

# South Dakota

## ACCESS MONITORING REVIEW PLAN 2016



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# INTRODUCTION

## BACKGROUND

Section 1902(a)(30)(A) of the Social Security Act has always required states to assure that Medicaid payments are consistent with efficiency, economy, and quality of care and sufficient to enlist enough providers so that care and services are available to at least the extent that care and services are available to the general population in the same geographic area. The process for assuring to these requirements has been an informal part of the State Plan Amendment process. CMS proposed a rule in 2011 to formalize the process for monitoring access to care for Medicaid recipients. CMS released a final rule in 2015 requiring all states to develop an Access Monitoring Review Plan by October 1, 2016. The new federal regulations require states to analyze access to care through data and information from recipients and providers. In accordance with 42 CFR 447.203, South Dakota will review access to care for:

- Primary care services including Federally Qualified Health Centers, Rural Health Clinics and Physician, and Dental Services.
- Physician specialist services
- Behavioral health services
- Pre- and post-natal obstetric services, including labor and delivery
- Home health services

Plans are required to be updated every three years. States must add services to Access Monitoring Review Plans that make changes to reimbursement methodology policies to show that policies continue to support access to care.

## SOUTH DAKOTA MEDICAID

South Dakota's Medicaid program plays a vital role in the health care of many South Dakotans. South Dakota Medicaid provides healthcare coverage for 118,000 low-income individuals, including children, pregnant women, and individuals with disabilities, elderly, parents and other adults. South Dakota's program has high rates of provider participation and engages key stakeholders regularly relative to program development and implementation. At the end of State Fiscal Year 2015, South Dakota Medicaid had over 15,000 providers enrolled and an average of 5,000 providing services each month.

South Dakota Medicaid measures and monitors indicators of healthcare access to ensure that its Medicaid recipients have access to care that is comparable to the general population. Key data elements including recipient data, provider enrollment data, and survey data are used to monitor and measure access.

## ACCESS IN SOUTH DAKOTA

South Dakota's Access Monitoring Review Plan is one measure of recipient access and formalizes the review of access to care in accordance with 42 CFR 447.203. This plan

establishes a baseline for use in evaluating access today and over time. Prior to the development of this plan and the federal regulation, South Dakota Medicaid already had processes in place to facilitate access to care for South Dakota Medicaid recipients and engage in open and transparent public notice processes regarding rate methodologies. South Dakota utilizes a variety of metrics and tools to measure and monitor access to Medicaid services. Monthly recipient enrollment, provider enrollment data and provider feedback, recipient surveys and call data, and rates in relation to other health payers all inform the monitoring process.

## OVERVIEW OF FINDINGS

Based on review of available data, the Department of Social Services (DSS) concludes that South Dakota Medicaid's FFS reimbursement methodologies are sufficient to ensure access to healthcare that is similar to the general population in South Dakota for primary care, physician specialist, maternity, behavioral health, home health and dental services.

South Dakota Medicaid's Access Monitoring Review Plan is available for public comment from September 6, 2016 to October 28, 2016. South Dakota Medicaid is engaging key stakeholders to ensure understanding of the purpose of the monitoring plan and incorporate meaningful stakeholder input.

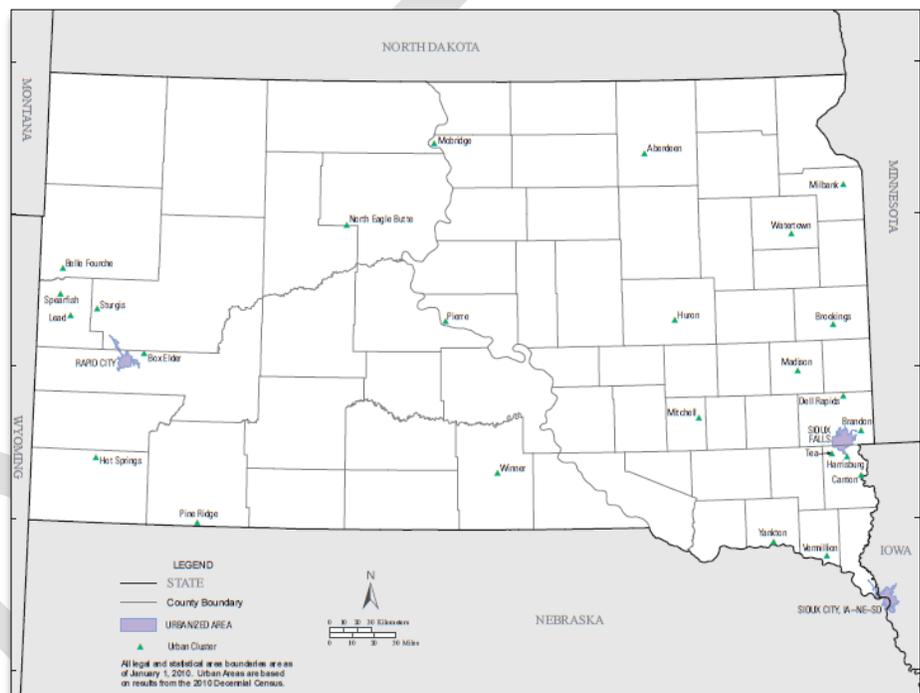
There are three ways to make a comment:

