

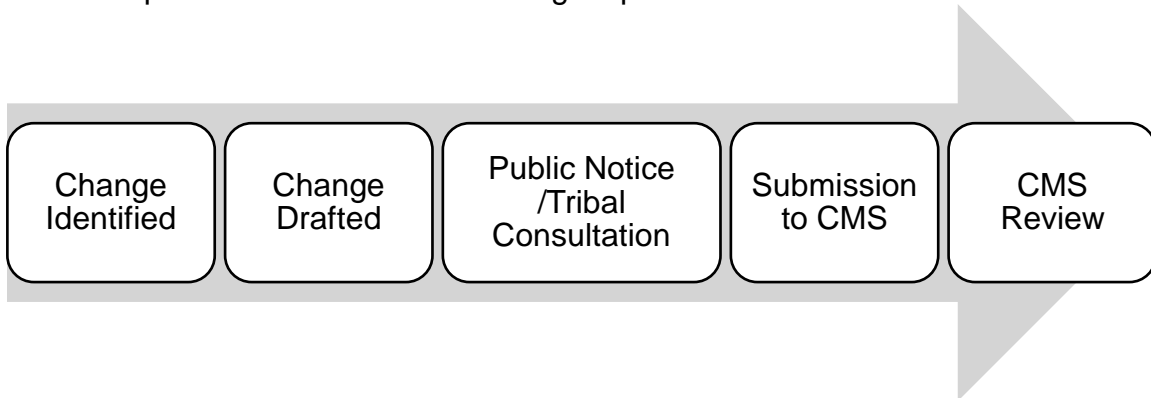
State Plan Amendment (SPA) Process

State Plan Overview

- The Medicaid state plan is an agreement between the State and federal government regarding the operation of the Medicaid program.
- The state plan includes information regarding:
 - Eligibility
 - Benefits
 - Program administration

State Plan Amendment Process

- States must submit state plan amendment to CMS to revise their state plan.
- The State Plan may have to be amended due to various reasons such as:
 - Changes in federal regulations.
 - Federal requirements to submit a SPA.
 - State legislation.
 - Department decision to revise or clarify the plan.
- The SPA process includes the following steps:



Public Notice and Tribal Consultation

- The public notice and tribal consultation include a 30-day comment period.
- Notices are published in the South Dakota Register and sent via our Tribal Consultation listserv. You can sign up for the listserv at <https://dss.sd.gov/medicaid/generalinfo/tribalconsultation.aspx>.
- SPA updates are also provided quarterly at the tribal consultation
- Comments are reviewed/considered by the State prior to submitting the SPA to CMS.

CMS Review and Approval

- Upon receipt of the SPA CMS will review the SPA materials and send the State questions.
- CMS has 90 days from the submission date to approve the SPA, deny it, or send the state a formal request for additional information.

More Information

- The State Plan and state plan amendments are posted on our website at <https://dss.sd.gov/medicaid/medicaidstateplan.aspx>.

South Dakota Medicaid State Plan Amendments and 1115 Demonstration Applications

As of July 25, 2023

State plan amendments are available on our website at <https://dss.sd.gov/medicaid/medicaidstateplan.aspx>

SPAs in Tribal Consultations

SPA #	SPA Description	Date Effective	Tribal Consultation Start Date	Date Public Comment Period Ends
23-0015	Extended Postpartum Coverage Period - Financial Claiming <i>Establishes a proxy methodology to account for the proportion of individuals covered under the extended postpartum coverage option who would otherwise be eligible for the adult group Federal Medical Assistance Percentage (FMAP).</i>	07/01/23	06/26/23	07/26/23

SPAs Being Prepared for CMS Submission

SPA #	SPA Description	Date Effective	Tribal Consultation Start Date	Date Public Comment Period Ends
23-0016	Inflationary Increase <i>Implements the provider inflationary rate increases appropriated by the state legislature during the 2023 legislative session and updates the Physician Administered Drug payment methodology to rebase rates to 100% of Medicare's Part B Drug and Biologicals Average Sales Price payment file on a quarterly basis.</i>	07/01/23	06/20/23	07/20/23
23-0017	Health Home Inflationary Increase <i>Implements the Health Home inflationary rate increase appropriated by the state legislature during the 2023 legislative session.</i>	07/01/23	06/12/23	07/12/23

