



South Dakota
Department of
Social Services

DEPARTMENT OF SOCIAL SERVICES

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To: Health Homes

From: South Dakota Medicaid

Date: July 07, 2025

RE: Calendar Year (CY) 2023 Quality Incentive Payment (QIP)

The State Fiscal Year (SFY) 2024 Health Home Quality Incentive payment was made on the evening June 17, 2025. The payment was calculated using the same methodology as last year and is calculated using CY 2023 data. The total amount received 4% provider inflation this year which brings the total amount to \$578,760. The total amount was inflated, and the inflated amount was placed in the Clinical Outcome Measure Payment.

To receive a Health Home Quality Incentive payment, providers must have participated in the Health Home program during the outcome measurement year, be in good standing with the program by providing a core service to at least 50% of their caseload and reporting outcome measures for each recipient that was provided a core service.

The small caseload clinic payment pool is \$75,000 and it was divided equally to those who qualify. To determine if a Health Home should receive the small caseload payment, South Dakota Medicaid averaged the number of recipients on the caseload receiving a Health Home core service for each Health Home for every month of the measurement year. To qualify for this payment, providers must have been an active Health Home Provider during the outcome measurement year and have an average of 15 or less recipients in their caseload that received a core service.

The remaining \$503,760 was used to fund the clinical outcome measure payment, based on the clinical outcome measures submitted by each clinic to South Dakota Medicaid. These measures help demonstrate the successful provision of core services to Health Home recipients and demonstrates the provider's successful implementation of the Health Home model. South Dakota Medicaid worked with a subgroup to establish targets for each of the outcome measures. The outcome measure payment recognizes quality of care by rewarding providers who either improved from the previous calendar year on a specified measure or met/exceeded the established the target for each measure.

South Dakota Medicaid worked with the Health Home Implementation Workgroup to revise the measures for this year's payment. In CY 2021, South Dakota Medicaid revised and reduced the number of measures reported by Health Home providers to help reduce the burden associated with this activity. Some of the measures previously used in this methodology are no longer collected. As a result, the following measures and weights were proposed and approved by the Health Home Implementation Workgroup.

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ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-800-305-9673 (TTY: 711).

ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Rufnummer: 1-800-305-9673 (TTY: 711).

South Dakota Medicaid uses two types of measures for the methodology:

1. Measures that showed a successful implementation of the Health Home Model, where the clinic had complete control over the outcome.
2. Measures requiring recipient compliance.

South Dakota worked with our stakeholder group to weigh each measure appropriately. The weights of the 7 measures totaled 100 and are outlined in the table below. The target for each measure is also included below.

Measure	Weight	Target
Depression Follow-Up Plan Doc	15	90.40%
Active Care Plan	25	77.98%
BMI in Control	12	21.60%
Mammogram up to date	12	55.27%
Colonoscopy up to date	12	57.10%
Blood Pressure in Control	12	74.34%
Face to face visits missed	12	15.75%

Once measure weights were assigned, the past years and the current year's outcomes were compared for improvement or attainment. Each measure is reviewed and awarded 0.0 points for no improvement/attainment, 0.5 points for improvement, or 1.0 point for attaining and/or exceeding the target.

A Caseload Severity Score was calculated for each clinic based on the number of recipients in each Tier whom they provide a core service and applied to each measure. Scores were assigned to each Tier as follows:

- Tier 1 - 0.25
- Tier 2 - 0.50
- Tier 3 - 0.75
- Tier 4 - 1.00

The Caseload Severity Score was calculated as follows $[\text{number of recipients in Tier 1} \times 0.25] + [\text{number of recipients in Tier 2} \times 0.50] + [\text{number of recipients in Tier 3} \times 0.75] + [\text{number of recipients in Tier 4} \times 1.00]$.

Each measure's total score was calculated using the following equation: (Improvement or attainment score * weight) * caseload severity score.

The Clinic Composite Score is the sum of each measure's total. Dollars per point were assigned by taking the Clinical Outcome Payment Dollars (\$503,760) divided by the sum of all Clinic Composite Scores. The Clinical Outcome Payment is calculated by multiplying the dollar per point by the individual clinic's Clinic Composite Score.

A Health Home's total payment is the sum of the Small Caseload Incentive Payment and the Clinical Outcome Measure Payments.