

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](http://dss.sd.gov)



August 13, 2018

Richard Allen  
Associate Regional Administrator  
Centers for Medicare and Medicaid Services  
1961 Stout Street, Room 08-148  
Denver, CO 80294

Re: South Dakota Medicaid State Plan Amendment SD-18-004

Dear Mr. Allen:

Please find enclosed South Dakota's Medicaid State Plan Amendment (SPA) SD-18-004. The SPA amends pages 27 to 30 of Supplement to Attachment 3.1-A and page 26 of Attachment 4.19-B. of the South Dakota Medicaid State Plan. The proposed SPA clarifies covered services and the reimbursement methodologies for substance use disorder agencies and community mental health centers. The SPA implements substance use disorder treatment as a covered service for all Medicaid recipients as appropriated for by the state legislature during the 2018 legislative session.

South Dakota requests an effective date of July 1, 2018. The Department estimates there will be a \$281,949 federal fiscal impact associated with this SPA in Federal Fiscal Year 2018 and a \$1,127,795 federal fiscal impact in Federal Fiscal Year 2019.

The State conducted Tribal Consultation beginning with notification on May 7, 2018. We have attached a copy of the notification sent to the Tribes. Public notice was published in the South Dakota REGISTER, <http://sdlegislature.gov/docs/rules/Register/05072018.pdf>, on May 7, 2018. We received one comment. Community HealthCare Association of the Dakotas (CHAD) expressed support for the SPA. In their letter of support, CHAD raised concerns that are unrelated to this proposed SPA and DSS is working with CHAD on those issues separately. Only one FQHC in South Dakota provides substance use disorder services and these services are limited. The South Dakota Council of Substance Abuse Directors, Inc. also submitted a letter of support for our corresponding administrative rules package.

If you have any questions regarding this package, please contact Sarah Aker, Deputy Director of the Division of Medical Services, 700 Governors Drive, Pierre, SD 57501-2291, e-mail [sarah.aker@state.sd.us](mailto:sarah.aker@state.sd.us), or telephone (605) 773-3495.

Sincerely,

A handwritten signature in blue ink that reads 'Lynne A. Valenti'.

Lynne A. Valenti  
Cabinet Secretary

Cc: Brenda Tidball-Zeltinger, Deputy Secretary  
William Snyder, Director  
Sarah Aker, Deputy Director

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	<b>1. TRANSMITTAL NUMBER:</b> SD-18-004	<b>2. STATE:</b> South Dakota
	<b>3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
<b>TO: REGIONAL ADMINISTRATOR</b> CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	<b>4. PROPOSED EFFECTIVE DATE</b> July 1, 2018	

**5. TYPE OF PLAN MATERIAL (Check One):**

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

**COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)**

<b>6. FEDERAL STATUTE/REGULATION CITATION:</b>  42 CFR 440.130, 42 CFR 440.225, and 42 CFR 447.201	<b>7. FEDERAL BUDGET IMPACT:</b> a. FFY 2018: \$ 281,949.00 b. FFY 2019: \$ 1,127,795.00
<b>8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:</b>  Supplement to Attachment 3.1-A, page 27 and Attachment 4.19-B, page 26	<b>9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):</b> Supplement to Attachment 3.1-A, page 27, 28, 29, and 30 and Attachment 4.19-B, page 26

**10. SUBJECT OF AMENDMENT:**

The proposed state plan amendment clarifies covered services and the reimbursement methodologies for substance use disorder agencies and community mental health centers. The SPA implements substance use disorder treatment as a covered service for all Medicaid recipients as appropriated for by the state legislature during the 2018 legislative session.


**11. GOVERNOR'S REVIEW (Check One):**

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED:

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

<b>12. SIGNATURE OF STATE AGENCY OFFICIAL:</b> 	<b>16. RETURN TO:</b>  DEPARTMENT OF SOCIAL SERVICES DIVISION OF MEDICAL SERVICES 700 GOVERNORS DRIVE PIERRE, SD 57501-2291
<b>13. TYPED NAME:</b> Lynne A. Valenti	
<b>14. TITLE:</b> Cabinet Secretary	
<b>15. DATE SUBMITTED:</b> August 13, 2018	