SPAs in CMS Review

SPA #	SPA Description	Date Effective	Tribal Consultation Start Date	Tribal Consultation End Date	Date Submitted to CMS
23-0011	Care Coordination Supplemental Payment <i>Updates the care coordination provider list and supplemental payment amounts.</i>	05/01/23	04/11/23	05/11/23	05/22/23
23-0012	Nursing Facility Reimbursement <i>Proposes to move Medicaid from the Resource Utilization Group III (RUG III) reimbursement model to the Patient Driven Payment Model (PDPM) reimbursement model for Nursing Facility services.</i>	07/01/23	04/24/23	05/24/23	06/06/23
23-0015	Behavioral Health Inflationary Increase <i>Implements community mental health center (CMHC) and substance use disorder (SUD) agency inflationary increases appropriated by the state legislature during the 2023 legislative session.</i>	06/01/23	05/08/23	06/07/23	06/21/23
23-0014	Health Home Quality Measures <i>Update the quality measures and associated weights for the Health Homes quality incentive payment methodology.</i>	06/01/23	05/08/23	06/07/23	06/21/23

Approved SPAs

SPA #	SPA Description	Date Effective	Tribal Consultation Start Date	Tribal Consultation End Date	Date Submitted to CMS	Date Approved
22-0011	COVID-19 Assurance Medicaid SPA <i>Provides assurances that the state complies with the American Rescue Plan provisions which require states to cover COVID-19 testing, treatment, and vaccines.</i>	03/11/21	07/18/22	08/17/22	09/09/22	06/02/23
22-0014	Premium Assistance Program <i>Clarifies how the premium assistance program determines if assistance is estimated to be cost effective and aligns the policies with current practice.</i>	10/01/22	09/12/22	10/12/22	10/24/22	04/25/23
23-0001	Medicaid Expansion - Alternative Benefit Plan <i>Establishes the benefit plan for individuals in the newly expanded adult eligibility group.</i>	07/01/23	01/09/23	02/08/23	02/23/23	05/23/23
23-0002	Medicaid Expansion - FMAP <i>Establishes the Federal Medical Assistance Percentage (FMAP) rate for the newly expanded adult eligibility group.</i>	07/01/23	01/09/23	02/08/23	02/24/23	05/23/23
23-0003	Medicaid Expansion - Eligibility <i>Expands the current covered eligibility groups to include adults ages 18-65 with incomes at or below the FPL.</i>	07/01/23	01/09/23	02/08/23	02/24/23	05/23/23
23-0004	Health Home Retiering <i>Implements a revised Health Home Program tier 4 payment in relation to retiering enrolled recipients.</i>	01/01/23	12/27/22	01/26/23	02/02/23	04/21/23
23-0005	Managed Care (PCCM) Eligibility <i>Incorporates CMS's Managed Care template pages while adding the newly expanded adult eligibility group and implements Per Member Per Month payments for eligible IHS, Tribal 638, Urban Indian Health, and FQHC/RHC facilities.</i>	07/01/23	01/23/23	02/22/23	02/24/23	05/23/23
23-0007	Former Foster Care Eligibility <i>SPA adds eligibility for former foster care children who have aged out of foster care in another state, are now a resident of South Dakota seeking Medicaid coverage.</i>	01/01/23	02/13/23	03/15/23	03/16/23	05/12/23
23-0008	Extended Postpartum Period Coverage - Medicaid <i>Provides 12 months continuous postpartum coverage to beneficiaries who are eligible for and enrolled in Medicaid while pregnant.</i>	07/01/23	02/06/23	03/08/23	03/15/23	06/05/23
23-0009	Extended Postpartum Period Coverage - CHIP <i>Provides 12 months continuous postpartum coverage to beneficiaries who are eligible for and enrolled in CHIP while pregnant.</i>	07/01/23	02/06/23	03/08/23	03/15/23	06/05/23
23-0010	Over-the-Counter Drug Coverage <i>Simplifies the over-the-counter (OTC) drug coverage language as recommended by Centers for Medicare and Medicaid Services (CMS) (does not alter coverage).</i>	04/01/23	03/20/23	04/19/23	05/01/23	05/25/23

Anticipated SPAs

SPA Description	Anticipated Start of Tribal Consultation
Hospital Presumptive Eligibility <i>Updates the eligibility applications and associated training materials to include the expanded adult eligibility group.</i>	Summer/Fall 2023
Pregnancy/Maternal Health Home <i>Establishes extended services to pregnant women through a health home program.</i>	Summer/Fall 2023

1115 Waiver Demonstrations

1115 Description	Date Submitted to CMS
Career Connector <i>Promotes work and community engagement for adults recipients age 19-59 living in Minnehaha and Pennington County.</i>	08/18/18
Improving American Indian Health <i>Requests expansion of the IHS network to include Urban Indian Health Clinics in Pierre and Sioux Falls as well as FQHCs located in Mission and Rapid City.</i>	04/15/19