1. **Email:** [DSS.MEDICAID@state.sd.us](mailto:DSS.MEDICAID@state.sd.us)
2. **Mail:** South Dakota Medicaid  
ATTN: Access Monitoring Review Plan  
700 Governors Drive  
Pierre, SD 57501
3. **Phone:** 605.773.3495

# GEOGRAPHIC CHARACTERISTICS OF SOUTH DAKOTA

South Dakota is designated as a frontier state by the Affordable Care Act. A frontier state is a state in which at least 50 percent of the counties are frontier counties; a frontier county is a county where the population per square mile is less than 6. Frontier counties are best described as sparsely populated rural areas that are geographically isolated from population centers and services. Over half of South Dakotans live in a county that has been classified as a rural non-metro county by the Office of Management and Budget.<sup>1</sup> Of the 311 incorporated towns and cities in South Dakota, only 27 have populations greater than 2,500 people.<sup>2</sup> South Dakota has two Metropolitan Statistical Areas (MSA), Sioux Falls and Rapid City, and one county that is part of the Sioux City, Iowa MSA in southeastern South Dakota.

South Dakota has nine federally recognized tribes within its boundaries, which each have independent, sovereign relationships with the federal government. The majority of South Dakota's reservations are geographically isolated in frontier locations and medically underserved areas. American Indians in South Dakota are affected by a multitude of adverse health related issues at rates that exceed the white population in South Dakota.<sup>34</sup> IHS-eligible in South Dakota are served by the Great Plains Indian Health Service and Tribal 638 Facilities. South Dakota is served by 9 IHS Service Units: Cheyenne River Service Unit, Standing Rock Service Unit, Fort Thompson Service Unit, Lower Brule Service Unit, Pine Ridge Service Unit, Rosebud Service Unit, Woodrow Wilson Keeble Memorial Health Care Center at Sisseton, Yankton Service Unit, and the Rapid City Service Unit.



<sup>1</sup> United State Department of Agriculture Economic Research Service. *State Fact Sheets*. (2014). Retrieved from [http://www.ers.usda.gov/data-products/state-fact-sheets/state-data.aspx?StateFIPS=46&StateName=South Dakota](http://www.ers.usda.gov/data-products/state-fact-sheets/state-data.aspx?StateFIPS=46&StateName=South%20Dakota)

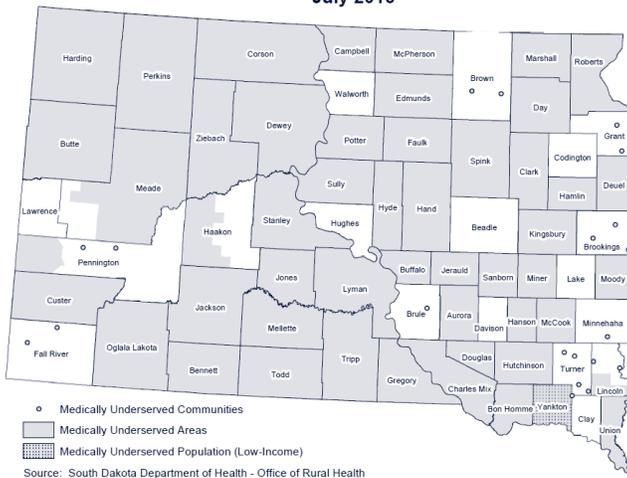
<sup>2</sup> United States Census Bureau Population Division. (2014). *Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2012*. Retrieved from <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkml>

<sup>3</sup> The Health Behaviors of South Dakotans, 2013. A report of the South Dakota Behavioral Risk Factor Surveillance System, South Dakota Department of Health; <http://doh.sd.gov/statistics/2013BRFSS/default.aspx>

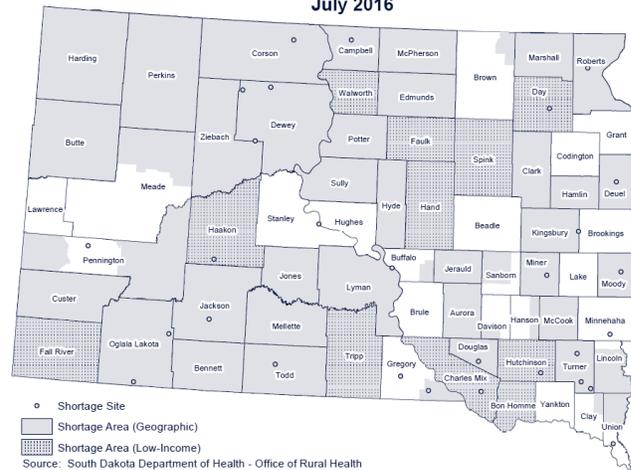
<sup>4</sup> South Dakota Vital Statistics Report: A State and County Comparison of Leading Health Indicators (2014); <https://doh.sd.gov/statistics/>

South Dakota's frontier landscape presents unique challenges for service delivery regardless of health payer. Rural and frontier communities face difficulties maintaining a healthcare workforce. Rural regions cannot easily compete with wages and amenities available to physicians and other professionals in more urban areas. South Dakota has shortages of certain health care providers; as of February 2016, all or parts of 51 of South Dakota's 66 counties are classified as a medically underserved area or population by the South Dakota Department of Health.<sup>5</sup> The maps below show shortage areas in South Dakota. The challenges associated with health care provider shortages are not unique to Medicaid and affect all health care payers. The Department of Social Services assists Medicaid Recipients in accessing health care services and finding and locating enrolled Medicaid providers.