**FOR REGIONAL OFFICE USE ONLY**

<b>17. DATE RECEIVED:</b>	<b>18. DATE APPROVED:</b>
<b>PLAN APPROVED - ONE COPY ATTACHED</b>	
<b>19. EFFECTIVE DATE OF APPROVED MATERIAL:</b>	<b>20. SIGNATURE OF REGIONAL OFFICIAL:</b>
<b>21. TYPED NAME:</b>	<b>22. TITLE:</b>

**23. REMARKS:**

## Standard Funding Questions

- 1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. Do providers receive and retain the total Medicaid expenditures claimed by the State (includes normal per diem, supplemental, enhanced payments, other) or is any portion of the payments returned to the State, local governmental entity, or any other intermediary organization? If providers are required to return any portion of payments, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of providers that return a portion of their payments, the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (i.e., general fund, medical services account, etc.)**

South Dakota Medicaid Providers receive 100% of Medicaid expenditures claimed by the State of South Dakota.

- 2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe whether the state share is from appropriations from the legislature to the Medicaid agency, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share. Note that, if the appropriation is not to the Medicaid agency, the source of the state share would necessarily be derived through either an IGT or CPE. In this case, please identify the agency to which the funds are appropriated. Please provide an estimate of total expenditure and State share amounts for each type of Medicaid payment. If any of the non-federal share is being provided using IGTs or CPEs, please fully describe the matching arrangement including when the state agency receives the transferred amounts from the local government entity transferring the funds. If CPEs are used, please describe the methodology used by the state to verify that the total expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b). For any payment funded by CPEs or IGTs, please provide the following:**
  - (i) a complete list of the names of entities transferring or certifying funds;**
  - (ii) the operational nature of the entity (state, county, city, other);**
  - (iii) the total amounts transferred or certified by each entity;**

- (iv) **clarify whether the certifying or transferring entity has general taxing authority; and,**
- (v) **whether the certifying or transferring entity received appropriations (identify level of appropriations).**

The state share of South Dakota Medicaid payments is made from appropriations by the South Dakota State Legislature.

3. **Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State plan. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to each provider type.**

Per the CMS-64 report there were no supplemental or enhanced payments associated with these services.

4. **Please provide a detailed description of the methodology used by the state to estimate the upper payment limit (UPL) for each class of providers (State owned or operated, non-state government owned or operated, and privately owned or operated). Please provide a current (i.e. applicable to the current rate year) UPL demonstration.**

The 2018 UPLs were submitted to CMS on June 29, 2018.

5. **Does any governmental provider receive payments that in the aggregate (normal per diem, supplemental, enhanced, other) exceed their reasonable costs of providing services? If payments exceed the cost of services, do you recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report?**

No, public providers do not receive payments that exceed their reasonable costs of providing services.

# REGISTER



## South Dakota Legislative Research Council

Volume 44

Monday, 8:00 a.m., May 7, 2018

### FILINGS IN THE LEGISLATIVE RESEARCH COUNCIL'S OFFICE:

**Notice of Proposed Rules:** (The date in parentheses is the date the rules were filed with the Legislative Research Council.)

**Department of Transportation:** (May 2, 2018) intends to amend rules to change the speed limit from 35 to 25 miles per hour on portions of U.S. Highway 14A in and around Lead and Deadwood. The general authority for these rules, as cited by the agency, is SDCL §32-25-7.

A public hearing will be held in the Commission Room, Becker-Hansen Building, 700 East Broadway, Pierre, South Dakota, on May 24, 2018, at 9:00 a.m. CT. Copies of the proposed rules may be obtained without charge from and written comments sent to the Secretary of the South Dakota Department of Transportation, Becker-Hansen Building, 700 E. Broadway Avenue, Pierre, SD 57501. Copies of the proposed rules are also available at <https://open.sd.gov>. Comments may be sent electronically to [darin.bergquist@state.sd.us](mailto:darin.bergquist@state.sd.us). Information submitted by mail or email must reach the Department on or before May 20, 2018, to be considered. This hearing is being held in a physically accessible place. Persons who have special needs for which the Department can make arrangements are asked to call (605) 773-3540 or 1-800-877-1113 (Telecommunication Device for the Deaf) prior to the public hearing.