South Dakota
Department of
Social Services

DEPARTMENT OF SOCIAL SERVICES

DIVISION OF MEDICAL SERVICES
700 GOVERNORS DRIVE
PIERRE, SD 57501-2291
PHONE: 605.773.3495
FAX: 605.773.5246
WEB: dss.sd.gov

June 26, 2023

RE: South Dakota Medicaid State Plan Amendment # SD-23-0015

The South Dakota Department of Social Services intends to make a change to the South Dakota Medicaid State Plan. The proposed state plan amendment (SPA) establishes a proxy methodology to account for the proportion of individuals covered under the extended postpartum coverage option who would otherwise be eligible for coverage in the adult group and for the newly eligible Federal Medical Assistance Percentage (FMAP).

The SPA amends Supplement 18 to Attachment 2.6-A, pages 4 and 6 of the South Dakota Medicaid State Plan. The Department intends to make this SPA effective July 1, 2023.

The department's estimate for the fiscal impact associated with these SPAs is included in the existing projection for Medicaid Expansion as provided in the January 9, 2023 Public Notice which is \$13,943,834 in State funds and \$125,494,504 in Federal funds, totaling \$139,438,338 in Federal Fiscal Year 2023 (July 1, 2023 to September 30, 2023) and \$55,775,335 in State funds and \$501,987,015 in Federal funds, totaling \$557,753,350 in Federal Fiscal Year 2024 (October 1, 2023 to September 30, 2024).

The SPA is available to view on the department's website at <http://dss.sd.gov/medicaid/medicaidstateplan.aspx>. Copies of the proposed SPA pages are also available at the Department of Social Services, Division of Medical Services. Written requests for a copy of these changes, and corresponding comments, may be emailed to MedicaidSPA@state.sd.us or sent to:

DIVISION OF MEDICAL SERVICES
DEPARTMENT OF SOCIAL SERVICES
700 GOVERNORS DRIVE
PIERRE, SD 57501-2291

The public comment period will start June 26, 2023, and end July 26, 2023.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Matt Ballard', is written over a light blue horizontal line.

Matthew Ballard
Deputy Director
Division of Medical Services
South Dakota Department of Social Services

CC: Matt Althoff, Cabinet Secretary
Sarah Aker, Director

Medicaid State Plan Amendment Proposal

Transmittal Numbers: SD-23-0015

Effective Dates: July 1, 2023

Brief Description: Establishes a proxy methodology to account for the proportion of individuals covered under the extended postpartum coverage option who would otherwise be eligible for coverage in the adult group and for the newly eligible Federal Medical Assistance Percentage (FMAP).

Area of State Plan Affected: Supplement 18 to Attachment 2.6-A

Page(s) of State Plan Affected: Pages 4 and 6

Estimate of Fiscal Impact, if Any: \$139,438,338 in Federal Fiscal Year 2023 and \$557,753,350 Federal Fiscal Year 2024.

Reason for Amendment: To establish a Federal Medical Assistance Percentage (FMAP) proxy methodology.

PUBLIC NOTICE

South Dakota Medicaid Program

Notice is hereby given that the South Dakota Department of Social Services intends to make changes to the South Dakota Medicaid State Plan. The proposed state plan amendment (SPA) establishes a proxy methodology to account for the proportion of individuals covered under the extended postpartum coverage option who would otherwise be eligible for coverage in the adult group and for the newly eligible Federal Medical Assistance Percentage (FMAP).

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700 GOVERNORS DRIVE
PIERRE, SD 57501-2291

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2. Attachment C describes any enrollment caps authorized in section 1115 demonstrations as of December 1, 2009 that are applicable to populations that the state covers in the eligibility group described at 42 CFR 435.119 and received full benefits, benchmark benefits, or benchmark equivalent benefits as determined by CMS. The enrollment cap or caps are as specified in the applicable section 1115 demonstration special terms and conditions as confirmed by CMS, or in alternative authorized cap or caps as confirmed by CMS. Attach CMS correspondence confirming the applicable enrollment cap(s).
3. The state applies a combined enrollment cap adjustment for purposes of claiming FMAP in the adult group:
 - Yes. The combined enrollment cap adjustment is described in Attachment C
 - No.
4. Enrollment Cap Methodology: Attachment C describes the methodology for calculating the enrollment cap adjustment, including the use of combined enrollment caps, if applicable.