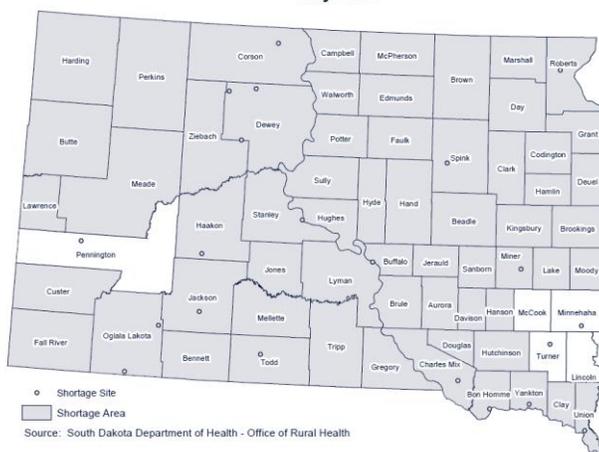
**SOUTH DAKOTA MEDICALLY UNDERSERVED AREAS/POPULATIONS**  
July 2016



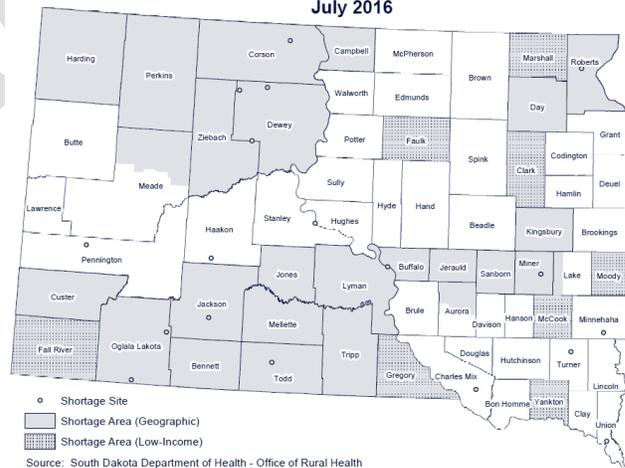
**SOUTH DAKOTA HEALTH PROFESSIONAL SHORTAGE AREAS**  
**PRIMARY MEDICAL CARE**  
July 2016



**SOUTH DAKOTA HEALTH PROFESSIONAL SHORTAGE AREAS**  
**MENTAL HEALTHCARE**  
July 2016



**SOUTH DAKOTA HEALTH PROFESSIONAL SHORTAGE AREAS**  
**DENTAL HEALTHCARE**  
July 2016



<sup>5</sup> South Dakota Department of Health Office of Rural Health. (2016). *South Dakota Medically Underserved Areas/Populations*. Retrieved from <https://doh.sd.gov/documents/Providers/RuralHealth/MUA.pdf>

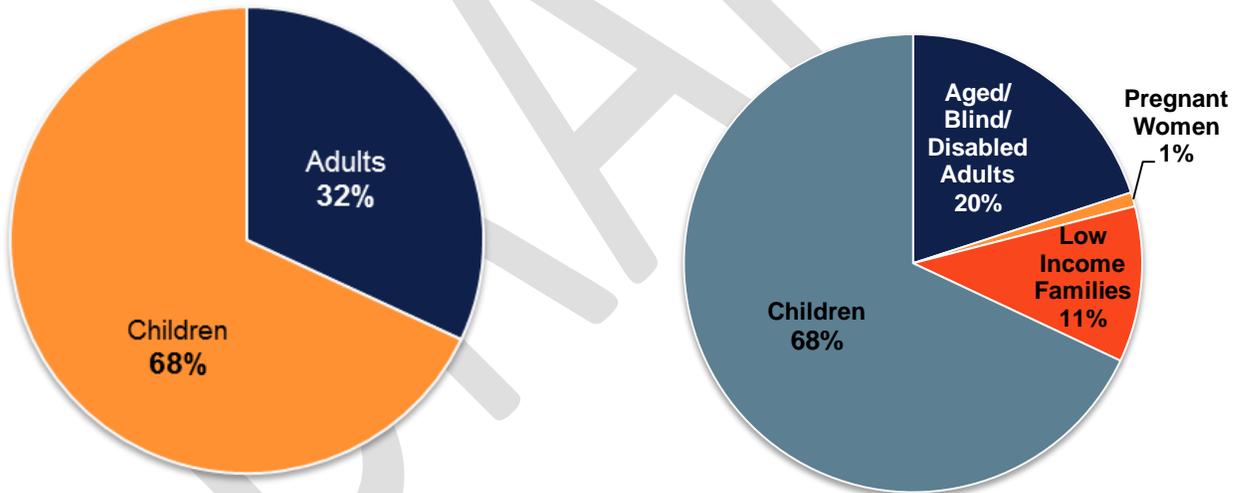
# MEDICAID RECIPIENT CHARACTERISTICS AND ACCESS

## PROGRAM OVERVIEW

South Dakota's Medicaid program plays a vital role in the health care of many individuals. The Medicaid program is much more than a vehicle for financing acute care in hospitals or care provided by physicians, dentists, optometrists and other medical providers.

