State Contracts Over $50,000 Awarded To Minority Owned Businesses Fiscal Year 2025

None

Department Appropriation Summary

Appropriation		Historical Data 2024-2025 Actual	Pos	2025-2026 Budget	Pos	2025-2026 Authorized	Pos	Agency Request and Recommendations 2026-2027 Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
4KS	Nursing Home Quality	14,215	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
642	Medicaid Expansion-Medical Srvs	7,739	0	0	0	87,250	1	87,250	1	87,250	1	87,250	1
648	Medicaid Exp-Prescription Drugs	4,622,181	0	2,400,000	0	5,142,643	0	5,142,643	0	5,142,643	0	5,142,643	0
648	Medicaid Exp-Hospital & Medical Services	70,546,311	0	41,297,931	0	140,426,470	0	140,426,470	0	140,426,470	0	140,426,470	0
876	Nursing Home Closure Costs	0	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0	4,500,000	0
878	Long Term Care Facility Receivership	0	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
896	Division of Medical Services	10,617,923	84	11,515,108	85	12,757,940	91	12,767,797	91	12,911,355	92	12,767,797	91
897	Prescription Drugs	527,779,916	0	583,037,443	0	625,636,547	0	625,636,547	0	625,636,547	0	625,636,547	0
897	Private Nursing Home Care	1,023,853,433	0	1,017,532,487	0	1,048,963,434	0	1,048,963,434	0	1,048,963,434	0	1,048,963,434	0
897	Hospital & Medical Services	7,362,788,812	0	7,740,418,644	0	8,336,005,717	0	8,336,005,717	0	8,336,005,717	0	8,336,005,717	0
897	ARKIDS B Program	124,091,755	0	130,500,000	0	167,661,480	0	167,661,480	0	167,661,480	0	167,661,480	0
898	Child & Family Life Inst	0	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0	2,100,000	0
898	Infant Infirmary	13,999	0	100,000	0	327,608	0	327,608	0	327,608	0	327,608	0
898	Public Nursing Home Care	212,861,411	0	210,000,000	0	217,529,350	0	217,529,350	0	217,529,350	0	217,529,350	0
NOT REQUESTED FOR THE BIENNIUM													
AZ5	ARPA - Emergency Aid Relief to Hospitals	8,397,164	0	0	0	0	0	0	0	0	0	0	0
CC4	ARPA - Mental Health and Substance Abuse	9,272,603	0	0	0	0	0	0	0	0	0	0	0
CI7	AR Transforming Maternal Health Model	0	0	1,000,000	0	0	0	0	0	0	0	0	0
Total		9,354,867,462	84	9,748,501,613	85	10,565,238,439	92	10,565,248,296	92	10,565,391,854	93	10,565,248,296	92
Funding Sources			%		%				%		%		%
Fund Balance	4000005	147,157,204	1.6	38,951,963	0.4			39,497,028	0.4	39,497,028	0.4	39,497,028	0.4
General Revenue	4000010	1,388,219,781	14.8	1,403,388,103	14.3			1,390,388,103	15.3	1,390,388,103	15.3	1,390,388,103	15.3
Federal Revenue	4000020	6,860,753,912	73.0	6,981,806,058	71.3			6,636,151,087	72.9	6,636,151,087	72.9	6,636,151,087	72.9
Trust Fund	4000050	14,215	0.0	8,500,000	0.1			8,500,000	0.1	8,500,000	0.1	8,500,000	0.1
Performance Fund	4000055	0	0.0	625,000	0.0			0	0.0	0	0.0	0	0.0
Drug Rebates	4000200	305,439,108	3.3	333,286,000	3.4			303,766,315	3.3	303,766,315	3.3	303,766,315	3.3
Hospital Assessment Fee	4000281	148,509,171	1.6	147,983,741	1.5			101,806,799	1.1	101,806,799	1.1	101,806,799	1.1
ICF/MR Provider Fee	4000282	28,815,781	0.3	22,400,000	0.2			15,154,397	0.2	15,154,397	0.2	15,154,397	0.2
Insurance Premium Tax	4000298	54,643,266	0.6	35,000,000	0.4			32,117,010	0.4	32,117,010	0.4	32,117,010	0.4
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0			0	0.0	0	0.0	0	0.0
Quality Assurance Fee	4000395	112,736,950	1.2	108,000,000	1.1			103,086,109	1.1	103,086,109	1.1	103,086,109	1.1
Reallocation of Resources	4000410	37,204	0.0	0	0.0			0	0.0	0	0.0	0	0.0

Funding Sources			%		%			%		%		%
Tobacco Settlement	4000495	19,848,447	0.2	13,236,103	0.1		18,981,347	0.2	18,981,347	0.2	18,981,347	0.2
Transfer from Medicaid Match	4000550	12,479,198	0.1	32,582	0.0		1,650,036	0.0	1,650,036	0.0	1,650,036	0.0
Transfer to General Education	4000630	(33,078,853)	(0.4)	0	0.0		0	0.0	0	0.0	0	0.0
Various Program Support	4000730	223,042,438	2.4	199,207,438	2.0		374,085,799	4.1	374,085,799	4.1	374,085,799	4.1
PASSE Premium	4000770	52,499,674	0.6	40,000,000	0.4		33,513,966	0.4	33,513,966	0.4	33,513,966	0.4
Soft Drink Tax	4000775	53,000,000	0.6	135,948,928	1.4		43,863,936	0.5	43,863,936	0.5	43,863,936	0.5
Transfer from PY Residual General Revenue	4000785	19,701,929	0.2	319,632,725	3.3		0	0.0	0	0.0	0	0.0
Total Funds		9,393,819,425	100.0	9,787,998,641	100.0		9,102,561,932	100.0	9,102,561,932	100.0	9,102,561,932	100.0
Excess Appropriation/(Funding)		(38,951,963)		(39,497,028)			1,462,686,364		1,462,829,922		1,462,686,364	
Grand Total		9,354,867,462		9,748,501,613			10,565,248,296		10,565,391,854		10,565,248,296	

FY26 Budget amount in FC CI7 - AR Transforming Maternal Health Model exceeds the authorized amount due to a transfer from the Miscellaneous Federal Grant Holding Account.

