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State/Territory Name: South Dakota

State Plan Amendment (SPA) #: SD-17-0006

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

OCT 24 2017

Lynne A. Valenti
Cabinet Secretary
Department of Social Services
700 Governors Drive
Pierre, South Dakota 57501-2291

Re: South Dakota 17-0006

Dear Ms. Valenti:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 17-0006. Effective for services on or after July 1, 2017, this amendment provides for clarification for Access Critical nursing facilities and nursing facilities operated under Public Law 93-638.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 17-0006 is approved effective July 1 2017. The Form CMS-179 and the amended plan page are attached.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristin Fan". The signature is written in a cursive, flowing style.

Kristin Fan
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: SD-17-006	2. STATE: South Dakota
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2017	

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)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.201 and 42 CFR 447 Subpart C	7. FEDERAL BUDGET IMPACT: a. FFY 2017: \$ 0.00 b. FFY 2018: \$ 0.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Pages 12 of Attachment 4.19-D	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Pages 12 of Attachment 4.19-D

10. SUBJECT OF AMENDMENT:

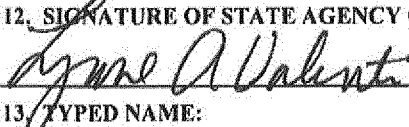
The State Plan Amendment clarifies payment methodology for Access Critical nursing facilities and nursing facilities operated under Public Law 93-638.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:

 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

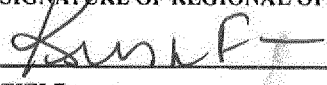
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: DEPARTMENT OF SOCIAL SERVICES DIVISION OF MEDICAL SERVICES 700 GOVERNORS DRIVE PIERRE, SD 57501-2291
13. TYPED NAME: Lynne A. Valenti	
14. TITLE: Cabinet Secretary	
15. DATE SUBMITTED: August 3, 2017	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: OCT 24 2017
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2017	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Kristin Fan	22. TITLE: Director, FMCO

23. REMARKS:

Section D—Other:

1. In computing annual per diem rates, costs subject to inflation which are submitted to the Department on the "Statistical and Cost Summary for Nursing Facilities" (Section A, Provision Number 3) shall be inflated in the statewide aggregate three percent annually. [Obsolete, effective July 7, 2009.]
2. Allowances may be made for known future costs due to new or revised Federal or State laws, regulations, and/or standards having an impact on costs incurred by nursing facilities. An explanation of costs of this nature must be attached to the "Statistical and Cost Summary for Nursing Facilities" if they are to be given consideration.
3. Facilities designated as Access Critical and facilities operated under 93-638 PL are not subject to the ceilings and limits stated in Section C. The facilities are reimbursed using the following methodologies:
 - a) Facilities designated as Access Critical in accordance with South Dakota Codified Law 34-12-35.5 are reimbursed using cost reports submitted to the Department per Section A, Provision Number 3 and shall be calculated to recognize additional direct care, non-direct care, and overall costs incurred by the facility.
 - b) The reimbursement rate for facilities operated under 93-638 PL will be calculated based on historical costs reported by the facility and reasonable and allowable prospective costs that support quality and access to care.
4. Statewide averages and allowable per diem rates shall be set annually prior to July 1, using cost reports submitted to the Department per Section A, Provision Number 3.