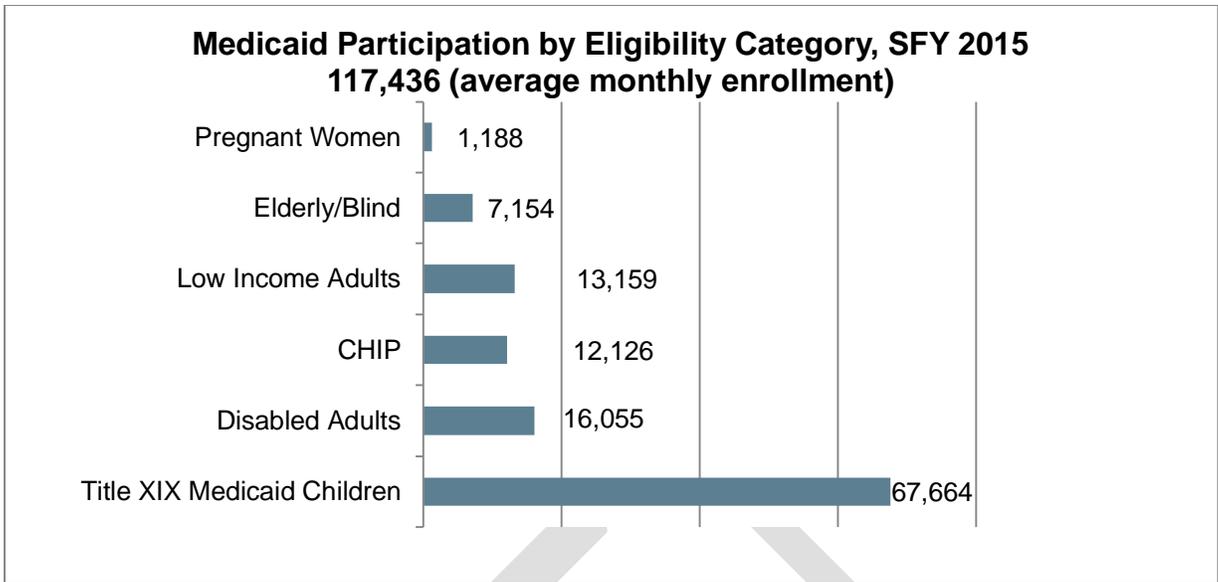
Currently, Medicaid provides health care coverage to about 14% of all South Dakotans. About 118,000 individuals are covered by South Dakota Medicaid during an average month. Children make up the largest group of individuals receiving coverage. Half of all children born in South Dakota will receive Medicaid or CHIP coverage in their first year of life. Across South Dakota, one third of children under age 19 receive coverage from South Dakota Medicaid annually. American Indians account for 35.5% of Medicaid eligibles.

### Population Characteristics (SFY15: 117,346 Average Monthly Enrollments)

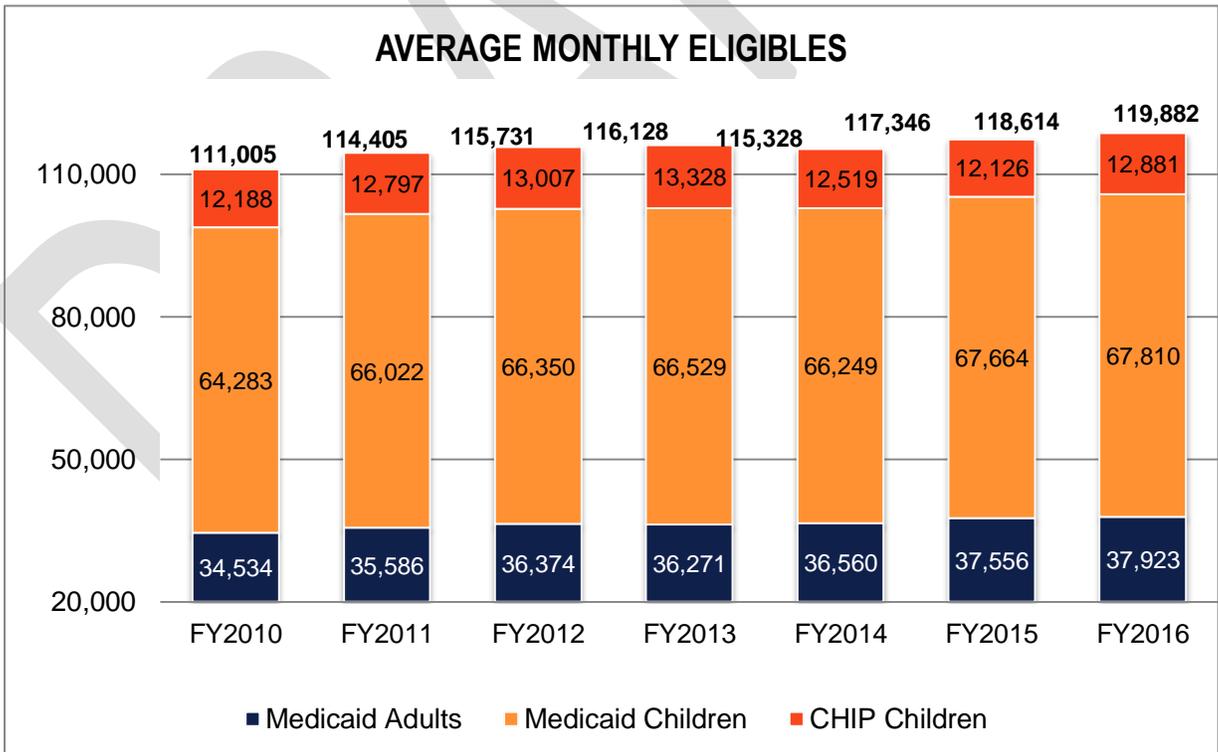


Eligibility depends on several factors including age, financial criteria, citizenship status and residency. Traditional Medicaid recipients may be low-income children, people with disabilities, low income older adults, and very low-income parents of children. Income and resource limits vary by coverage group: South Dakota covers:

- Children up to 209% of the FPL (\$50,683 annually for a family of four);
- Pregnant women up to 138% FPL (\$33,465 annually for a family of four);
- Parents of children up to 53% of the FPL (\$10,670 annually for a family of four); and
- Elderly and disabled adults.



