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South Dakota Medicaid
Medicaid Advisory Committee Annual Report SFY2026
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Executive Summary

State Fiscal Year (SFY) 2026 marked the first full year of the South Dakota (SD) Medicaid Advisory Committee (MAC) under revised federal regulations. Throughout the year, the MAC served as a collaborative advisory body bringing together healthcare providers, tribal representatives, beneficiary representatives, advocacy organizations, health systems, policymakers, and state agencies to discuss key Medicaid initiatives and provide formal and informal feedback on proposed policies and operational changes.

The MAC met quarterly during SFY2026, utilizing a hybrid engagement structure that included in-person meetings in Pierre and Rapid City as well as virtual participation opportunities to maximize statewide accessibility. Meetings consistently emphasized dialogue, feedback, and stakeholder-driven discussion. SD Medicaid leadership repeatedly reinforced the goal of making the MAC an active opportunity for discussion, collaboration, and continuous improvement.

Major policy and operational topics were reviewed throughout the year, including:

- Rural Health Transformation Program (RHTP)
- Primary Accountability Care Transformation (PACT) and value-based care models
- HR1 Medicaid eligibility requirements including community engagement and associated medical frailty policies
- HR1 Medicaid cost sharing requirements
- Hospital reimbursement methodologies
- State Plan Amendments (SPAs)

The MAC provided substantial feedback on communication materials, operational implementation strategies, provider impacts, beneficiary burden reduction, reimbursement methodologies, transportation challenges, and rural healthcare sustainability. The committee also elevated the importance of provider engagement, tribal consultation, beneficiary input, and phased implementation approaches across multiple initiatives.

Key accomplishments during the first year included:

- Establishment and approval of formal MAC bylaws
- Successful launch of recurring quarterly meetings
- Integration of Beneficiary Advisory Council (BAC) representatives into MAC discussions
- Development of stakeholder feedback processes for major Medicaid transformation initiatives
- Incorporation of MAC feedback into communications planning and policy development

The MAC also played an important role in supporting SD Medicaid's preparation for significant federal policy changes, particularly those related to HR1 requirements and cost sharing implementation. Members consistently focused on minimizing administrative burden for providers and beneficiaries while preserving access to care.

While many initiatives discussed during SFY2026 remain in development phases, the MAC successfully established itself as a trusted advisory structure that supports transparency, stakeholder collaboration, and meaningful dialogue between SD Medicaid and impacted communities.

Membership and Representation

The SFY2026 MAC included representation from a broad range of healthcare sectors, beneficiary advocates, tribal organizations, provider associations, health systems, and public agencies. Membership was intentionally structured to ensure statewide and cross-sector perspectives were represented in discussions related to Medicaid policy and operations.

Membership included representatives from:

- Rural hospitals and health systems
- Federally Qualified Health Centers (FQHCs)
- Pediatric care
- Optometry
- Dentistry
- Tribal health organizations
- Aging advocacy organizations

The MAC also incorporated direct beneficiary feedback through participation from BAC members, who attended and participated in MAC meetings throughout the year. This structure helped ensure that lived experience perspectives informed policy discussions alongside provider and administrative expertise.

Overall, the MAC had a successful first year and served as a valuable partner for Medicaid policy development and implementation in South Dakota.

Recruitment and Retention

SD Medicaid conducted outreach and recruitment activities to update the MAC and form the new BAC. Recruitment efforts focused on securing representation from multiple sectors and geographic areas. Previous MAC members were provided the opportunity to apply to serve on the revised MAC structure established in alignment with updated federal Medicaid requirements. SD Medicaid conducted outreach and promotion efforts through professional organizations, healthcare associations, stakeholder networks, and partner agencies to encourage broad participation and representative membership across the state. Interested individuals completed an application process that helped ensure the committee included diverse perspectives from providers, advocacy organizations, tribal representatives, beneficiaries, and healthcare systems while maintaining geographic and sector representation across South Dakota.

The update MAC also began operating under staggered term structures to ensure continuity while allowing for ongoing membership rotation and new perspectives. SD Medicaid initiated staggered one-, two-, and three-year terms at the time the MAC was reconstituted. Moving forward, new members will serve standardized three-year terms.

