This document, together with the supporting documentation outlined below, constitutes South Dakota’s application to the Centers for Medicare & Medicaid Services (CMS) to extend the South Dakota Former Foster Care Youth Demonstration, No. 11-W-00319/8 for a period of five years pursuant to section 1115(a) of the Social Security Act.

Type of Request (select one only):

____X____ Section 1115(a) extension with no program changes

This constitutes the state's application to the Centers for Medicare & Medicaid Services (CMS) to extend its demonstration without any programmatic changes. The state is requesting to extend approval of the demonstration subject to the same Special Terms and Conditions (STCs), waivers, and expenditure authorities currently in effect for the period May 1, 2018 through April 30, 2023.

The state is submitting the following items that are necessary to ensure that the demonstration is operating in accordance with the objectives of title XIX and/or title XXI as originally approved. The state’s application will only be considered complete for purposes of initiating federal review and federal-level public notice when the state provides the information as requested in the below appendices.

- **Appendix A**: A historical narrative summary of the demonstration project, which includes the objectives set forth at the time the demonstration was approved, evidence of how these objectives have or have not been met, and the future goals of the program.
- **Appendix B**: Budget/allotment neutrality assessment, and projections for the projected extension period. The state will present an analysis of budget/allotment neutrality for the current demonstration approval period, including status of budget/allotment neutrality to date based on the most recent expenditure and member month data, and projections through the end of the current approval that incorporate the latest data. CMS will also review the state’s Medicaid and State Children’s Health Insurance Program Budget and Expenditure System (MBES/CBES) expenditure reports to ensure that the demonstration has not exceeded the federal expenditure limits established for the demonstration. The state’s actual expenditures incurred over the period from initial approval through the current expiration date, together with the projected costs for the requested extension period, must comply with CMS budget/allotment neutrality requirements outlined in the STCs.
- **Appendix C**: Interim evaluation of the overall impact of the demonstration that includes evaluation activities and findings to date, in addition to plans for evaluation activities over the requested extension period. The interim evaluation should provide CMS with a clear analysis of the state’s achievement in obtaining the outcomes expected as a direct effect of the demonstration program. The state’s interim evaluation must meet all of the requirements outlined in the STCs.
• **Appendix D:** Summaries of External Quality Review Organization (EQRO) reports, managed care organization and state quality assurance monitoring, and any other documentation of the quality of and access to care provided under the demonstration.

• **Appendix E:** Documentation of the state’s compliance with the public notice process set forth in 42 CFR 431.408 and 431.420.

_______ **Section 1115(a) extension with minor program changes**

This constitutes the state's application to the Centers for Medicare & Medicaid Services (CMS) to extend its demonstration with minor demonstration program changes. In combination with completing the Section 1115 Extension Template, the state may also choose to submit a redline version of its approved Special Terms and Conditions (STCs) to identify how it proposes to revise its demonstration agreement with CMS.

With the exception of the proposed changes outlined in this application, the state is requesting CMS to extend approval of the demonstration subject to the same STCs, waivers, and expenditure authorities currently in effect for the period [insert current demo period].

The state’s application will only be considered complete for purposes of initiating federal review and federal-level public notice when the state provides the information requested in Appendices A through E above, along with the Section 1115 Extension Template identifying the program changes being requested for the extension period. Please list all enclosures that accompany this document constituting the state’s whole submission.

1. Section 1115 Extension Template
2. [List Enclosure]
3. [List Enclosure]
4. [List Enclosure]

The state attests that it has abided by all provisions of the approved STCs and will continuously operate the demonstration in accordance with the requirements outlined in the STCs.

**CMS will notify the state no later than 15 days of submitting its application of whether we determine the state’s application meets the requirements for a streamlined federal review. The state will have an opportunity to modify its application submission if CMS determines it does not meet these requirements. If CMS reviews the state’s submission and determines that any proposed changes significantly alter the original objectives and goals of the existing demonstration as approved, CMS has the discretion to process this application full scope pursuant to regular statutory timeframes for an extension or as an application for a new demonstration.**
Appendix A: Historical Narrative

South Dakota’s Former Foster Care Youth Demonstration was approved by CMS on April 30, 2018. The demonstration allowed Medicaid to continue to provide full Medicaid state plan benefits to former foster care youth who are under age 26 with household income up to 182 percent of the Federal Poverty Level (FPL), were in foster care under the responsibility of another state or tribe on the date of attaining 18 years of age (or such higher age as the state has elected for termination of Federal foster care assistance under title IV-E of the Act), were enrolled in Medicaid on the date of aging out of foster care, and applied for Medicaid in South Dakota. This group was covered under the Medicaid state plan prior to April 30, 2018. Based on CMS’s revised interpretation of federal regulations this group was no longer able to be covered under the state plan and had to be transitioned to coverage under an 1115 demonstration.