Medicaid is naturally counter-cyclical, when the economy weakens, revenues decline, and the number of Medicaid Eligible increases. National experts indicate that every 1% increase in unemployment results in an increase of 1 million Medicaid and CHIP Eligible nationwide. Enrollment data is collected and monitored closely each month to inform access to services.

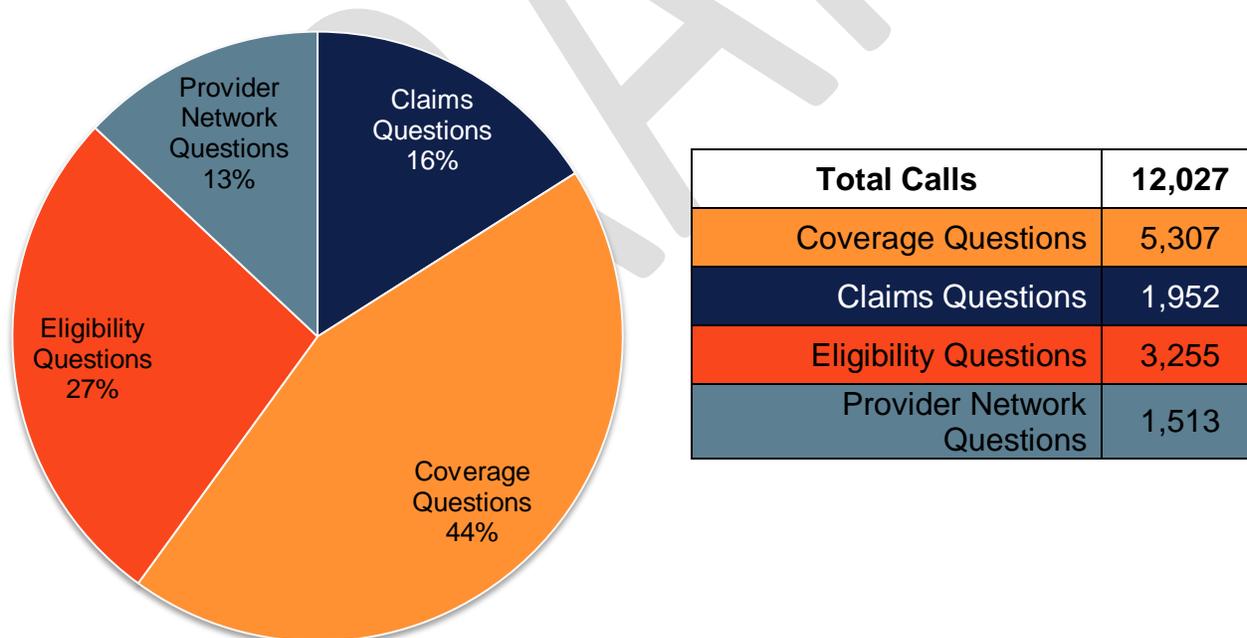


## RECIPIENT FEEDBACK REGARDING ACCESS

The Department of Social Services has a constituent liaison dedicated to providing information to the public about services offered by DSS. The constituent liaison receives and investigates complaints and ensures that they are responded to in a comprehensive and timely manner. Each recipient receives contact information for the constituent liaison when they become eligible for Medicaid, including a toll-free number to call with questions and concerns. Information about contacting the constituent liaison is also located in the Medicaid Recipient Handbook and posted on the DSS website. The call center operates daily from 8am – 5pm and utilizes a messaging service after hours. Calls to the constituent liaison are logged detailing the issues raised and the resolution. The majority of calls are questions regarding coverage of services, like pharmacy, dental, vision, and other services.

As the graph below shows about 12,000 calls are received yearly from Medicaid recipients. On average, 44% of calls are related to coverage questions regarding prescriptions, dental, and vision services. 43% of the calls are questions regarding customer claims, eligibility, and access. A very small number of the calls, roughly 13% (Provider Network Questions), are related to provider network questions. Of those calls, the majority are recipients looking for a list of providers or for information about who they can see in their area.