Analysis of Budget Request

Appropriation: 4KS - Nursing Home Quality

Funding Sources: TLT - Long Term Care Trust Fund

The Nursing Home Quality of Life appropriation provides funding to initiatives that directly address, and improve, the quality of life of residents of nursing facilities. The fund has no State General Revenue; the monies in the fund are civil money penalties imposed by the federal Centers for Medicare and Medicaid Services (CMS) or the Arkansas Department of Human Services' Office of Long Term Care. Uses include:

- Payment of operating costs when nursing facility operators are unwilling or unable to continue to provide care to residents and the Arkansas Department of Human Services must take over operations temporarily.
- Grants to entities that submit proposals that are reviewed and approved by CMS that directly improve the quality of life of residents. Examples are development of new activities programs or memory stimulation programs.
- Eden Alternative or Greenhouse Project approach to nursing facility designs and operations. Both the Eden Alternative and the Greenhouse Project are attempts to create a new model for long-term care facilities that emphasizes a more home style environment over traditional institutional settings. Evidence indicates that residents of facilities operated under either approach perform significantly better than residents of traditional long-term care facilities.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 4KS - Nursing Home Quality
Funding Sources: TLT - Long Term Care Trust Fund

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Grants and Aid	5100004	14,215	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Total		14,215	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Funding Sources							
Trust Fund	4000050	14,215	4,000,000		4,000,000	4,000,000	4,000,000
Total Funding		14,215	4,000,000		4,000,000	4,000,000	4,000,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		14,215	4,000,000		4,000,000	4,000,000	4,000,000

Analysis of Budget Request

Appropriation: 642 - Medicaid Tobacco Settlement Program

Funding Sources: PTA - Medicaid Expansion Program Account

The goal of the Medicaid Expansion program is to create a separate and distinct component of the Arkansas Medicaid Program that improves the health of Arkansans by expanding health care coverage and benefits to specific populations. The Tobacco Settlement Funds are utilized to expand Medicaid coverage to the following eligibility groups:

- Pregnant Women Expansion - Increased the income eligibility limit from 133% to 214% of the Federal poverty level.
- Hospital Benefit Coverage - Increased the number of benefit days from 20 to 24 and decreased the co-pay on the first day of hospitalization from 22% to 10%.
- 65 and Over Expansion (AR Senior) - Increased coverage to the 65 and over population for persons at 80% of the Qualified Medicare Beneficiary (QMB) Level effective January 1, 2003.
- Adults and Children with intellectual and developmental disabilities - Expanded medical assistance, home and community-based services, and employment supports for those who qualify for services in the Community and Employment Support Waiver.

This appropriation is funded by federal and tobacco settlement funds.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 642 - Medicaid Tobacco Settlement Program
Funding Sources: PTA - Medicaid Expansion Program Account

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Regular Salaries	5010000	0	0	55,025	55,025	55,025	55,025
#Positions		**0**	**0**	**1**	**1**	**1**	**1**
Personal Services Matching	5010003	7,715	0	20,741	20,741	20,741	20,741
Operating Expenses	5020002	24	0	9,484	9,484	9,484	9,484
Conference & Travel Expenses	5050009	0	0	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Total		7,739	0	87,250	87,250	87,250	87,250
Funding Sources							
Fund Balance	4000005	5,979	368		368	368	368
Federal Revenue	4000020	1,299	0		37,270	37,270	37,270
Tobacco Settlement	4000495	829	0		37,270	37,270	37,270
Total Funding		8,107	368		74,908	74,908	74,908
Excess Appropriation/(Funding)		(368)	(368)		12,342	12,342	12,342
Grand Total		7,739	0		87,250	87,250	87,250

Analysis of Budget Request

Appropriation: 648 - Medicaid Tobacco Settlement Grants

Funding Sources: PTD - Medicaid Expansion Program Account

Medicaid Expansion Program - Prescription Drugs

The Medicaid Expansion Program - Prescription Drugs provides appropriation for the prescription drugs component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Medicaid Expansion Program - Hospital and Medical Services

The Medicaid Expansion Program - Hospital and Medical Services provides appropriation for the Hospital/Medical component of the Medicaid Expansion Program established by Initiated Act 1 of 2000. This appropriation is funded through tobacco settlement funds and federal revenue provided through the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 648 - Medicaid Tobacco Settlement Grants - Prescription Drugs
Funding Sources: PTD - Medicaid Expansion Program Account

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Medicaid Exp-Prescrip Drugs	5100004	4,622,181	2,400,000	5,142,643	5,142,643	5,142,643	5,142,643
Total		4,622,181	2,400,000	5,142,643	5,142,643	5,142,643	5,142,643
Funding Sources							
Fund Balance	4000005	42,741	237,062		237,062	237,062	237,062
Federal Revenue	4000020	1,872,154	1,673,040		3,714,131	3,714,131	3,714,131
Tobacco Settlement	4000495	2,944,348	726,960		1,385,771	1,385,771	1,385,771
Total Funding		4,859,243	2,637,062		5,336,964	5,336,964	5,336,964
Excess Appropriation/(Funding)		(237,062)	(237,062)		(194,321)	(194,321)	(194,321)
Grand Total		4,622,181	2,400,000		5,142,643	5,142,643	5,142,643

Appropriation Summary

Appropriation: 648 - Medicaid Tobacco Settlement Grants - Hospital/Medical Services
Funding Sources: PTD - Medicaid Expansion Program Account

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Medicaid Exp-Hosp/Med Srvs	5100004	70,546,311	41,297,931	140,426,470	140,426,470	140,426,470	140,426,470
Total		70,546,311	41,297,931	140,426,470	140,426,470	140,426,470	140,426,470
Funding Sources							
Fund Balance	4000005	32,276,988	167,812		167,812	167,812	167,812
Federal Revenue	4000020	21,533,865	28,788,788		43,281,284	43,281,284	43,281,284
Tobacco Settlement	4000495	16,903,270	12,509,143		17,558,306	17,558,306	17,558,306
Total Funding		70,714,123	41,465,743		61,007,402	61,007,402	61,007,402
Excess Appropriation/(Funding)		(167,812)	(167,812)		79,419,068	79,419,068	79,419,068
Grand Total		70,546,311	41,297,931		140,426,470	140,426,470	140,426,470

Analysis of Budget Request

Appropriation: 876 - Nursing Home Closure Costs

Funding Sources: TLT - Long Term Care Trust Fund

Nursing Home Closure Costs appropriation is available in the event the Division of Medical Services finds it necessary to take over the operation of a nursing home in an emergency situation. The purpose of any take-over would be for the protection of the health or property of residents of long-term care facilities, including, but not limited to, the payment for the costs of relocation of residents to other facilities, maintenance and operation of a facility pending correction of deficiencies or closure, and reimbursement of residents for personal funds lost.