C. Special Circumstances (42 CFR 433.206(g)) and Other Adjustments to the Adult Group FMAP Methodology

1. The state:
 - Applies a special circumstances adjustment(s).
 - Does not apply a special circumstances adjustment.
2. The state:
 - Applies additional adjustment(s) to the adult group FMAP methodology (complete item 3).
 - Does not apply any additional adjustment(s) to the adult group FMAP methodology (skip item 3 and go to Part 3).
3. Attachment D describes the special circumstances and other proxy adjustment(s) that are applied, including the population groups to which the adjustments apply and the methodology for calculating the adjustments.

Part 5 - State Attestations

The State attests to the following:

- A. The application of the adult group FMAP methodology will not affect the timing or approval of any individual's eligibility for Medicaid.
- B. The application of the adult group FMAP methodology will not be biased in such a manner as to inappropriately establish the numbers of, or medical assistance expenditures for, individuals determined to be newly or not newly eligible.

ATTACHMENTS

Not all of the attachments indicated below will apply to all states; some attachments may describe methodologies for multiple population groups within the new adult group. Indicate those of the following attachments which are included with this SPA:

- Attachment A – Conversion Plan Standards Referenced in Table 1
- Attachment B – Resource Criteria Proxy Methodology
- Attachment C – Enrollment Cap Methodology
- Attachment D – Special Circumstances Adjustment and Other Adjustments to the Adult Group FMAP Methodology
- Attachment E – Transition Methodologies

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 4 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

Special Circumstances Adjustment and Other Adjustments to the Adult Group FMAP Methodology

Effective July 1, 2023, South Dakota has elected the extended postpartum option, which extends postpartum coverage from 60 days to 12 months, under Sections 9812 and 9822 of the American Rescue Plan Act of 2021. The new extended postpartum coverage provides ongoing care that will reduce pregnancy related deaths and severe maternal morbidity and will improve continuity of care for chronic health conditions. South Dakota intends to claim enhanced federal financial participation using a proxy methodology for individuals who remain on a Medicaid category under the new extended postpartum coverage for 12 months, who would have otherwise moved to the adult coverage group and been determined newly eligible, as described in 42 CFR 435.119 after the original 60-day period. This proxy methodology accounts for the proportion of individuals covered under the extended postpartum coverage option who would otherwise be eligible for coverage in the Adult Group and for the newly eligible federal medical assistance percentage (FMAP) under section 1905(y) of the Social Security Act. Prior to July 1, 2023, postpartum individuals with income at or below 133% but above the parent caretaker fixed income limit, who were at least nineteen years old but less than sixty-five years old, no longer pregnant, not disabled, and not enrolled in Medicare Part A or Part B, would have been determined ineligible after receiving 60 days of postpartum coverage. After July 1, 2023 these individuals would be eligible for the Adult Group and South Dakota would have received enhanced FMAP for these individuals.

Denominator:

Based on State Fiscal Year 2019 data (pre-Medicaid Expansion and COVID-19 PHE for South Dakota), 1,582 individuals in South Dakota were enrolled in the postpartum coverage group which was limited to sixty days. South Dakota provides coverage to pregnant women from 0% FPL to 133% FPL, plus the 5% MAGI disregard. Individuals are enrolled in the post-partum coverage group, regardless of income, when they meet no other full benefit coverage group (e.g., Parent Caretaker or SSI Recipient).

Numerator:

Because South Dakota's income limits for pregnant women matches that of the Adult Group, the majority of individuals enrolled in a pregnancy-related coverage group, including the post-partum coverage group, meet the eligibility criteria for the Adult Group. Out of those 1,582 individuals, South Dakota believes the following would not have been eligible for the Adult Group

- Under age 19 or over age 64: 2 recipients
- Entitled to or enrolled in Medicare Part A or B: 8 recipients
- Income greater than 138% FPL: 46 recipients

This leaves 1,526 (1,582 – 2 – 8 – 46) individuals who were not eligible for any other coverage group that would meet the eligibility criteria for the Adult Group. As a result, 1,526 individuals would be otherwise eligible for coverage in the adult group and for the newly eligible FMAP after the 60-day postpartum period, but for the State's election of the extended postpartum coverage option. South Dakota redetermines eligibility annually and assumes the coverage would be for the entire additional 10-month period.

Proxy Percentage:

South Dakota estimates that 96.4% (1,526/1,582) of postpartum individuals would be otherwise eligible for coverage in the Adult Group and for the newly eligible FMAP after the 60-day postpartum period, but for the State's election of the extended postpartum coverage option.