### NOTICE:

The **Department of Social Services** intends to make changes to the South Dakota Medicaid

State Plan regarding substance use disorder treatment and community mental health centers (CMHCs). The proposed State Plan Amendment (SPA) clarifies covered services and the reimbursement methodologies for substance use disorder agencies and CMHCs; implements substance use disorder treatment as a covered service for all Medicaid recipients as appropriated for by the state legislature during the 2018 legislative session; and revises pages 27 to 30 of Supplement to Attachment 3.1-A and page 26 of Attachment 4.19-B. The Department intends to make this SPA effective July 1, 2018. The Department estimates there will be a \$281,949 federal fiscal impact associated with this SPA in Federal Fiscal Year 2018 and a \$1,127,795 federal fiscal impact in Federal Fiscal Year 2019. The SPA can be viewed online at <http://dss.sd.gov/medicaid/medicaidstateplan.aspx>. Copies of the proposed SPA are available at the Department of Social Services, Division of Medical Services. Written requests for a copy of these changes, and corresponding comments, may be sent to Division of Medical Services, Department of Social Services, 700 Governors Drive, Pierre, SD 57501.

Note: A copy of the rules may be obtained directly from the above agencies or at <https://rules.sd.gov>. Write to the agency at the address given under "Notices of Proposed Rules." There is no charge for proposed rules. The following agencies have permission from the Interim Rules Review Committee to charge for adopted rules: the Division of Insurance, the Cosmetology Commission, the State Board of Examiners in Optometry, the State Plumbing Commission, the Board of Nursing, the Department of Social Services, the State Electrical Commission, the South Dakota Board of Pharmacy, the Real Estate Commission, the Gaming Commission, the Department of Revenue, and the Department of Labor and Regulation for Article 47:03.

## Ballard, Matthew

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**From:** Ballard, Matthew  
**Sent:** Monday, May 07, 2018 8:36 AM  
**To:** 'Amanda Taylor'; 'Amy Muchna'; 'Anthony Reider'; 'April Herrick'; 'Arlene Krulish'; 'Audrey German'; 'Becky Diehm'; 'Beth Lee'; 'Bonnie Cromwell'; 'Brandon Sazue'; 'Brittany Brewer'; 'CAPT Christopher W. Allen'; 'Carmen Thompson'; 'Carol Diaz'; 'CDR Emily Williams'; 'CeCe BigCrow'; 'Christine Olson'; 'Christy Hacker'; 'Clarence, Montgomery'; 'Cody Wolff'; 'Cole Hunter'; 'Corey Smith'; 'Crystal Horse Looking'; 'Crystal Owen'; 'Damon Leader Charge'; 'Dave Archambault II'; 'David Flute'; 'David Walford'; 'DaVonna Keeble'; 'Dayle Knutson'; 'DeAnna Howe-Swan'; 'Deb Odens'; 'Debee Eagle Elk'; 'Dee LeBeau-Hein'; 'Delaine Rasmussen'; 'Delores Pourier'; 'Devero Yellow Earing'; 'Don Lee'; 'Dr. Bill Carr'; 'Dylan Fills Pipe'; 'Ed Parsells'; 'Eddie Johnson Jr.'; 'Edwin Harris'; 'Elaine Clement'; 'Elaine Keepseagle'; 'Ella "John" Carlow'; 'Ellen Durkin'; 'Emery, Steve'; 'Eugene Giago'; 'Evelyn "Evie" Espinoza'; 'Gerri LeBeau'; 'Gina Johnson'; 'Gypsy Wanna'; 'Harold Frazier'; 'Holly Rice'; 'Jade Trottier'; 'James Begeman'; 'Jana Gipp'; 'Jean Richards-Tulloss'; 'Jennie Crawford'; 'Jennifer Giroux'; 'Jennifer Williams'; 'Jenny Jeffries'; 'Jeremy Burtenshaw'; 'Jeri Starr'; 'Jerilyn Church'; 'Jerome Lee Bearheels'; 'Jessica Morson'; 'Johanna Camacho'; 'John Eagle Shield'; 'John Yellow Bird Steele'; 'Jon Schuchardt'; 'Jonni Arpan'; 'Julie Thorstenson'; 'Justin Taylor'; 'Kagey, Hannah'; 'Karla Kirkpatrick'; 'Kathlene Thurman'; 'Kathy Bad Moccasin'; 'Kathy Gordon'; 'Kendra Christensen'; 'Kendra Roland'; 'Kevin Meeks'; 'Kevin Stiffarm'; 'Kim Clown'; 'Kristine Watts'; 'Kym Swimmer'; 'Leah Fyten'; 'Leatrice Wilson'; 'Lee Lawrence'; 'LeLewis Gipp'; 'Lezley "Lez" Kempf'; 'Linda Littlefield'; 'Lisa Schlosser'; 'Liz Anderson'; 'Lori Braaten'; 'Lori Sampson'; 'Lynn Big Eagle'; 'Marc Beaudreau'; 'Margaret Gates'; 'Margaret Gunville'; 'Marieta Little Thunder'; 'Marilyn Prairie Chicken'; 'Mark Aguilar'; 'Mark Calkins'; 'Mark LeBrun'; 'Mary Ann McCLOWEN'; 'Mary Bickel'; 'Matthew Frye'; 'Matthew Sieler'; 'Melissa Huff'; 'Michelle Patton'; 'Michelle Red Willow'; 'Mika Tibbs'; 'Mike Boland'; 'Monta Little Solider'; 'Myrna Thompson'; 'Neil Austin'; 'Nichole Cottier'; 'Nick Thomas'; 'Nicole White Wolf'; 'Olivia Grass'; 'Olson, Alissa'; 'Opal Jones'; 'Patty Eagle Bull'; 'Paula Brown'; 'Paulette High Elk'; 'PJ Beaudry'; 'Randal White'; 'Randi Peacock'; 'Randolph Runs After'; 'Reiss, David'; 'Ricahrd Mousseau'; 'Richard Bud'; 'Richard Huff'; 'Rick Sorensen'; 'Robert Flying Hawk'; 'Roberta Jacobson'; 'Rochelle Rogers'; 'Ron Cornelius'; 'Roxanne Sazue'; 'Roxee Johnson'; 'Royal Yellow Hawk'; 'Sara DeCoteau'; 'Sean Jackson'; 'Shawn Carging'; 'Shirley Crane'; 'Sierra Wolcott'; 'Sonia Little Hawk-Weston'; 'Stacey Red Willow'; 'Staci Hunter'; 'Steven Kaleda'; 'Sue Mallon'; 'Sunny Cololmbe'; 'Susan Porter'; 'Tara Fox'; 'Teresa Stites'; 'Terra Haug'; 'Terri Rattler'; 'Tiffany Bird Necklace'; 'Tiffany Larson'; 'Tina Russell'; 'Tinka Duran'; 'Tinnekkia Williams'; 'Todd Warren'; 'Toni Slockish'; 'Tony Stayner'; 'Tricia Birdnecklace'; 'Tricia Knight'; 'Trina Fischer'; 'Tyler Lannoye'; 'Valentina LaFountain'; 'Vicky Barnes'; 'Warren Giago'; 'William "Willie" Kindle'  
**Cc:** Aker, Sarah; Snyder, William; Wolfgang, Tiffany; Tidball-Zeltinger, Brenda; Valenti, Lynne  
**Subject:** SPA SD 18-004 Tribal Consultation  
**Attachments:** SUD SPA Package.pdf