Funding for this appropriation is derived from other revenues which are indicated as the Long-Term Care Trust Fund. This fund consists of all moneys and interest received from the imposition of civil penalties levied by the state on long-term care facilities found to be out of compliance with the requirements of federal or state law or regulations.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 876 - Nursing Home Closure Costs
Funding Sources: TLT - Long Term Care Trust Fund

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Expenses	5900046	0	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Total		0	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Funding Sources							
Trust Fund	4000050	0	4,500,000		4,500,000	4,500,000	4,500,000
Total Funding		0	4,500,000		4,500,000	4,500,000	4,500,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		0	4,500,000		4,500,000	4,500,000	4,500,000

Analysis of Budget Request

Appropriation: 878 - Long Term Care Facility Receivership

Funding Sources: DLT - Long Term Care Facility Receivership Fund

As authorized by Ark. Code Ann. § 20-10-901 et seq., the Long Term Care Facility Receivership appropriation is used to pay the expenses of receivers appointed, if a nursing home is placed in receivership. Payment may not be made from this account until a court of law has found that a nursing home has insufficient funds to pay a receiver after all other operating expenses of the facility have been paid.

The funding for this appropriation is from reimbursement at the beginning of a biennium from the general revenue fund account of the state apportionment fund prior to the distribution of revenue stabilization law with a maximum amount of one hundred thousand dollars ($100,000).

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 878 - Long Term Care Facility Receivership
Funding Sources: DLT - Long Term Care Facility Receivership Fund

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Expenses	5900046	0	100,000	100,000	100,000	100,000	100,000
Total		0	100,000	100,000	100,000	100,000	100,000
Funding Sources							
Fund Balance	4000005	100,000	100,000		0	0	0
Total Funding		100,000	100,000		0	0	0
Excess Appropriation/(Funding)		(100,000)	0		100,000	100,000	100,000
Grand Total		0	100,000		100,000	100,000	100,000

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

Act 348 of 1985 authorized the reorganization of the Department of Human Services. As part of this reorganization, the Division of Social Services became the Division of Economic and Medical Services. Act 164 of 1995 eliminated the Division of Economic and Medical Services, creating the Division of Medical Services, while functions at the county level were assigned to the Division of County Operations (formerly the Division of Program Operations). The Division of Medical Services' primary responsibility is management of the Arkansas Medicaid program, which was created by the passage of Title XIX of the Social Security Act of 1965, with Arkansas implementing the program on January 1, 1970.

Medicaid enables states to furnish:

- Medical assistance to those who have insufficient income and resources to meet the costs of necessary medical services.
- Rehabilitation and other services to help these families and individuals become or remain independent and able to care for themselves.

Each state has some sort of Medicaid program to meet the federal mandates and requirements as laid out in Title XIX. Arkansas, however, established a medical care program 26 years before passage of the federal laws requiring health care for the needy: Section 7 of Act 280 of 1939 and Act 416 of 1977 authorized the State of Arkansas to establish and maintain a medical care program for the indigent and vested responsibility for regulating and administering the program in the Arkansas Department of Human Services. This program receives federal grants under Title XIX. Thus Arkansas Medicaid is a joint federal and state program that provides necessary medical services to eligible persons who are not able to pay for such services. Individuals are certified as eligible for Medicaid services through the state's county Human Services Offices or District Social Security Offices. The Social Security Administration automatically sends SSI recipient information to DHS.

The Arkansas Medicaid Program is divided into three (3) forms of services:

1. Services Mandated by the Federal Government
2. Optional Services Chosen by Arkansas
3. Waivers Approved by the Centers for Medicare and Medicaid Services (CMS)

These services are as follows:

Services Mandated by the Federal Government:

- Child Health Services - Early and Periodic Screening, Diagnosis and Treatment (EPSDT) (Under Age 21)
- Family Planning Services and Supplies (All Ages)
- Federally Qualified Health Center (FQHC) (All Ages)
- Home Health Services (All Ages)
- Hospital Services - Inpatient and Outpatient (All Ages)
- Laboratory and X-Ray (All Ages)
- Certified Nurse-Midwife Services (All Ages)
- Medical and Surgical Services of a Dentist (All Ages)
- Nurse Practitioner (Pediatric, Family, Obstetric-Gynecologic and Gerontological) (All Ages)
- Nursing Facility Services (Age 21 and Older)
- Physician Services (All Ages)
- Rural Health Clinic (RHC) (All Ages)
- Transportation (to and from medical providers when medically necessary) (All Ages)

Optional Services Chosen by Arkansas:

- Ambulatory Surgical Center Services (All Ages)
- Audiological Services (Under Age 21)
- Certified Registered Nurse Anesthetist (CRNA) Services (All Ages)
- Child Health Management Services (CHMS) (Under Age 21)
- Chiropractic Services (All Ages)
- Dental Services (All Ages)
- Developmental Day Treatment Clinic Services (DDTCS) (Preschool and Age 18 and Older)
- Developmental Rehabilitation Services (Under Age 3)
- Domiciliary Care Services (All Ages)
- Durable Medical Equipment (DME) (All Ages)
- End-Stage Renal Disease (ESRD) Facility Services (All Ages)
- Hearing Aid Services (Under Age 21)
- Hospice Services (All Ages)
- Hyperalimentation Services (All Ages)
- IndependentChoices (Age 18 and Older)
- Inpatient Psychiatric Services (Under Age 21)