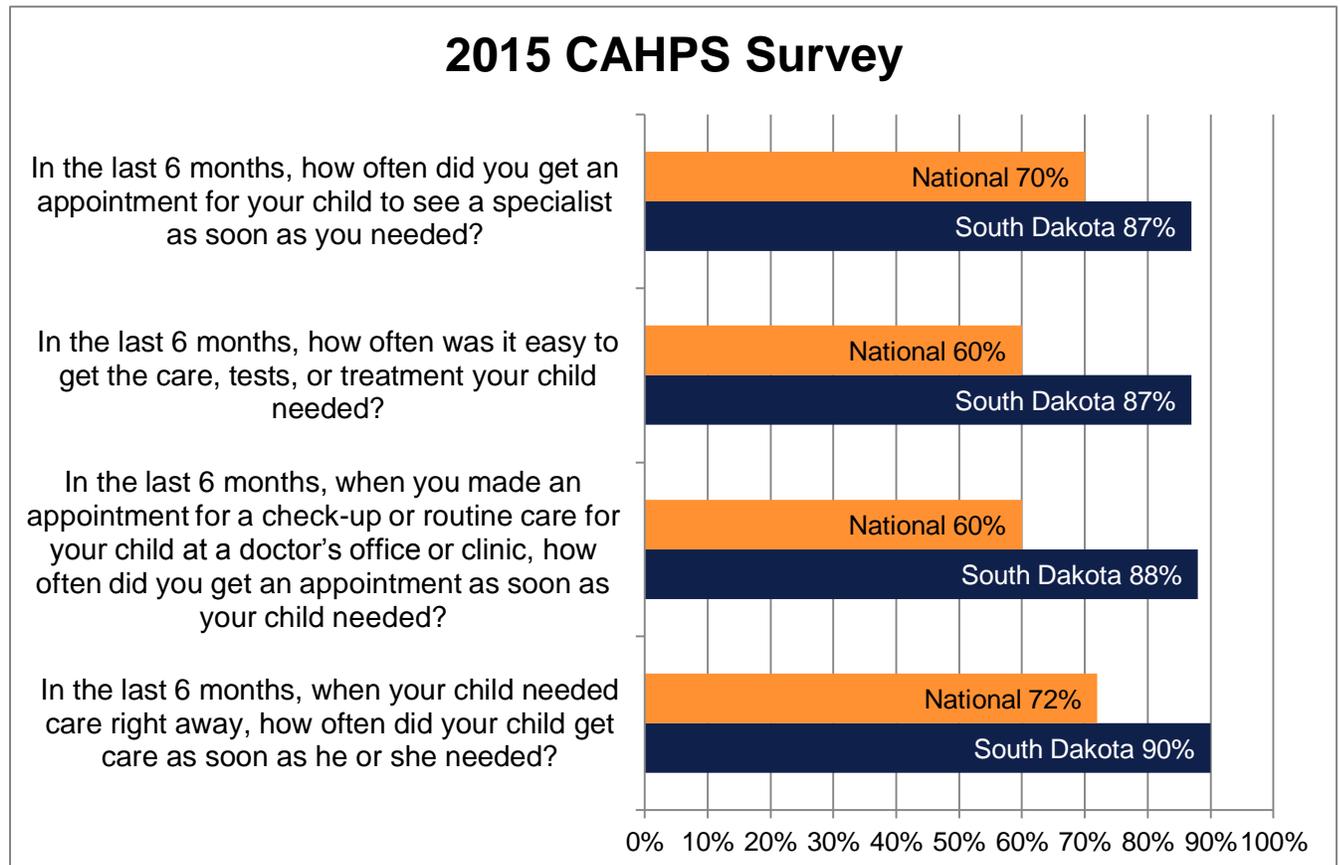
### 2015 MEDICAID RECIPIENT CALLS



## RECIPIENT SURVEYS

South Dakota collects and analyzes the Consumer Assessment of Healthcare Providers and Systems (CAHPS) surveys. The data is an indicator for whether or not recipients are able to access medical services when they are needed.

South Dakota’s data shows recipients were able to access needed care in a timely manner and that those recipients were highly satisfied with their child’s personal doctor at a rate that exceeded the national averages. As shown in the graphs above and below for the call center and CAHPS surveys, South Dakota’s Medicaid recipients are able to access care when and where they need it.

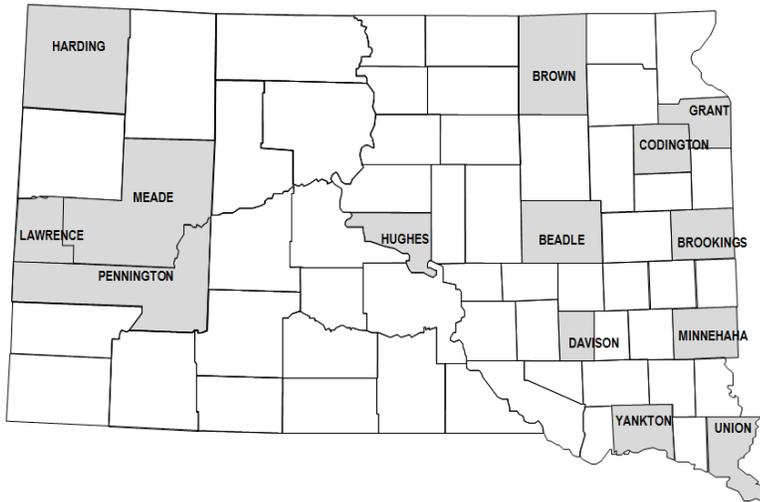


## PROVIDER AND RECIPIENT IN MEDICAID EFFICIENCY PROGRAM (PRIME)

South Dakota has a primary care case management program (PCCM), which consists of Primary Care Providers who render primary care and are responsible for managing the enrollees' health care in preauthorizing, locating, coordinating and referring visits to other Medicaid providers. Approximately 80% of South Dakota Medicaid consumers, including children, low-income families, pregnant women, and disabled recipients over age 19 are required to enroll in the program and choose one primary care provider (PCP).

