRESBYTERIAN VILLAGE INC	RESIDENTIAL CARE FACILITY	No	40 CLOSURE	510 N BROOKSIDE DR	Pulaski
7/29/2024	08/15/24 License Issued	Issued	Hot Springs AL OPCO LLC	Assisted Living Facility I	No	30 CHOW	121 Cortez Road, Hot Springs Village	Saline
8/22/2024	08/30/24 Coordinateing with survey team for closure	10/1/2024	HEARTS AND HOMES RESIDENTIAL LLC DBA HEARTS AND HOMES	RESIDENTIAL CARE FACILITY	No	8 Closure	154 HAMILTON DAIRY ROAD HOT SPRINGS AR 71909	Garland