- Intermediate Care Facility (ICF) Services (All Ages)
- Licensed Mental Health Practitioner Services (Under Age 21)
- Medical Supplies (All Ages)
- Medicare Crossovers (All Ages)
- Nursing Facility Services (Under Age 21)
- Occupational, Physical, Speech Therapy Services (Under Age 21)
- Orthotic Appliances (All Ages)
- PACE (Program of All-Inclusive Care for the Elderly) (Age 55 and Older)
- Personal Care Services (All Ages)
- Podiatrist Services (All Ages)
- Portable X-Ray (All Ages)
- Prescription Drugs (All Ages)
- Private Duty Nursing Services (All Ages)
- Prosthetic Devices (All Ages)
- Rehabilitative Hospital Services (All Ages)
- Rehabilitative Services for:
  - Persons with Mental Illness (RSPMI) (All Ages)
  - Persons with Physical Disabilities (RSPD) and Youth and Children (Under Age 21)
- Respiratory Care Services (Under Age 21)
- School-Based Mental Health Services (Under Age 21)
- Targeted Case Management:
  - Children's Services (Title V), SSI, TEFRA, EPSDT, Division of Children and Family Services and Division of Youth Services (Under Age 21)
  - Beneficiaries with a Developmental Disability (All Ages)
  - Adults (Age 60 and Older)
  - Pregnant Women (All Ages)
- Tuberculosis Services (All Ages)
- Ventilator Equipment (All Ages)
- Visual Care Services (All Ages)

Waivers Approved by the Centers for Medicare and Medicaid Services (CMS):

- ARChoices in Homecare (Age 21-64)
- ARKids B (Age 18 and Under)
- Autism (Age 18 months-6 years)
- Developmental Disabilities Services (DDS- Community and Employment Services) (All Ages)
- Non-Emergency Transportation (All Ages)
- Tax Equity Fiscal Responsibility Act of 1982 (TEFRA) (Under Age 21)
- Women's Health (Family Planning) (All Ages)

The Arkansas Medicaid Program does have limitations on the services that are provided. The major benefit limitations on services for adults (age 21 and older) are as follows:

- Twelve visits to hospital outpatient departments allowed per state fiscal year.
- A total of twelve office visits allowed per state fiscal year for any combination of the following: certified nurse midwife, nurse practitioner, physician, medical services provided by a dentist, medical services furnished by an optometrist, and Rural Health Clinics.
- One (1) basic family planning visit and three (3) periodic family planning visits per state fiscal year. Family planning visits are not counted toward other service limitations.
- Lab and x-ray services limited to total benefit payment of $500 per state fiscal year, except for EPSDT beneficiaries.
- The monthly limit is six (6) prescriptions per month. Certain drug classes—including medications for high blood pressure, hypercholesterolemia, blood modifiers, diabetes, and inhalers for respiratory illness—are exempt from counting toward the cap. Beneficiaries in long-term care, those under age 21 (EPSDT), or enrolled in waiver programs may qualify for expanded or unlimited coverage based on medical necessity, prior authorization exceptions, and state plan or waiver provisions.
- Inpatient hospital days limited to 24 per state fiscal year, except for EPSDT beneficiaries and certain organ transplant patients.
- Co-insurance: Some beneficiaries must pay 10% of first Medicaid covered day of hospital stay.
- Beneficiaries in the Working Disabled aid category must pay 25% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some additional services.
- Some beneficiaries must pay $.50 - $3 of every prescription, and $2 on the dispensing fee for prescription services for eyeglasses. Beneficiaries in the Working Disabled aid category must pay a higher co-payment for these services and also must pay co-payments for some additional services.

Additional information for limitations relating to children:

- The families of some children are responsible for co-insurance, co-payments, or premiums.
- Co-insurance: ARKids B beneficiaries must pay 10% of the charges for the first Medicaid covered day of inpatient hospital services and must also pay co-insurance for some outpatient and DME services.
- Co-Pay: ARKids B beneficiaries must pay a co-payment for most services; for example $10.00 for most office visits and $5.00 for most prescription drugs (and must use generic drugs and manufacturer rebates, if available). ARKids B beneficiaries annual cost-sharing is capped at 5% of the family's gross annual income.
- Premiums: Based on family income certain TEFRA beneficiaries must pay a premium. TEFRA families whose income is at or below 150% of the Federal Poverty level cannot be assessed a premium.

Any and all exceptions to benefit limits are based on medical necessity.

The Division consists of the Director's Office and five (5) distinct organizational units:

Program and Provider Management: The Office of Program and Provider Management includes the following operations: Provider & Member Relations, Dental, Visual and EPSDT, Behavioral Health and Utilization Review. The Provider and Member Relations, Dental, Visual and EPSDT section administers the Dental, Visual and Child Health Services (EPSDT) Medicaid programs and oversees the non-emergency transportation program, Medicaid Managed Care Systems and ConnectCare programs. This section also assists providers and beneficiaries in resolving matters related to billing and coverage. The Utilization Review section develops healthcare polices based on recognized standards of care, current healthcare initiatives and participation from community stakeholders to ensure adequate coverage benefits for Medicaid beneficiaries. Utilization review monitors the quality and medical necessity of services delivered by Medicaid health care providers. In addition this section is responsible for the prior authorization of medically necessary services such as transplants, extension of benefits, prosthetics, hearing aids, hyperalimentation services and out of state transportation.

Medicaid Information Management: The Office of Medicaid Information Management is responsible for administering the Medicaid Management Information System (MMIS) which processes all Medicaid claims. The MMIS Systems and Support Unit procures and administers the contracted fiscal agent that operates the MMIS. This Unit also monitors the fiscal agent's contract compliance, performs quality assurance reviews on how the MMIS operates, manages requests for modifications to the MMIS, develops enhancements to the MMIS, and develops and produces reports from the Medicaid data warehouse.

Program and Administrative Support: The Office of Program and Administrative Support includes the following operations: Financial Activities, Provider Reimbursement and Third Party Liability. The Financial Activities unit performs such functions as program and operational budgeting, expenditure monitoring and evaluation, federal and state reporting, and administrative support such as personnel management,

contract issuance and management, requests for proposals, and the preparation of interagency agreements. The Provider Reimbursement unit is responsible for maintaining rate files, establishing and administering methodologies for provider reimbursements, including cost reports and cost settlements, and financial aspects of the Office of Long Term Care such as budgeting, reimbursement, and audits of provider cost reports. The Third Party Liability area is responsible for implementing cost-avoidance procedures to prevent the payment of Medicaid monies when other (third) parties such as private insurance companies should pay the claim. In addition, in those instances where cost-avoidance is not successful, the Third Party Liability unit is responsible for pursuing recoupment of Medicaid monies.