Retention remained strong during the reporting period, with consistent participation across quarterly meetings. Attendance remained high despite travel demands and scheduling challenges associated with statewide representation.

Activities and Topics of Discussion

The MAC held four (4) formal meetings between September 2025 and April 2026 using a combination of in-person and virtual formats to maximize accessibility and participation across the state. Discussion and feedback were obtained using the following methods:

- Open discussion forums
- Question-and-answer discussions
- Draft material review and discussion

Meetings utilized multiple engagement strategies, including:

- Large group discussion
- Open question-and-answer sessions
- Stakeholder feedback discussions
- Beneficiary feedback integration
- Roundtable discussion
- Public comment opportunities
- Review of draft communication materials

- Policy implementation feedback sessions

Attendance rates remained consistently strong throughout the reporting year, with participation from MAC members, BAC representatives, and SD Medicaid leadership.

The MAC also benefited from strong executive leadership engagement. Medicaid leadership, including the Medicaid Director, Deputy Director, Chief Medical Officer, and Policy Strategy Manager attended all meetings and actively participated in discussions.

During SFY2026, the MAC discussed a wide range of Medicaid policy, operational, and healthcare topics impacting beneficiaries, providers, and healthcare systems across South Dakota. One area of engagement was the Rural Health Transformation Program (RHTP), including how federal funding could support rural healthcare access, workforce sustainability, transportation, care coordination, population health tools, and provider infrastructure improvements. MAC members provided feedback on grant flexibility, tribal participation, transportation barriers, and long-term sustainability strategies while emphasizing the importance of outcomes-based approaches and stakeholder collaboration. The committee also reviewed the development of the Primary Accountability Care Transformation (PACT) initiative and broader value-based care concepts designed to improve patient outcomes while supporting providers through shared care management, analytics, and care coordination models.

The MAC also spent considerable time discussing implementation of new federal Medicaid requirements under HR1, particularly community engagement requirements and cost sharing provisions affecting portions of the Medicaid Expansion population. Members raised concerns regarding administrative burden, communication challenges, provider workflow impacts, and potential barriers to care for beneficiaries. Discussions focused heavily on how SD Medicaid could implement the federal requirements in a manner that minimized confusion and hardship for recipients while remaining compliant with federal law. MAC members reviewed draft communication materials, discussed beneficiary outreach strategies, and provided recommendations regarding provider education, exemptions, medical frailty criteria, and methods to reduce operational complexity for both healthcare providers and Medicaid recipients.

Another major area of discussion involved State Plan Amendments (SPAs) and reimbursement methodologies. The MAC reviewed anticipated changes to hospital reimbursement models, federally qualified health center and rural health clinic payment methodologies, and updates related to school-based administrative claiming and substance use disorder treatment templates. Committee members discussed how reimbursement changes could impact providers, especially rural hospitals, federally qualified health centers, and specialty providers. Members emphasized the need for ongoing stakeholder involvement. The MAC also discussed legislative developments related to Medicaid Expansion, Medicaid financing, and state budget priorities, with several members expressing support for preserving Medicaid Expansion due to its positive impact across South Dakota.

Throughout the year, the MAC demonstrated strong engagement and collaborative dialogue between Medicaid leadership, providers, beneficiary representatives, tribal organizations, advocacy groups, and other stakeholders. Members consistently emphasized themes such as reducing administrative burden, improving beneficiary communication, supporting rural healthcare access, maintaining flexibility in implementation approaches, and ensuring stakeholder voices remained integrated into decision-making processes.

Recommendations and State Responses

Throughout SFY2026, SD Medicaid maintained an open and collaborative approach to stakeholder engagement with the MAC. MAC members were consistently encouraged to provide feedback during meetings and between quarterly sessions, particularly on operational processes, communication materials, implementation strategies, and proposed policy changes. SD Medicaid leadership routinely welcomed questions, discussion, and recommendations from providers, beneficiary representatives, tribal organizations, advocacy groups, and other stakeholders. This ongoing dialogue helped create an environment where members felt comfortable raising concerns, sharing operational realities, and suggesting improvements related to Medicaid programs and initiatives.

