

DHS – Division of Medical Services (0755)

Fiscal Year 2026

As Enacted by Act 887 of 2025

The Division is responsible for administering the Medicaid program, which includes the Child Health Insurance Program (S-CHIP). The Medicaid program includes Hospital & Medical Services, Public and Private Nursing Home Care, Prescription Drugs, ARHome and ARKids First.

TOTAL APPROPRIATION

Appropriation		2023-2024	2024-2025	2025-2026
		Actual	Authorized	Legislative
4KS	Nursing Home Quality	\$3,000	\$4,000,000	\$4,000,000
876	Nursing Home Closure Costs	\$5,000	\$4,500,000	\$4,500,000
878	Long Term Care Facility Receivership	\$0	\$100,000	\$100,000
896	DHS-Administrative Paying Account	\$9,852,835	\$12,482,031	\$12,757,940
897	DHS-Grants Paying Account*	\$8,718,475,248	\$10,156,006,345	\$10,178,267,178
898	DHS-Grants Paying Account*	\$189,606,268	\$222,217,791	\$219,956,958
Total		\$8,917,942,351	\$10,399,306,167	\$10,419,582,076

* Items are listed in a single appropriation section in the bill.

FUNDING SOURCES

Funding Sources		2023-2024 Actual	%
Fund Balance	4000005	\$171,414,249	1.85
General Revenue	4000010	\$1,381,394,289	14.90
Federal Revenue	4000020	\$6,685,330,412	72.09
Drug Rebates	4000200	\$365,167,685	3.94
Insurance Premium Tax	4000298	\$99,813,892	1.08
Quality Assurance Fee	4000395	\$102,418,163	1.10
Various Program Support	4000730	\$181,424,920	1.96
PASSE Premium	4000770	\$155,072,296	1.67
Other Funding Sources*		\$104,148,471	1.11
Total Funds		\$9,246,184,377	100.00

* Other Funding Sources includes: Soft Drink Tax, Hospital Assessment Fees, ICF/MR Provider Fees, Match Transfers and Reallocations of Resources.

CHANGE LEVEL REQUESTS

DHS–Administrative Paying (Appropriation 896)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5020002	Operating Expenses	\$1,813,290	\$1,713,290	(\$100,000)
5060010	Professional Fees	\$700,000	\$800,000	\$100,000
Total		\$711,743,574	\$730,398,731	\$0

- Decrease in Operating Expenses shifted to Professional Fees for increase in Legislative Audit invoices.

DHS–Grants Paying Account (Appropriation 897)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5100004	ARKids B Program	\$207,222,020	\$167,661,480	(\$39,560,540)
5100004	Hospital and Medical Services	\$8,356,005,717	\$8,336,005,717	(\$20,000,000)
5100004	Prescription Drugs	\$585,636,547	\$625,636,547	\$40,000,000
5100004	Private Nursing Home Care	\$1,007,142,061	\$1,048,963,434	\$41,821,373
Total		\$10,156,006,345	\$10,178,267,178	\$22,260,833

- ARKids B Program decrease shifted to Private Nursing Home Care to better align with anticipated spending patterns.
- Hospital and Medical Services decrease shifted to Prescription Drugs to better align with anticipated spending patterns.
- Prescription Drugs increases to better align with anticipated spending patterns.

DHS-Grants Paying Account (Appropriation 898)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5100004	Infant Infirmary	\$2,588,441	\$327,608	(\$2,260,833)
Total		\$2,588,441	\$327,608	(\$2,260,833)

- Infant Infirmary decrease shifted to Private Nursing Home Care to better align with anticipated spending patterns.

POSITIONS

Total Authorized Positions FY2026: 91

Total Authorized Positions FY2025: 92

Increase / (Decrease): (1)

Extra Help Positions FY2026: 10

SPECIAL LANGUAGE CHANGES

No changes requested.