Pharmacy: The Pharmacy Office is responsible for assuring that medically necessary pharmaceutical therapy is provided to Arkansas Medicaid recipients. It seeks to deliver these services cost effectively while complying with all state and federal requirements. The OBRA 90 statute requires states to cover all outpatient drugs by a manufacturer who signs a rebate agreement with the Centers for Medicare / Medicaid (CMS) as well as to establish a Drug Utilization Review (DUR) Board which is under the direction of the Pharmacy Office. The Office researches clinical data, develops the clinical criteria and edits for various drugs and drug classes, then works directly with the state's fiscal agent to apply the criteria and edits within the software, is the project manager for the stated evidenced-based prescription drug program, researches and reviews claims information to assist providers, beneficiaries and interested parties and researches exception criteria to assist physicians.

Policy, Program and Contract Oversight: The Policy, Program and Contract Oversight consists of three units. The Program Planning and Development (PPD) unit develops and maintains the Medicaid State Plan and the State's Child Health Insurance Program Plan, both required by CMS. This Unit develops and maintains fifty-seven (57) different Medicaid provider policy manuals, which include information on covered services, benefit limits, prior approvals, and billing procedures. The Waiver Quality Assurance (QA) unit is responsible for monitoring operation of the Medicaid waiver programs. The Waiver QA unit assures compliance with CMS requirements for operating the waivers through case reviews, data analysis, technical assistance to operating agencies, communication and coordination with CMS, developing new waivers and amendments to existing waivers, and developing QA strategies and interagency agreements for the waivers. The Contract Oversight unit is responsible for assisting program and contract staff in developing performance indicators for contracts and monitoring the performance of all Division of Medical Services contractors.

Healthcare Innovation: The Health Care Innovation Unit is responsible for directing the operations and activities to redesign the Medicaid payment and service delivery systems by working with multi-payers, staff, and contractors to design and deliver episodes of care for acute conditions; implement new models of population based health for chronic conditions; develop and coordinate infrastructure requirements; and facilitate stakeholder, provider and patient engagement. Arkansas Medicaid is creating a patient-centered health care system that embraces the triple aim: (1) improving the health of the population; (2) enhancing the patient experience of care, including quality, access, and reliability; and (3) reducing, or at least controlling, the cost of health care. This will be accomplished by transforming the vast majority of care and payment from a fee for service models to models that reward and support providers for delivering improved outcomes and high quality, cost effective care.

Coordination of Coverage: The Coordination of Coverage Unit is responsible for coordinating any DMS efforts in the implementation of the Affordable Care Act, identifying potential improvement in the Medicaid consumer experience, and ongoing coordination of coverage for Medicaid recipients as they move in and out of Medicaid and other health insurance plans through the upcoming health insurance exchange. In addition, this new team will participate in other Medicaid changes, and will coordinate with all areas within DMS, several other DHS Divisions, and other State agencies.

The Agency is funded through general revenue (DEM - Medical Services Fund Account), federal and other revenues. Federal revenue is provided through the U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as various program support are derived from Third Party Liability Recovery, Nurse Aide Training and Long-Term Care Licensure Fees.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 896 - DHS–Admin Paying Account
Funding Sources: PWP - Administration Paying

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Regular Salaries	5010000	6,021,722	6,739,207	6,475,248	6,483,248	6,580,463	6,483,248
#Positions		**84**	**85**	**91**	**91**	**92**	**91**
Extra Help	5010001	87,277	80,000	201,892	201,892	201,892	201,892
#Extra Help		**5**	**10**	**10**	**10**	**10**	**10**
Personal Services Matching	5010003	2,123,388	2,269,438	2,225,570	2,227,427	2,273,770	2,227,427
Overtime	5010006	0	2,241	2,241	2,241	2,241	2,241
Operating Expenses	5020002	985,937	1,047,205	1,713,290	1,713,290	1,713,290	1,713,290
Conference & Travel Expenses	5050009	35,526	35,135	40,099	40,099	40,099	40,099
Professional Fees	5060010	599,852	608,162	800,000	800,000	800,000	800,000
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0
Data Processing Services	5900044	764,221	733,720	1,299,600	1,299,600	1,299,600	1,299,600
Total		10,617,923	11,515,108	12,757,940	12,767,797	12,911,355	12,767,797
Funding Sources							
Fund Balance	4000005	8,537,905	7,131,870		7,822,917	7,822,917	7,822,917
General Revenue	4000010	2,442,596	2,564,587		2,564,587	2,564,587	2,564,587
Federal Revenue	4000020	6,220,527	7,655,000		7,871,893	7,871,893	7,871,893
Performance Fund	4000055	0	625,000		0	0	0
Reallocation of Resources	4000410	37,204	0		0	0	0
Various Program Support	4000730	511,561	1,361,568		861,568	861,568	861,568
Total Funding		17,749,793	19,338,025		19,120,965	19,120,965	19,120,965
Excess Appropriation/(Funding)		(7,131,870)	(7,822,917)		(6,353,168)	(6,209,610)	(6,353,168)
Grand Total		10,617,923	11,515,108		12,767,797	12,911,355	12,767,797

The FY26 Budget amount in Regular Salaries and Personal Services Matching exceeds the FY26 authorized amount due to implementation of Act 499 of 2025.

Analysis of Budget Request

Appropriation: 897 - DHS-Grants Paying Account

Funding Sources: PWD - Grants Paying

Prescription Drugs Appropriation

The Prescription Drugs appropriation is an optional Medicaid service chosen by Arkansas. The program allows eligible recipients to obtain prescription medication through participating pharmacies in Arkansas. Reimbursement for the program is based on the drug cost and the fee for dispensing pharmaceuticals. The Omnibus Budget Reconciliation Act of 1990 authorized rebates from pharmaceutical manufacturers. The federal share is returned and the amount retained by the state is calculated based upon the state matching rate for Medicaid.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as drug rebates, the Medicaid Trust Fund, and various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Private Nursing Home Care Appropriation

The Private Nursing Home Care appropriation pays expenses for individuals who reside in nursing homes and are eligible to receive Medicaid Benefits. The residents in nursing home facilities have chronic medical needs. The referring physician must certify medical need with documented evidence of why services are needed in order for a person to be to admitted and remain in a nursing home. Each Medicaid certified nursing facility evaluates each nursing home applicant's need for nursing home services. A thorough and complete evaluation must be conducted to ensure that individuals who do not require nursing home services are not admitted to nursing facilities. For Medicaid eligible recipients, the Office of Long Term Care cannot guarantee Medicaid reimbursement for any applicant admitted prior to approval by the Office of Long Term Care Medical Needs Determination section. No applicant with diagnoses or other indicators of mental illness, intellectual disability, or developmental disabilities may be admitted to nursing home care prior to evaluation and approval by the Office of Long Term Care.

