SD BEHAVIORAL HEALTH
Department of Social Services

Prevention Rate Setting Summary

April 2026

In FY26, DSS contracted with Guidehouse to conduct a comprehensive rate study of prevention services to develop benchmark rates. The study equips DSS with information needed to develop a sound payment and rate-setting methodology based on observed reasonable and justifiable costs incurred by providers to deliver services. A provider survey was conducted with substantial provider participation, and four stakeholder workgroup meetings were held; all prevention service providers were invited to participate.

Data Sources. The rate study relied on a robust provider survey response, a variety of state and federal data sources, and stakeholder feedback, including:

- Prevention services **provider-submitted** wage surveys and annual cost reports
- Publicly available data (**Bureau of Labor Statistics (BLS)**, **Medical Expenditure Panel Survey,** etc.)
- MOSAIX Claims Data
- Peer state research
- Qualitative feedback from four **Stakeholder Workgroup** sessions, including feedback from prevention providers, association representatives, and DSS representatives.

Methodology. The rate methodology recommendation includes developing one rate for all six CSAP strategies and incorporating some program support and administrative reimbursement into the direct service rate.

- Rate methodology was based on the wages and benefits required for staff and their supervisors to perform direct services with adjustments for non-billable time and administrative/overhead costs.
- 5% administrative time was built into the rate, therefore, providers will no longer bill separately for administrative staff time.
- 7% was built into the rate for program support (this includes staff time for professional development, costs associated with support staff, as well as utilities, equipment and building costs), therefore, providers will no longer bill separately for professional development time.
- Findings did not demonstrate a need to differentiate staff across the six CSAP strategies. Based on survey results and stakeholder feedback, there will be one rate, $17.23, for all six strategies.

Wages and Benefits. Labor costs are included for direct staff, supervisors, and indirect staff. Wages were derived from the 75th percentile BLS national wages to align with findings from the Behavioral Health treatment rate study, conducted in 2023.

- The primary job types used for rate development are Certified Prevention Specialist for direct care staff and Program Manager/Director for supervisors. The table below demonstrates the wages used in the final rate model.

Job Type	Survey FTE Weighted Average Wage	BLS Job Type	BLS National 75th Percentile Wage (Inflated to Survey Period)
Certified Prevention Specialist	$24.61	Health Education Specialist	$40.74
Program Manager/Director	$41.29	Business Operations Specialist	$52.23

Fiscal Impact and Limitations. DSS analyzed the total fiscal impact for providers, with the overall rate incorporating the 5% administrative costs and staff time for professional development. Contracts across all providers increased by 13% for FY27 contracts.

Prevention services are primarily funded through the Substance Use Prevention, Treatment and Recovery Services (SUPTRS) block grant administered by SAMHSA with additional state funds allocated to support Middle School Meth programs. There have been no additional allocations to state funds to support rate methodology. The 100% rate methodology will be implemented in FY27 contracts; however, contracts continue to be adjusted based on historical utilization patterns. DSS staff have right-sized contracts to 102%, meaning contract funding levels are set slightly above historical utilization—at 102% of prior usage—to account for normal variation in service demand without reducing any services.