

BabyReady State Fiscal Year 2025 Annual Report

December 15, 2025



BabyReady Program overview

The South Dakota Medicaid BabyReady program was implemented on April 1, 2024. The program is one of South Dakota Medicaid's three care management programs along with the Primary Care Provider program and the Health Home program. The BabyReady program's target population is pregnant women. The program is intended to improve maternal health outcomes through enhanced care coordination, services being provided in accordance with standards of care, and reducing barriers to care.

In addition to standard fee-for-service reimbursement for services rendered, participating providers are eligible for enhanced reimbursement for care coordination and meeting prenatal care and postpartum care program objectives. Providers also receive an enhanced per member per month (PMPM) payment for each recipient on their caseload.

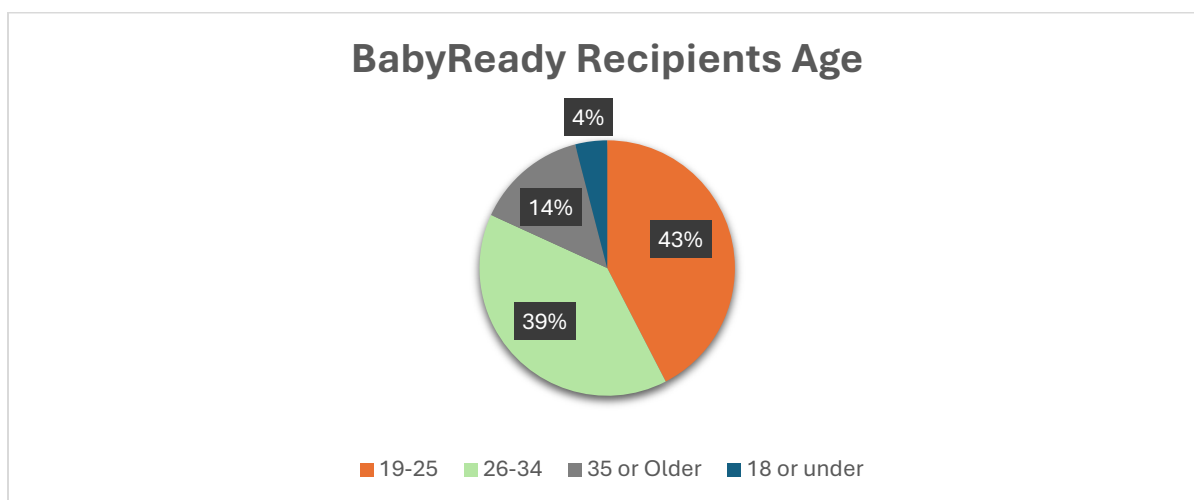
During SFY25, pregnant recipients were eligible to participate in the program if they were 20 weeks or less gestation at the time they were assessed for program participation. Participation in the program continues through three months postpartum. Recipients generally transition to the Primary Care Provider program thereafter.

As of the date of this report, there are 184 participating BabyReady providers at 37 different clinic locations.

BabyReady Recipients

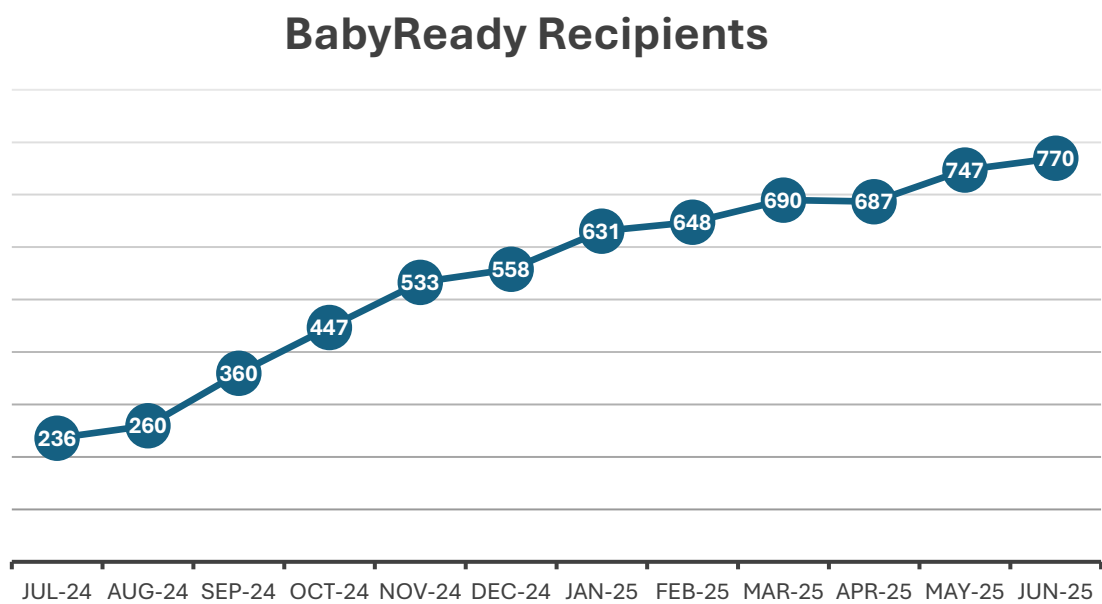
Most BabyReady recipients in SFY25 were ages 19 to 34, accounting for 82% of recipients in the program. Fourteen percent of the population was 35 or older and the remaining 4% of the population was 18 or under.