In general, nursing homes provide total care for their residents--meeting needs from social to dietary to medical. They are staffed by licensed

nurses and certified nursing assistants. Nursing homes accept a variety of payment methods, such as private pay (which includes insurance), Medicaid, and Medicare. No age requirement applies to nursing home placements.

In addition to the provider payments noted above, Act 689 of 1987 created the Long-Term Care Aide Training program. Under this Act, the Office of Long Term Care was required to establish a training program to be completed by all aides in long term care facilities who provide personal care to residents. This program consists of 75 hours of training and is payable from the Private Nursing Home Care appropriation.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, various program support which can include nursing home administration fees and Medicaid match, miscellaneous transfers derived from Ark. Code Ann. § 17-24-305(b)(1)(A), and the Medicaid Trust Fund. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

ARKIDS B Program Appropriation

The ArKids B program appropriation provides medical services for children who are without medical insurance coverage. Many of the parents of these children are employed but are unable to afford the necessary coverage for their children. The parents earn sufficient salaries that make them ineligible for coverage by Medicaid, thereby leaving the children without medical care.

ArKids B Program is an optional Medicaid service chosen by Arkansas and is authorized through a federal waiver to the Medicaid program that expands coverage to children in families with income at or below 200 percent of the federal poverty level. Services are available only to children through 18 years of age and are otherwise ineligible to receive Medicaid benefits. Each child must have a Primary Care Physician who will either provide the needed services or make the appropriate referral for medically necessary treatment. A patient co-payment is required per physician visit and per prescription. Effective July 1, 2006, DHS set an annual cap on cost-sharing (co-payments and coinsurance) for ARKids B families. The annual cost-sharing cap is 5% of the family's annual gross (before taxes) income.

The ArKids B Program appropriation has two (2) components and they are as follows:

- Prescription Drugs
- Hospital/Medical

Prescription Drugs component has coverage limits based on medical necessity with a $5 per prescription co-pay and the recipient must use generic and rebate manufacturers.

Generally, the Hospital/Medical component benefits include such programs as inpatient hospital, physician visits, vision care (one (1) visit per year for routine exam and one (1) pair of eyeglasses), dental services (two (2) visits per year for cleaning, x-rays, no orthodontia), medical supplies, home health services and emergency room services, ambulance (emergency only), ambulatory surgical center, durable medical equipment ($500 per year), family planning, FQHC, nurse midwife, outpatient mental and behavior health ($2,500 limit), podiatry, RHC and speech therapy with some form of co-pay required. Immunizations and preventative health screenings per protocols provided by the primary care physician or Division of Health require no patient co-payments.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as the Medicaid Trust Fund, and as various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Hospital and Medical Services Appropriation

The Hospital and Medical Services appropriation is one of several federally supported and state administered assistance programs within the Medicaid program and consists of many services including inpatient and outpatient hospital, community mental health centers, community health centers, rural health clinics, home health, private duty nursing, personal care, hospice, practitioners such as physicians, dentists, audiologist, psychologist, speech, occupational and physical therapists, maternity clinics, family planning, laboratory and x-ray services, case management, transportation and Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for children under 21 years of age which is the Child Health Services Program. Waiver services are also included in this appropriation. Waiver services are those that the Centers for Medicare and Medicaid Services have waived traditional provisions of the Medicaid regulations and allow deviations in how and where the services are provided and include programs such as Elderchoices, DDS-Non-institutional Waiver and Adults with Physical Disabilities. Payments are made directly to providers for services for individuals who are eligible for Medicaid services. The State establishes reimbursement rates and the methodology for rate setting. However, the Centers for Medicare and Medicaid Services must approve the state's policy(ies) and regulations in order for the State to be in compliance with guidelines established in federal law.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U. S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as Medicaid Trust Fund, intermediate care facilities for individuals with developmental disabilities or ICF/MR provider fee per Act 433 of 2009, hospital assessment fee per Act 562 of 2009 (as amended per Act 19 of 2011), and as various program support which can include matching funds from UAMS (from general revenue), Department of Education (from cash funds), Arkansas Children's Hospital, DHS Divisions (from general revenue) for services such as Therapies, Transportation, Waiver services, UPL-Upper Payment Limit match, DSH-Disproportionate Share Hospital payments, etc. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - Prescription Drugs
Funding Sources: PWD - Grants Paying

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Prescription Drugs	5100004	527,779,916	583,037,443	625,636,547	625,636,547	625,636,547	625,636,547
Total		527,779,916	583,037,443	625,636,547	625,636,547	625,636,547	625,636,547
Funding Sources							
Fund Balance	4000005	10,976,594	1,384,966		1,384,966	1,384,966	1,384,966
General Revenue	4000010	85,793,770	123,020,000		110,130,627	110,130,627	110,130,627
Federal Revenue	4000020	140,590,004	130,017,443		124,524,645	124,524,645	124,524,645
Drug Rebates	4000200	289,804,514	330,000,000		303,766,315	303,766,315	303,766,315
Intra-agency Fund Transfer	4000317	2,000,000	0		0	0	0
Total Funding		529,164,882	584,422,409		539,806,553	539,806,553	539,806,553
Excess Appropriation/(Funding)		(1,384,966)	(1,384,966)		85,829,994	85,829,994	85,829,994
Grand Total		527,779,916	583,037,443		625,636,547	625,636,547	625,636,547

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - Private Nursing Home Care
Funding Sources: PWD - Grants Paying