SD Medicaid demonstrated a willingness to revise and improve communications, implementation approaches, and operational planning whenever feasible. Feedback from MAC members directly informed discussions surrounding beneficiary outreach materials, HR1 implementation planning, cost sharing proposals, RHTP activities, and value-based care initiatives such as the PACT model. Recommendations emphasizing clearer communication, reduced administrative burden, phased implementation, provider engagement, and flexibility for rural healthcare systems were positively received and frequently incorporated into ongoing planning efforts. SD Medicaid also committed to continued stakeholder involvement through future workgroups, webinars, public comment opportunities, and additional consultation processes.

Overall, the relationship between the MAC and SD Medicaid reflected a collaborative and solution-oriented partnership focused on improving Medicaid services and outcomes for South Dakotans. Recommendations made by MAC members were seriously considered and incorporated whenever possible. In circumstances where recommendations could not be fully implemented, SD Medicaid provided transparent explanations regarding federal requirements, legal limitations, operational barriers, fiscal constraints, or pending CMS guidance that restricted state flexibility. This transparent and responsive engagement process helped establish trust between committee members and SD Medicaid while supporting meaningful stakeholder participation during the MAC’s first full year of revised operation.

Operational and Engagement Successes

SD Medicaid established a strong operational structure for the reestablished MAC that emphasized accessibility, transparency, and statewide engagement. Meeting materials and presentations were consistently made available through the MAC website to support transparency and ongoing stakeholder engagement.

Attendance and participation throughout the year remained strong and demonstrated sustained member engagement. The September 2025 introductory MAC meeting included 13 attendees and focused on establishing bylaws, reviewing Medicaid operations, and identifying future discussion priorities. The October 2025 MAC meeting included 12 MAC attendees and expanded discussions into RHTP, value-based care, HR1 federal requirements, and State Plan Amendments. The January 2026 virtual MAC meeting included 12 MAC attendees, with extensive engagement regarding Rural Health Transformation funding, PACT development, HR1 cost sharing requirements, and legislative updates. The April 2026 MAC meeting included 11 MAC attendees, and focused on cost sharing proposals, HR1 communications, medical frailty policies, Rural Health Transformation implementation, and future membership planning. Overall attendance remained high throughout the reporting year, with active discussion and participation consistently occurring across meetings.

Engagement during meetings was highly collaborative and solution oriented. MAC members actively participated through questions, operational feedback, policy recommendations, and discussion of provider and beneficiary impacts. SD Medicaid leadership consistently encouraged members to provide additional feedback between meetings and invited continued collaboration through future workgroups, consultation opportunities, and public engagement activities. BAC feedback was also incorporated into MAC discussions, strengthening beneficiary-informed policymaking and communication development. Members regularly contributed perspectives related to reducing administrative burden, improving communication materials, supporting rural healthcare access, and ensuring implementation flexibility for providers and beneficiaries. The consistent level of dialogue, participation, and stakeholder collaboration demonstrated a successful first year for the MAC and established a strong foundation for future engagement and Medicaid policy development.

Closing and a Look Ahead

As SFY2026 concluded, the MAC identified several continuing priority areas for the coming year. Key anticipated priorities included:

- Continued Rural Health Transformation implementation
- PACT operational workgroup development
- HR1 implementation planning
- Cost sharing policy finalization
- Medical frailty implementation
- Hospital reimbursement transition
- State Plan Amendment review
- Ongoing provider and stakeholder education

SD Medicaid also identified several operational improvements for the future of the MAC, including:

- Continued refinement of communication materials
- Greater integration of beneficiary feedback
- Further coordination with tribal partners and rural providers

The MAC's first year of an expanded function established a strong foundation for ongoing stakeholder collaboration and beneficiary-informed Medicaid policy development in South Dakota. The committee demonstrated the value of consistent engagement between Medicaid leadership, providers, beneficiaries, tribal organizations, and advocacy partners. Through open dialogue and collaborative problem-solving, the MAC helped shape discussions on some of the most significant Medicaid transformation efforts currently underway in South Dakota.

As implementation of major initiatives continues into SFY2027, the MAC is well-positioned to remain an important advisory structure supporting transparency, accountability, and improved healthcare outcomes for SD Medicaid beneficiaries.