Chart 1: BabyReady Recipients by Age



As a new program, BabyReady experienced rapid initial growth in the number of enrolled recipients. Increasing awareness of the program as well as the addition of available providers contributed to a steady month over month increase in recipient participation. Upon implementation, known pregnant recipients who were less than 20 weeks' gestation, as well as newly identified pregnant recipients, were added to the program monthly resulting in significant increases in the initial months before leveling out as the program matured.

Chart 2: BabyReady Enrollment by Month



BabyReady Outcomes

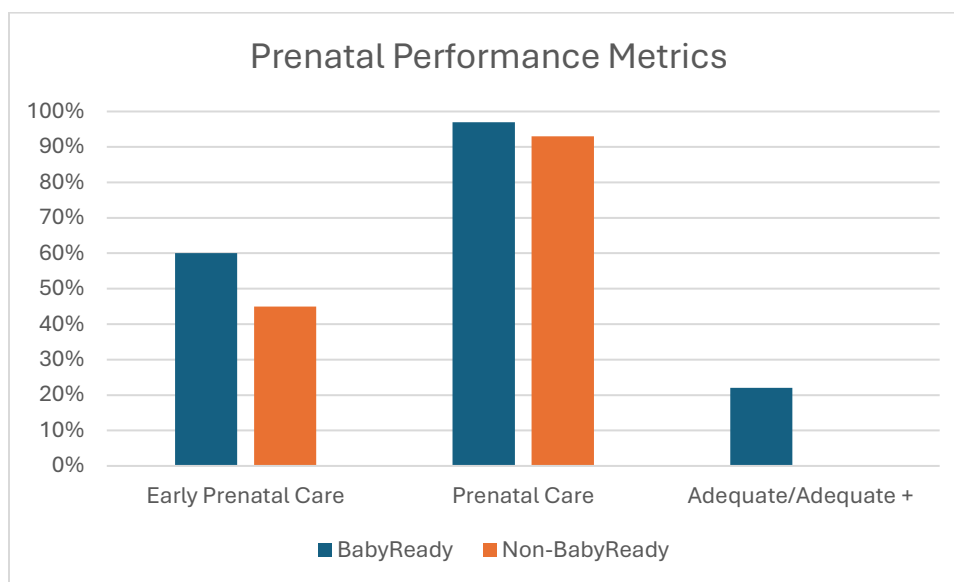
Claims data from SFY2025 was analyzed to look at key markers for prenatal and postpartum care in both the BabyReady and non-BabyReady Medicaid populations. In a side-by-side comparison, BabyReady recipients out-performed the non-participating South Dakota Medicaid population across the board when it came to access to, and frequency of care received both before and after delivery.

In SFY 2025, enrollment in BabyReady program was limited to individuals 20 weeks or less of gestation. The comparison population is inclusive of non-BabyReady Medicaid enrollees who had a delivery on Medicaid and does not control for when Medicaid enrollment/initiation of care occurred.

Three metrics were examined for prenatal outcomes.

- **Early Prenatal Care** was defined as when the recipient received prenatal care within the first trimester of pregnancy, or within 42 days of enrolling in Medicaid;
- **Prenatal Care** was defined as when the recipient received any prenatal care prior to delivery; and
- **Adequate/Adequate +** refers to the amount of prenatal care the recipient received. This is measured by the Kotelchuck Index, which provides a formula for assessing the adequacy of prenatal care based on when care was initiated, how many visits were attended, and the gestational age at delivery.¹ There is no comparison population data available for the Adequate/Adequate + metric. This metric is measured by BabyReady providers self-reporting for the BabyReady population.