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Private Nursing Home Care	5100004	1,023,853,433	1,017,532,487	1,048,963,434	1,048,963,434	1,048,963,434	1,048,963,434
Total		1,023,853,433	1,017,532,487	1,048,963,434	1,048,963,434	1,048,963,434	1,048,963,434
Funding Sources							
Fund Balance	4000005	3,950,809	7,885,287		7,839,305	7,839,305	7,839,305
General Revenue	4000010	174,948,269	175,428,784		165,387,880	165,387,880	165,387,880
Federal Revenue	4000020	739,961,692	708,941,494		660,788,536	660,788,536	660,788,536
Quality Assurance Fee	4000395	112,736,950	108,000,000		103,086,109	103,086,109	103,086,109
Various Program Support	4000730	141,000	115,000		115,000	115,000	115,000
Transfer from PY Residual General Revenue	4000785	0	25,001,227		0	0	0
Total Funding		1,031,738,720	1,025,371,792		937,216,830	937,216,830	937,216,830
Excess Appropriation/(Funding)		(7,885,287)	(7,839,305)		111,746,604	111,746,604	111,746,604
Grand Total		1,023,853,433	1,017,532,487		1,048,963,434	1,048,963,434	1,048,963,434

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - ARKids B Program
Funding Sources: PWD - Grants Paying

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
ARKids B Program	5100004	124,091,755	130,500,000	167,661,480	167,661,480	167,661,480	167,661,480
Total		124,091,755	130,500,000	167,661,480	167,661,480	167,661,480	167,661,480
Funding Sources							
Fund Balance	4000005	2,652,415	4,994,973		4,994,973	4,994,973	4,994,973
General Revenue	4000010	25,711,560	24,380,000		24,966,148	24,966,148	24,966,148
Federal Revenue	4000020	85,088,159	102,834,000		98,628,638	98,628,638	98,628,638
Drug Rebates	4000200	15,634,594	3,286,000		0	0	0
Total Funding		129,086,728	135,494,973		128,589,759	128,589,759	128,589,759
Excess Appropriation/(Funding)		(4,994,973)	(4,994,973)		39,071,721	39,071,721	39,071,721
Grand Total		124,091,755	130,500,000		167,661,480	167,661,480	167,661,480

Appropriation Summary

Appropriation: 897 - DHS-Grants Paying Account - Hospital and Medical Services
Funding Sources: PWD - Grants Paying

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Hospital and Medical Services	5100004	7,362,788,812	7,740,418,644	8,336,005,717	8,336,005,717	8,336,005,717	8,336,005,717
Total		7,362,788,812	7,740,418,644	8,336,005,717	8,336,005,717	8,336,005,717	8,336,005,717
Funding Sources							
Fund Balance	4000005	44,192,096	7,833,422		7,833,422	7,833,422	7,833,422
General Revenue	4000010	1,097,219,546	1,075,864,442		1,085,152,941	1,085,152,941	1,085,152,941
Federal Revenue	4000020	5,693,188,333	5,854,435,583		5,562,360,739	5,562,360,739	5,562,360,739
Hospital Assessment Fee	4000281	148,509,171	147,983,741		101,806,799	101,806,799	101,806,799
ICF/MR Provider Fee	4000282	25,934,213	20,000,000		13,154,397	13,154,397	13,154,397
Insurance Premium Tax	4000298	54,643,266	35,000,000		32,117,010	32,117,010	32,117,010
Intra-agency Fund Transfer	4000317	38,400,000	0		0	0	0
Transfer from Medicaid Match	4000550	10,829,162	32,582		0	0	0
Transfer to General Education	4000630	(33,078,853)	0		0	0	0
Various Program Support	4000730	165,583,697	136,521,870		322,102,196	322,102,196	322,102,196
PASSE Premium	4000770	52,499,674	40,000,000		33,513,966	33,513,966	33,513,966
Soft Drink Tax	4000775	53,000,000	135,948,928		43,863,936	43,863,936	43,863,936
Transfer from PY Residual General Revenue	4000785	19,701,929	294,631,498		0	0	0
Total Funding		7,370,622,234	7,748,252,066		7,201,905,406	7,201,905,406	7,201,905,406
Excess Appropriation/(Funding)		(7,833,422)	(7,833,422)		1,134,100,311	1,134,100,311	1,134,100,311
Grand Total		7,362,788,812	7,740,418,644		8,336,005,717	8,336,005,717	8,336,005,717

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Public Nursing Home Care Appropriation

The Public Nursing Home Care appropriation includes Title XIX Medicaid reimbursement for services provided in the five (5) Human Development Centers (Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID)), the Arkansas Health Center and the thirty-one (31) 15 Bed or Less (ICF/IID) programs across the State. Services include 24 hour a day residential, medical, psychological, education and training, life skills training and therapy services needed through staffing and case plan determination. Annual staffings are required to reassess the progress of each individual and adjustments are made in case plans when necessary to help each person attain the goals and objectives established in the case plans.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal and other revenues. Federal revenue derived from Title XIX - Medicaid, U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as quality assurance fee per Act 635 of 2001, intermediate care facilities for individuals with intellectual disabilities or ICF/IID provider fee per Act 433 of 2009, various program support which can include matching funds from the Human Development Centers (from general revenue), the DDS Small 10 Beds Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID)(from general revenue), the Arkansas Health Center (from mixed funding). Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Infant Infirmary Appropriation

The Infant Infirmary Nursing Home appropriation provides for services to infants with special needs. The facilities are licensed as Private Pediatric Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). Facilities receiving reimbursement through this appropriation are Arkansas Pediatric Facility, Brownwood Life Care Center, Millcreek of Arkansas and Easter Seals Children's Rehabilitation Center. These programs provide a valuable service in that many children are admitted to one of these programs when discharged from a hospital and need continuing attention and medical oversight but not on-going medical treatment.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account), federal revenue derived from Title XIX - Medicaid, U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services. Other revenues which are indicated as intermediate care facilities for individuals with intellectual disabilities or ICF/IID provider fee per Act 433 of 2009, the Medicaid Trust Fund, and various program support which can include Medicaid match. Additionally, tobacco settlement funding can be utilized in this appropriation if Section 11 of Act 2 of the First Extraordinary Session of 2002 is invoked and approved by the Governor and the Chief Fiscal Officer of the State.

