South Dakota Department of Social Services

New Medicaid Work Requirements

The South Dakota Department of Social Services (DSS) is prepared to implement Medicaid community engagement requirements on January 1, 2027, and continues to plan for implementation on that date.

We look forward to the positive impact these requirements will have on Medicaid enrollees and on South Dakota as a whole. Expanding opportunities for individuals to enter the workforce benefits families and communities while helping strengthen South Dakota's labor force amid ongoing workforce challenges.

DSS reviewed the optional six-month hold harmless period announced by the Centers for Medicare & Medicaid Services (CMS). Under that option, states would still be required to identify individuals who do not meet the community engagement requirements and send notices informing them of that determination. However, states would continue providing Medicaid coverage to those individuals during the six-month period.

South Dakota's systems were designed to automatically determine whether a person meets the requirements and take the appropriate action. Making changes so the system would continue sending notices that a person does not meet the requirements while also continuing their coverage would require significant programming changes in a short amount of time.

DSS has notified all current Medicaid enrollees of the upcoming change and continues to provide information and support to both customers and partners. Online resources available at https://dss.sd.gov/medicaid/HR1.aspx .

It is difficult to determine exactly how many enrollees may not meet the community engagement requirements. Based on current data, DSS estimates the vast majority of South Dakota Medicaid expansion enrollees will continue to qualify for coverage because they already meet the requirements or are exempt from them.