Chart 3: BabyReady Prenatal Outcomes

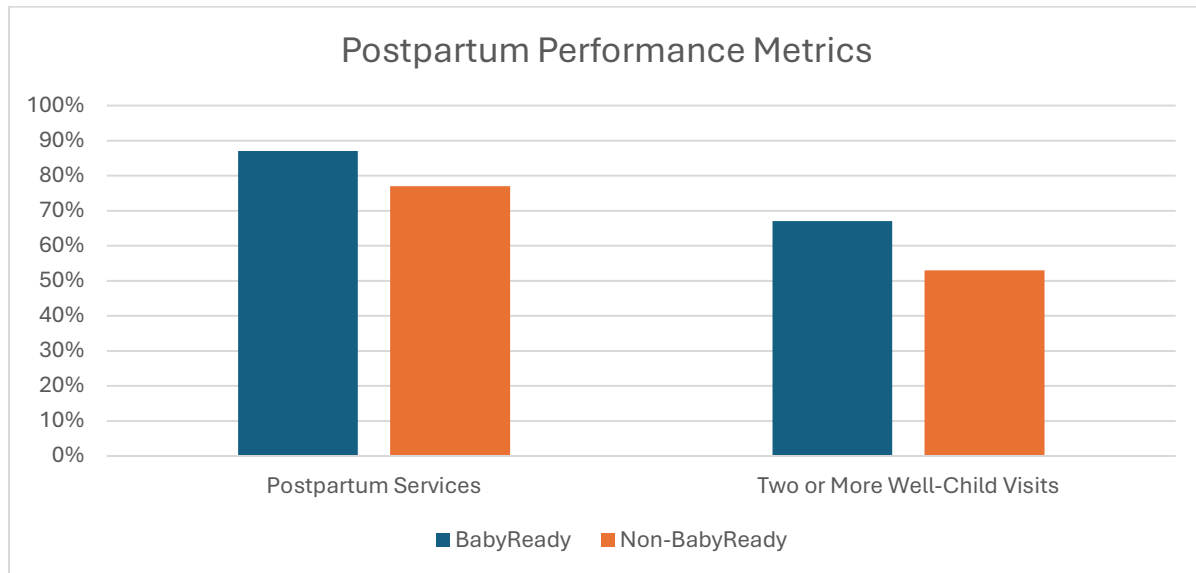


Two metrics were examined for postpartum outcomes.

- **Postpartum Services** was defined as the recipient receiving postpartum care within three months of delivery;
- **Two or More Well-Child Visits** was defined as the child receiving two or more well-child visits within 42 days of delivery.

¹ A chart with the Kotelchuck Index formula is available in the [BabyReady Provider Manual](#).

Chart 4: BabyReady Post Delivery Outcomes



BabyReady Expenditures

Chart 5: BabyReady Program Expenditures

In addition to standard fee-for-service reimbursement for services rendered, BabyReady providers receive additional reimbursement for enhanced services and outcomes. In SFY 2025, the additional reimbursement totaled \$431,255.88. The chart below displays these payments in four categories:

- Per Member Per Month (PMPM) payments
- Adequate/Adequate + prenatal care incentive payments for achieving
- Postpartum follow-up care incentive payments
- Other allowable enhanced payment on the BabyReady fee schedule