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Child and Family Life Institute Appropriation

Ark. Code Ann. § 20-78-104 authorized Arkansas Children's Hospital to provide administration for the Child Health and Family Life Institute (CHFLI). Children's Hospital and UAMS, Department of Pediatrics act in conjunction by either contract or cooperative agreement for necessary activities in the delivery of services through the CHFLI. The mission of the institute is "an initiated state effort to explore, develop, and evaluate new and better ways to address medically, socially, and economically interrelated health and developmental needs of children with special health care needs and their families. Utilizing a multidisciplinary collaboration of professionals, the Institute's priorities include wellness and prevention, screening and diagnosis, treatment and intervention, training and education, service access, public policy and advocacy, research and evaluation". Programs include such services as KIDS FIRST - a pediatric day health treatment program for preschool age children at risk for developmental delay; CO-MEND Councils of volunteer/local community activities with pooled resources to assist families; Outreach offers specialized health care at the local level for children who live in areas without specialized care available; Community Pediatrics-a support system with a pediatric team available to provide services in medically underserved areas; Children-at-Risk - diagnostic and treatment for children who have been abused and their families; Pediatric Psychology; Developmental/Physical Medicine and Rehabilitation for children with severe disabilities; and Adolescent Medicine. Children's Hospital is specifically to fund the KIDS FIRST Program as a priority when considering program funding decisions within the Institute. The Department of Pediatrics is the administrative oversight entity for cooperative agreements or contracts for the delivery of services.

Funding for this program is derived from general revenues (DGF - DHS Grants Fund Account).

The Agency Request reflects the FY27 requests from the 2024 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY27 ALC/JBC recommendation from the 2024 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account - Public Nursing Home Care
Funding Sources: PWE - Grants Paying

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Public Nursing Home Care	5100004	212,861,411	210,000,000	217,529,350	217,529,350	217,529,350	217,529,350
Total		212,861,411	210,000,000	217,529,350	217,529,350	217,529,350	217,529,350
Funding Sources							
Fund Balance	4000005	41,095,608	9,190,134		9,190,134	9,190,134	9,190,134
Federal Revenue	4000020	154,618,153	146,391,000		134,729,871	134,729,871	134,729,871
ICF/MR Provider Fee	4000282	2,881,568	2,400,000		2,000,000	2,000,000	2,000,000
Intra-agency Fund Transfer	4000317	(35,000,000)	0		0	0	0
Transfer from Medicaid Match	4000550	1,650,036	0		1,650,036	1,650,036	1,650,036
Various Program Support	4000730	56,806,180	61,209,000		51,007,035	51,007,035	51,007,035
Total Funding		222,051,545	219,190,134		198,577,076	198,577,076	198,577,076
Excess Appropriation/(Funding)		(9,190,134)	(9,190,134)		18,952,274	18,952,274	18,952,274
Grand Total		212,861,411	210,000,000		217,529,350	217,529,350	217,529,350

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account - Infant Infirmary
Funding Sources: PWE - Grants Paying

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Infant Infirmary	5100004	13,999	100,000	327,608	327,608	327,608	327,608
Total		13,999	100,000	327,608	327,608	327,608	327,608
Funding Sources							
Fund Balance	4000005	3,326,069	26,069		26,069	26,069	26,069
General Revenue	4000010	4,040	30,290		85,920	85,920	85,920
Federal Revenue	4000020	9,959	69,710		214,080	214,080	214,080
Intra-agency Fund Transfer	4000317	(3,300,000)	0		0	0	0
Total Funding		40,068	126,069		326,069	326,069	326,069
Excess Appropriation/(Funding)		(26,069)	(26,069)		1,539	1,539	1,539
Grand Total		13,999	100,000		327,608	327,608	327,608

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account - Child & Family Life Institute
Funding Sources: PWE - Grants Paying

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Child & Family Life Inst	5100004	0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Total		0	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Funding Sources							
General Revenue	4000010	2,100,000	2,100,000		2,100,000	2,100,000	2,100,000
Intra-agency Fund Transfer	4000317	(2,100,000)	0		0	0	0
Total Funding		0	2,100,000		2,100,000	2,100,000	2,100,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		0	2,100,000		2,100,000	2,100,000	2,100,000

Appropriation Summary

Appropriation: AZ5 - ARPA - Emergency Aid Relief to Hospitals
Funding Sources: FRP - American Rescue Plan

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Grants and Aid	5100004	8,397,164	0	0	0	0	0
Total		8,397,164	0	0	0	0	0
Funding Sources							
Federal Revenue	4000020	8,397,164	0		0	0	0
Total Funding		8,397,164	0		0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		8,397,164	0		0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2027 FISCAL YEAR. This appropriation is funded by the American Rescue Plan Act of 2021. As per Section 40 of Act 1006 of 2025, all state agencies, institutions, and constitutional offices receiving funding from the American Rescue Plan Act of 2021 shall request a transfer of appropriation and expend using the American Rescue Plan Act of 2021 Appropriation Sections as authorized in Act 1006 of 2025.

Appropriation Summary

Appropriation: CC4 - ARPA - Mental Health and Substance Abuse
Funding Sources: FRP - American Rescue Plan

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Grants and Aid	5100004	9,272,603	0	0	0	0	0
Total		9,272,603	0	0	0	0	0
Funding Sources							
Federal Revenue	4000020	9,272,603	0		0	0	0
Total Funding		9,272,603	0		0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		9,272,603	0		0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2027 FISCAL YEAR. This appropriation is funded by the American Rescue Plan Act of 2021. As per Section 40 of Act 1006 of 2025, all state agencies, institutions, and constitutional offices receiving funding from the American Rescue Plan Act of 2021 shall request a transfer of appropriation and expend using the American Rescue Plan Act of 2021 Appropriation Sections as authorized in Act 1006 of 2025.

Appropriation Summary

Appropriation: CI7 - AR Transforming Maternal Health Model
Funding Sources: PWE - Paying Account

Appropriation		2024-2025 Actual	2025-2026 Budget	2025-2026 Authorized	2026-2027 Legislative Recommendation	2026-2027 Agency Request	2026-2027 Executive Recommendation
Grants and Aid	5100004	0	1,000,000	0	0	0	0
Total		0	1,000,000	0	0	0	0
Funding Sources							
Federal Revenue	4000020	0	1,000,000		0	0	0
Total Funding		0	1,000,000		0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		0	1,000,000		0	0	0

APPROPRIATION NOT REQUESTED FOR THE 2027 FISCAL YEAR.
Budget exceeds Authorized Appropriation in Grants and Aid due to a transfer from the Miscellaneous Federal Grant Holding Account.