Good Morning,

Please find attached a proposed Medicaid State Plan Amendment ("SPA") regarding substance use disorder treatment and community mental health centers ("CMHCs). The proposed SPA clarifies covered services and reimbursement methodologies for substance use disorder agencies and CMHCs. The SPA implements substance use disorder treatment as a covered service for all Medicaid recipients as appropriated for by the state legislature during the 2018 legislative

session. The SPA revises pages 27 to 30 of Supplement to Attachment 3.1-A and page 26 of Attachment 4.19-B. We intend to make this SPA effective July 1, 2018.

Please contact me within 30 days of receipt of this message with any questions or comments.

Sincerely,

**Matthew Ballard** | Program Specialist II  
South Dakota Department of Social Services  
Division of Medical Services  
(605) 773-3495



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**DEPARTMENT OF SOCIAL SERVICES**

DIVISION OF MEDICAL SERVICES

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**WEB:** [dss.sd.gov](http://dss.sd.gov)



**Strong Families - South Dakota's Foundation and Our Future**

May 7, 2018

RE: South Dakota Medicaid State Plan Amendment #SD-18-004

The South Dakota Department of Social Services intends to make changes to the South Dakota Medicaid State Plan regarding substance use disorder treatment and community mental health centers (CMHCs). The proposed State Plan Amendment (SPA) clarifies covered services and the reimbursement methodologies for substance use disorder agencies and CMHCs. The SPA implements substance use disorder treatment as a covered service for all Medicaid recipients as appropriated for by the state legislature during the 2018 legislative session. The SPA revises pages 27 to 30 of Supplement to Attachment 3.1-A and page 26 of Attachment 4.19-B.