The goals of the demonstration are the following:

1. Maintain access to Medicaid for former foster care youth who were in foster care and Medicaid in another state and are now a South Dakota resident applying for Medicaid in this state.
2. Improve or maintain health outcomes for the demonstration population.

The demonstration was anticipated to provide eligibility to a small number of individuals. Total enrollment was the following for the initial three years of the demonstration:

- Year 1 - 7 recipients
- Year 2 - 7 recipients
- Year 3 - 9 recipients

Expenditures associated with this demonstration have been low. The following are actual expenditures for the initial three years of the demonstration:

- Year 1 - $18,038
- Year 2 - $28,813
- Year 3 - $32,472

The demonstration has provided continued coverage for this population as intended. Based on the small number of individuals in the demonstration it is not feasible to draw conclusions about whether the health outcomes for the demonstration population were improved or maintained; however, the demonstration has ensured these individuals continue to have access to healthcare.
Appendix B: Budget/Allotment Neutrality Assessment

The Former Foster Care Youth demonstration has operated within the approved budget neutrality terms as demonstrated in the table below. The State is projecting the PMPM to increase by approximately 3 percent in demonstration year 4 and 6 percent in demonstration year 5 based on a 6 percent provider inflationary rate increase going into effect July 1, 2022.

**Table 1: PMPM Limits and Actual PMPM Expenditures**

<table>
<thead>
<tr>
<th>1115 Demonstration</th>
<th>DY 1</th>
<th>DY 2</th>
<th>DY 3</th>
<th>DY 4</th>
<th>DY 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMPM Expenditure Limits</td>
<td>$420.39</td>
<td>$429.26</td>
<td>$438.32</td>
<td>$447.58</td>
<td>$457.01</td>
</tr>
<tr>
<td>Actual PMPM</td>
<td>$247.10</td>
<td>$288.13</td>
<td>$315.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected PMPM</td>
<td></td>
<td></td>
<td></td>
<td>$324.72</td>
<td>$344.20</td>
</tr>
</tbody>
</table>

Initial limits were established based on historical expenditures for the FFCY population. The State proposes to continue to use that historical data and continue to apply a 2.1 percent trend for demonstration years 6 through 10.

**Table 2: Projections for DY6 – DY 10**

<table>
<thead>
<tr>
<th>1115 Demonstration</th>
<th>DY 1</th>
<th>DY 2</th>
<th>DY 3</th>
<th>DY 4</th>
<th>DY 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMPM Expenditure Limits</td>
<td>$466.61</td>
<td>$476.61</td>
<td>$486.41</td>
<td>$496.63</td>
<td>$507.05</td>
</tr>
</tbody>
</table>
Appendix C: Interim Evaluation

Introduction

The purpose of the South Dakota Former Foster Care Youth section 1115 demonstration is to provide Medicaid coverage to former foster care youth under age 26 with an income up to 182 percent of the Federal Poverty Level, who were in foster care under the responsibility of another state or tribe on the date of attaining 18 years of age (or such higher age as the state has elected for termination of federal foster care assistance under title IV-E of the Act), were enrolled in Medicaid on the date of aging out, and are now applying for Medicaid in South Dakota. The Medicaid program objectives of this demonstration are to increase and strengthen overall coverage of former foster care youth and improve health outcomes for this population.

The demonstration was approved on April 30, 2018 for the period of May 1, 2018 through April 30, 2023. This Interim Evaluation Report analyzes data from May 1, 2018 through April 30, 2021. The number of beneficiaries enrolled in the demonstration has ranged between 4 and 9 during the first three years of the demonstration.

Demonstration Goals

The goals of the demonstration are the following:

1. Maintain access to Medicaid for former foster care youth who were in foster care and Medicaid in another state and are now a South Dakota resident applying for Medicaid in this state.
2. Improve or maintain health outcomes for the demonstration population.