Participating primary care physicians (PCPs) are responsible for directing designated services, providing referrals for specified non-emergent specialty and hospital services, and for guaranteeing 24 hours a day, 7 days a week access to medical care. The PCPs are reimbursed under the usual fee-for-service system. In addition, PCPs receive a monthly case management fee of \$3.00 per member per month. This program is designed to improve access, availability,

and continuation of care while reducing inappropriate utilization, over-utilization, and duplication of Medicaid covered services while operating a cost-effective program. Participating providers can choose between two different statuses when taking on new recipients: Open with no restrictions, or restricted which requires the recipient to obtain prior written authorization before being added to their caseload. The map below shows counties with providers that have a restricted caseload.



Recipients who are required to be in the program are sent a letter asking them to pick a PCP from a list of participating providers. If the recipient does not select a provider within the allotted 10 day time period, the PCCM program staff chooses a PCP for the recipient. The recipient has the option to change their provider at any time. South Dakota Medicaid staff assist recipients in selecting or finding a PCP as needed.

## HEALTH HOMES PROGRAM

To improve patient outcomes and experiences, the Department implemented the Health Home program in July 2013. It delivers customized and enhanced health care services to meet the specific needs of Medicaid recipients with chronic medical or behavioral health conditions.

More specifically, the initiative provides six core services:

- Comprehensive Care Management
- Care Coordination
- Health Promotion
- Comprehensive Transitional Care
- Patient and Family Support
- Referral to community and support services

By utilizing these core services, the Health Home initiative aims to reduce inpatient hospitalization and emergency room visits, increase the integration between physical and behavioral health services, and enhance transitional care between institutions and the community.

Health Home services are available through more than 100 primary care clinics including 11 Indian Health Service facilities and 23 Federally Qualified Health Care Centers. There are also

11 Community Mental Health Centers that are also participating. In total, there are 555 Health Home providers serving over 100 locations.

## **TELEHEALTH**

Telehealth is one of South Dakota's strengths; a strong telehealth presence already exists as a way for individuals in rural areas to access high quality health care in South Dakota. Several platforms for telehealth exist in South Dakota and each offers a unique way to connect individuals in remote locations to high quality health care. South Dakota Medicaid is working with Indian Health Service (IHS) in South Dakota to expand access to telehealth services at IHS facilities to support specialty and primary physician care and emergency department care through partnerships with non-IHS providers.

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# PROVIDER PARTICIPATION

## PROVIDER PARTICIPATION RATES

Eligible providers render covered services under their scope of licensure/certification and Administrative Rule of South Dakota. Services must be medically necessary and physician directed; examples of individual practitioners eligible to enroll include physicians, dentists, psychologists, and optometrists. Similarly, the following examples of facilities may also be eligible: hospitals, nursing homes, assisted living facilities, community mental health centers, clinics, and federally qualified health centers (FQHCs).

South Dakota Medicaid has high rates of provider participation. High rates of provider participation support access to needed healthcare services. In State Fiscal Year 2015, South Dakota Medicaid had participation from approximately:

- 100% of all acute care hospitals
- 100% of all Federally Qualified Health Centers/Rural Health Clinics
- 100% of all pharmacies
- 99% of all nursing homes
- 100% of all community mental health centers
- 95% of all home health agencies
- 73% of all dentists
- 65% of all physicians<sup>6</sup>

South Dakota Medicaid will continue to monitor the percent of enrolled providers compared to available providers to ensure Medicaid recipients have access to a high number of Medicaid providers. While South Dakota Medicaid is able to measure the percent of participating providers to evaluate and monitor access, data is limited relative to the payer mix for participating providers and the percentage of Medicaid patients in a provider's caseload. South Dakota will be conducting surveys of targeted provider groups in the future to determine payer mix for some provider groups.

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<sup>6</sup> South Dakota Medicaid used enrolled provider data to compare to licensed provider data from the South Dakota Board of Medical and Osteopathic Examiners; data was required to be matched on self-supplied NPI numbers to the Board; not all licensure records have an NPI to match against Medicaid enrollment records. Additionally, note that licensed provider data includes providers who may be licensed but not actively practicing or who are not located in South Dakota, but may be licensed in South Dakota for other purposes. South Dakota believes this makes this number appear lower than actual practicing physician participation in Medicaid.

# MEDICAID REIMBURSEMENT

## Majority of Expenses by Provider Type, SFY 2015

Provider	SFY 2015 Expense (Millions)	% of Total
Hospital	\$191.3	23.9%
Nursing Homes/Assisted Living Providers/Hospice	\$150.5	18.8%
Community Support Providers	\$120.1	15.0%
Physicians, Independent Practitioners and Clinics	\$103.9	13.0%
Indian Health Services	\$70.3	8.8%
Pharmacies	\$35.1	4.4%
South Dakota Developmental Center and Human Services Center	\$35.3	4.4%
Substance Abuse, Mental Health and Other Community Support Providers	\$23.3	2.9%
Psychiatric Residential Youth Care Providers	\$28.9	3.6%
Dentists	\$20.9	2.6%
Durable Medical Equipment Providers	\$10.4	1.3%
In-Home Service Providers for the Elderly and Skilled Home Health	\$ 10.3	1.3%
<b>Total for Majority of Expenses</b>	<b>\$800.3</b>	

## RATE SETTING

The Department of Social Services is also responsible for setting payment rates for a large number of Medicaid providers, including hospitals, outpatient facilities, nursing homes, federally-qualified health clinics, and behavioral health providers, among many others.