We intend to make this SPA effective July 1, 2018. The Department estimates there will be a \$281,949 federal fiscal impact associated with this SPA in Federal Fiscal Year 2018 and a \$1,127,795 federal fiscal impact in Federal Fiscal Year 2019.

Please contact me within 30 days of receipt of this message with any questions or comments.

Sincerely,

Sarah Aker  
Deputy Director  
Division of Medical Services  
South Dakota Department of Social Services

CC: Lynne A. Valenti, Cabinet Secretary  
Brenda Tidball-Zeltinger, Deputy Secretary  
William Snyder, Director



## **Medicaid State Plan Amendment Proposal**

**Transmittal Number:** SD-18-004

**Effective Date:** 07/01/2018

**Brief Description:** This State Plan Amendment clarifies coverage and reimbursement for substance use disorder agencies and community mental health centers.

**Area of State Plan Affected:** Supplement to Attachment 3.1-A and Attachment 4.19-B

**Page(s) of State Plan Affected:** Revises pages 27 to 30 of Supplement to Attachment 3.1-A and page 26 of Attachment 4.19-B.

**Estimate of Fiscal Impact, if Any:**

2018	\$281,949
2019	\$1,127,795

**Reason for Amendment:** To clarify coverage, reimbursement, and implement substance use disorder treatment coverage for all Medicaid recipients.

## SUPPLEMENT TO ATTACHMENT 3.1-A

13d. Rehabilitative Services

Rehabilitation services are medical and remedial services that have been recommended by a physician for maximum reduction of physical or mental disability and restoration of a recipient to his best possible functional level and provided by one of the following providers:

1. A traumatic brain injury unit within an adjustment training center which has been approved by the Department of Human Services.

Services provided by a traumatic brain injury unit will be limited to those services outlined in an individualized rehabilitation plan that is prepared following an interdisciplinary evaluation.

2. Community Mental Health Centers (CMHCs) accredited by the state mental health authority. Services are covered for an individual for whom an integrated assessment has been prepared that includes a primary diagnosis of a mental illness. Services are limited to:
  - a. Outpatient services;
  - b. Children or youth and family services for an individual under age 21 with a serious emotional disturbance;
  - c. Comprehensive Assistance with Recovery and Empowerment (CARE) for an individual age 18 or older with a serious mental illness and at least one functional impairment as a result of the serious mental illness; and
  - d. Individualized Mobile Programs of Assertive Community Treatment (IMPACT) for an individual age 18 or older with a serious mental illness and functional impairments as a result of the serious mental illness.
  
3. Substance use disorder agencies accredited by the single state agency for substance abuse. Services are covered for an individual for whom an integrated assessment has been prepared that includes a primary diagnosis of substance use disorder. The agency must prepare an individual treatment plan as a result of the integrated assessment. Crisis intervention services do not require an integrated assessment or individual treatment plan. Services are limited to:
  - a. Integrated assessment;
  - b. Crisis intervention services;
  - c. Outpatient treatment programs;
  - d. Intensive outpatient treatment programs;
  - e. Day treatment programs;
  - f. Clinically-managed low-intensity residential treatment programs;
  - g. Medically-monitored intensive inpatient treatment programs; and
  - h. Psychiatric residential treatment programs for substance use disorders for individuals under age 21.

ATTACHMENT 4.19-B  
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

13c. Preventive Services

Payments for Diabetes Self-Management Training will be made to the enrolled program, and are based on an hourly rate as determined by the lesser of the established Medicaid fee schedule, the established Medicare fee schedule, or the provider's usual and customary charges.

13d. Rehabilitation Services

1. Traumatic Brain Injury Unit. Payment will be prospective and based on reasonable and allowable cost following the Medicare program guidelines and principles.
2. Community Mental Health Centers (CMHCs). Payment for services will be the lower of the provider's usual and customary charge or the amount established on the State agency's fee schedule published on the agency's website <http://dss.sd.gov/medicaid/providers/feeschedules/>.
3. Substance Use Disorder Agencies. Payment for services will be the lower of the provider's usual and customary charge or the amount established on the State agency's fee schedule published on the agency's website <http://dss.sd.gov/medicaid/providers/feeschedules/>.