

**DEPARTMENT OF SOCIAL SERVICES**

DIVISION OF MEDICAL SERVICES

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**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/>.