

## Living Choice Rate Increase Zoom Public Hearing Transcript 4/24/2024 @ 10:00 a.m. CST

**Mac Golden:** Good morning and welcome to a public hearing on the rule regarding a rate increase for Living Choice Assisted Living waiver program. I will read the notice of rulemaking in a moment, and then we will open the floor for public comments. If you wish to make a public comment, please utilize the raise hand feature via zoom and then you will be recognized to give your comment on the record. All official responses to public comments will appear on the DHS proposed rules website after the public comment period concludes on May 13<sup>th</sup>. I will now read the notice of rulemaking.

**Mac Golden:** The Department of Human Services (DHS) announces for a public comment period of thirty (30) calendar days a notice of rulemaking for the following proposed rule under one or more of the following chapters, subchapters, or sections of the Arkansas Code: §§ 20-76-201, 20-77-107, and 25-10-129.

The Director of the Division of Aging, Adult, and Behavioral Services proposes an amendment to the Arkansas 1915(c) Home and Community-Based Services Living Choices Assisted Living Waiver seeking an increase of the daily rate paid assisted living facility providers. The proposal increases the current daily rates of \$81.59 (urban) and \$85.67 (rural) to \$86.73 for both urban and rural providers, removing the distinction between the facility types. The proposal is a result of the review of cost reports submitted to DHS following the implementation of Act 198 of 2023, and subsequent cost report analysis rate review. The proposed effective date of the rule is July 1, 2024. The projected annual cost of this change is \$1,393,873.00 per year (State \$390,284.00; Federal \$1,003,588.00).

To calculate the rate, DHS contracted Myers & Stauffer to review and issue an analysis of the reports. Myers & 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, and because it 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 benefit costs and inflation. This calculation produced an estimate of the total cost of the direct care labor. Data for contracted positions also was 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 the rate calculation. 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. Also, an inflation factor was applied to adjust historical costs.

The proposed rule is available for review at the Department of Human Services (DHS) Office of Policy and Rules, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437. You may also access and download the proposed rule at [ar.gov/dhs-proposed-rules](https://ar.gov/dhs-proposed-rules). Public comments must be submitted in writing at the above address or at the following email address: [ORP@dhs.arkansas.gov](mailto:ORP@dhs.arkansas.gov). All public comments must be received by DHS no later than May 13, 2024. Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available and may be seen by various people.

If you need this material in a different format, such as large print, contact the Office of Policy and Rules at 501-320-6428. The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated, managed, and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color, or national origin.

**Mac Golden:** I will open the floor for public comments. Please let the record reflect we currently have three attendees for this public hearing. During the reading of the notice, we reflected having five attendees. So, it looks like they've dropped off now. If any attendee would like to make a public comment at this time, please utilize the raise hand feature. We will unmute you so you can give your public comment, I'll pause for a moment. It does not appear that any attendee wishes to give a public comment today. We thank you for attending this hearing, and we will now go off the record.