Goal 1: Maintain Medicaid Access

For goal one there are two evaluation hypotheses being evaluated:

1. Beneficiaries will be continuously enrolled for 12 months.
2. Beneficiaries will access health services.

These hypotheses were analyzed using the measures outlined in the following table:

<table>
<thead>
<tr>
<th>Measure</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 1, 2018 – April 30, 2019</td>
<td>May 1, 2019 – April 30, 2020</td>
<td>May 1, 2020 – April 30, 2021</td>
</tr>
<tr>
<td>Number of beneficiaries continuously enrolled/total number of enrollees</td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
</tr>
<tr>
<td>Number of beneficiaries who had an ambulatory care visit/ Total number of beneficiaries</td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
</tr>
<tr>
<td>Number of beneficiaries who had an emergency department visit/ Total number of beneficiaries</td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
</tr>
</tbody>
</table>
Conclusion
The demonstration has provided continuous health insurance coverage for the demonstration population. In addition, individuals in the demonstration population have access to health services and have utilized health services.

Goal 2: Improve or Maintain Health Outcomes

For demonstration goal two there is one evaluation hypothesis being evaluated:

1. Beneficiaries will have positive health outcomes.

This evaluation question was analyzed using the measures outlined in the following table:

<table>
<thead>
<tr>
<th>Measure</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of beneficiaries who had an inpatient visit/ Total number of beneficiaries</td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
</tr>
<tr>
<td>Number of beneficiaries who had a behavioral health encounter / Total number of beneficiaries</td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Measure</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of beneficiaries with appropriate follow-up care for hospitalizations (physical and/or mental illness)/ Total number of beneficiaries with hospitalizations</td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
</tr>
<tr>
<td>Total number of beneficiaries with appropriate medication management for people with asthma/ Total number of beneficiaries on medication for asthma</td>
<td>N/A – No recipients found with asthma for demonstration year.</td>
<td>N/A – No recipients found with asthma for demonstration year.</td>
<td>N/A – No recipients found with asthma for demonstration year.</td>
</tr>
<tr>
<td>Measure</td>
<td>Year 1</td>
<td>Year 2</td>
<td>Year 3</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Total number of beneficiaries on persistent medications with annual</td>
<td>N/A – No recipients found with persistent medications for demonstration year.</td>
<td>N/A – No recipients found with persistent medications for demonstration year.</td>
<td>N/A – No recipients found with persistent medications for demonstration year.</td>
</tr>
<tr>
<td>monitoring/ Total number of beneficiaries on persistent medications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of beneficiaries with an annual preventive visit/</td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
</tr>
<tr>
<td>Total number of beneficiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of beneficiaries with a cervical cancer screening/</td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
<td><em><strong>Data Suppressed – Denominator is between 1 and 10</strong></em></td>
</tr>
<tr>
<td>Total number of beneficiaries eligible for cervical cancer screen</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Conclusion**

Based on the small number of individuals in the demonstration it is not feasible to draw a conclusion about whether the health outcomes for the demonstration population were improved or maintained.

**Methodological Limitations**

There are several limitations when evaluating this demonstration. The limited enrollment of the demonstration limits the ability to conduct statistical analyses. Additionally, the COVID-19 Public Health Emergency may have impacted the health utilization and outcomes of beneficiaries.
Appendix D: EQRO and MCO Reports

South Dakota does not have managed care organizations, so this section is not applicable.
Appendix E: Public Notice and Tribal Consultation

Extension Request Public Notice
South Dakota will conduct a public comment period starting on June 27, 2022 and ending on July 27, 2022. Tribal consultation will run concurrently on those dates. Public notice information is available on the department’s website at https://dss.sd.gov/medicaid/1115waiver.aspx.

South Dakota will conduct two public hearings. Both of the hearings included the ability for attendees to attend the hearing via Zoom. The public hearings will be held on the following dates/locations:

06/29/2022
8:00am Mountain Time/ 9:00am Central Time
Kneip Building
Kneip 1 Conference Room
700 Governors Drive
Pierre, SD 57501-2291

Commenters may also appear via Zoom using the following link: https://state-sd.zoom.us/j/95274801122?pwd=MURqWkZHWndMOG51Qmo3TDAzMDZoUT09
Meeting ID: 952 7480 1122
Passcode: 086581

07/06/2022
1:00pm Mountain Time/ 2:00pm Central Time
DSS Hot Springs Office
Conference Room
2411 Hero Ave.
Hot Springs, SD 57747-0729

Commenters may also appear via Zoom using the following link: https://state-sd.zoom.us/j/95233740231?pwd=ZVJUVUpJbW1ZVFMNTc0bk9wcTRtZz09
Meeting ID: 952 3374 0231
Passcode: 568365

South Dakota will also send notice of the public comment period via our administrative rules change listserv.

Post Award Public Forums
South Dakota held post award public forums on the following dates:

- October 30, 2018
- November 19, 2019
- November 3, 2020
- November 4, 2021

No comments were received at the public forums.