Rates are set utilizing two primary sources; Medicare or other commercial health plans and cost reports submitted by providers.

Categories of providers where fee for service rates are set based on other payers (private pay/Medicare/other) fee schedules include:

- Clinics/Independent Practitioners
- Physicians, CNP/PA - fee schedule for most services
- Optometrists, Chiropractors, Dentists
- Durable Medical Equipment and Ambulance Services
- Pharmacies
- Hospitals

Medicare and commercial fee schedules are evaluated to establish reimbursement rates for similar services paid for through Medicaid. Where applicable, Upper Payment Limit calculations are completed as required through federal regulations.

Categories of providers where rates are set utilizing cost report information submitted by the providers include:

- Nursing Homes
- Community Based Providers
- Assisted Living
- Behavioral Health
- Home and Community Based Waiver Services (HCBS)

Providers submit cost reports to the State that represent the actual cost of providing services. Allowable costs reported are utilized to develop rates based on the methodology outlined and approved in the South Dakota Medicaid State Plan.

## SOUTH DAKOTA MEDICAID RATE COMPARISON

The table below compares South Dakota Medicaid reimbursement to Medicare and other Health Plan reimbursement for the following services; Primary Care, Physician Specialist, Behavioral Health, Home Health, Dental, and FQHC's. South Dakota's Upper Payment Limit (UPL) calculation is about 63%, but on a rate-to-rate comparison, South Dakota's reimbursement ranges from 75% up to 95% of Medicare as shown in the table below.

REIMBURSEMENT COMPARISON	
Service	% Medicare/Other Health Payer
Primary Care	76% of Medicare
Physician Specialist Services including Obstetric Services	75.8% of Medicare
Behavioral Health Services	78% of Medicare
Home Health Services	98.9% of National Average
Dental	70% of other Private Health Plans
FQHC	95% of Medicare

## PROVIDER ENGAGEMENT AND TRANSPARENCY

Rate methodologies are developed in collaboration with providers and associations with representation from provider groups including the Assisted Living Association of South Dakota, the South Dakota Association of Healthcare Organizations, the South Dakota Dental Association, and the South Dakota Health Care Association and other targeted workgroups as applicable. These broad stakeholder groups are utilized to ensure collaboration, feedback, and transparency into the rate setting process. Workgroup members provide specific input into the rate setting methodology and make recommendations. The Medicaid Advisory Committee is also consulted on substantive rate methodology changes.

The payment methodologies for services covered through the South Dakota Medicaid State Plan published on-line at <http://dss.sd.gov/medicaid/medicaidstateplan.aspx>. Changes to the payment methodologies in the South Dakota Medicaid State Plan are published for public notice in accordance with the requirements of 42 CFR 447.205 and are also distributed for tribal consultation.

Rate methodology changes and annual inflationary increases are also discussed during South Dakota's annual legislative session. Rate methodology information is also outlined in Administrative Rules of South Dakota (ARSD) and any changes require public notice, comment, and hearing. Interested parties including providers, provider representatives, advocacy groups, and consumers attend and testify in support of or opposition of the proposed changes.

Rate methodology changes and any appropriated annual rate increases require updates to the Medicaid State Plan. Those changes also require public input, comment, and formal Tribal Consultation. Changes to the payment methodologies in the South Dakota Medicaid State Plan are published for public notice in accordance with the requirements of 42 CFR 447.205 and are also distributed for tribal consultation. DSS publishes all State Plan Amendments on its website and through the Legislative Research Council Register.

Actual rates are also published on-line on the Department of Social Services website at: <http://dss.sd.gov/medicaid/providers/feeschedules/>.

South Dakota Medicaid utilizes a variety of methods to communicate program changes and gather stakeholder feedback. Several advisory groups including the Department of Social Services Advisory Board, Medicaid Advisory Committee, Medicaid Tribal Consultation, and numerous Provider Workgroups and Task Forces provide a forum for stakeholder input.

# SUMMARY OF FINDINGS

South Dakota concludes that South Dakota Medicaid recipients have adequate access to health care that is similar to the general population in South Dakota for primary care, physician specialist, maternity, behavioral health, home health and dental services.

Recipient data from South Dakota's annual CAHPS survey show that South Dakota Medicaid recipients have access to care when and where they need it and that access in South Dakota exceeds national averages for access to care. South Dakota's recipient call center information shows that few South Dakota Medicaid recipients have trouble finding a provider.

High rates of provider participation in South Dakota support robust access to care for Medicaid recipients. South Dakota Medicaid engages multiple provider groups and associations in an open and transparent process to provide specific input into the rate setting methodology and make recommendations.

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# PUBLIC COMMENTS

## 2016 PUBLIC NOTICE PERIOD

South Dakota's Access Monitoring Review Plan was available for public comment for 52 days from September 6, 2016 to October 28, 2016.

South Dakota provided three ways to make a comment:

1. **Email:** [DSS.MEDICAID@state.sd.us](mailto:DSS.MEDICAID@state.sd.us)
2. **Mail:** South Dakota Medicaid  
ATTN: Access Monitoring Review Plan  
700 Governors Drive  
Pierre, SD 57501
3. **Phone:** 605.773.3495

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