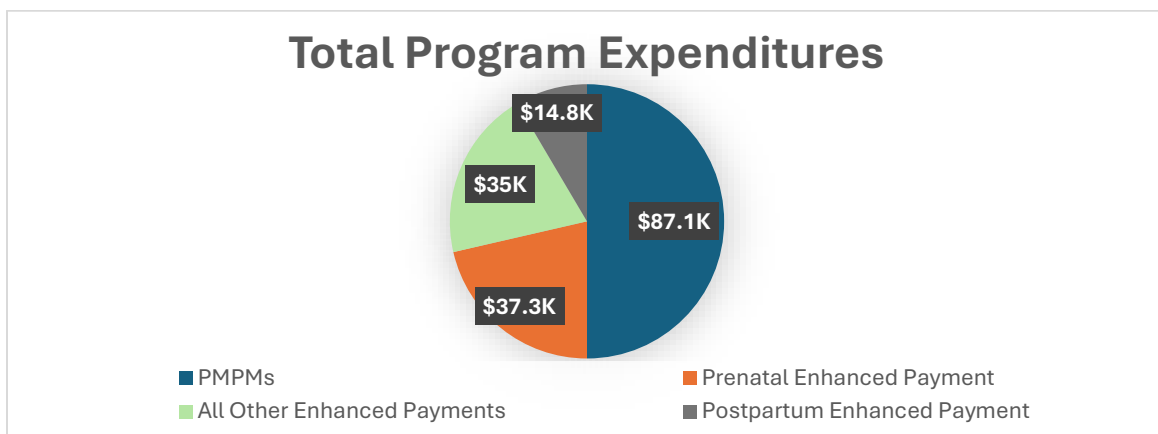
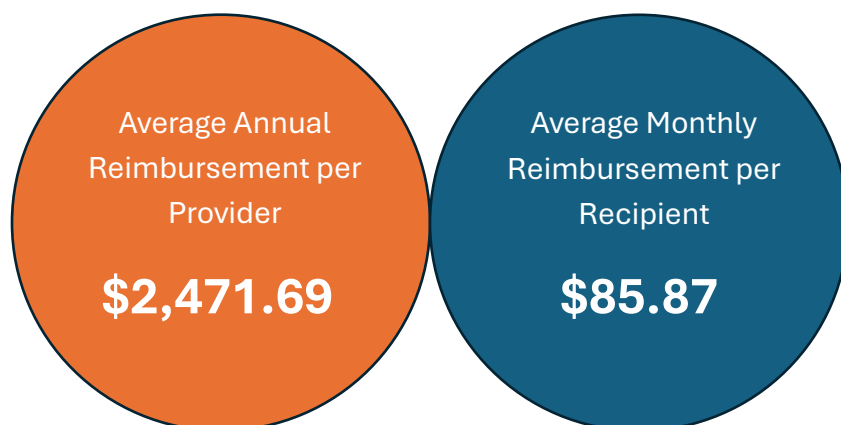


Chart 6: Average Payments by Providers and Recipients

The average annual reimbursement per enrolled clinician and average monthly reimbursement total per recipient are represented below. The average reflects the average reimbursement amount for BabyReady PMPM services and enhanced payment for recipients who delivered within SFY2025. It is not inclusive services billable by both BabyReady and non-BabyReady providers such as standard prenatal, delivery, and postpartum services.



BabyReady Success Stories

In addition to the quantitative data above, the following are examples of individual success stories of BabyReady participants as identified by BabyReady providers.

Overcoming Opiate Use in Pregnancy

An expecting mother tested positive for opiates early in her pregnancy. Through the BabyReady program, the clinic was able to initiate early outreach to the patient and establish her with addiction counseling services. With the help of counseling and the support of her BabyReady care team, she was completely weaned off opiates prior to her delivery. The BabyReady program was a key factor in identifying the pregnancy early and establishing the care that led to a successful delivery.

Supporting a Young Mother in Crisis

A young patient was in an abusive marriage, lacked nutrition, transportation, and mental health support. Through BabyReady, she was connected with WIC, Bright Start, counseling, public transportation, and domestic violence support. By postpartum, she had left the abusive partner, secured safe housing, and was doing well with her new baby.

Building Stability After Abuse

A patient had left an abusive relationship and was struggling financially. BabyReady staff connected her with community resources, childcare assistance, and counseling. She obtained a job, secured daycare, and stabilized her home environment—improving her own health and pregnancy outcomes.

Barriers to Care Initiatives

BabyReady Program providers must implement and support at least one initiative to reduce barriers to care impacting the Medicaid population served under this program. The initiative should address an obstacle their clinic is experiencing that is an impediment to recipients receiving care. Healthcare systems are allowed to have a single initiative; however, the initiative must be implemented in all enrolled clinics.

During the first annual reporting period, 86 percent of providers submitted a Barriers to Care Initiative Annual report. The Medicaid agency is continuing to work with providers who did not submit a report or who had deficiencies in their implementation of the initiative.

The following are examples of Barriers to Care Initiatives that have made a positive impact:

Barrier to Care Initiative: Food Insecurity

Avera Sioux Falls and Brandon clinics investigated ways to address food insecurities families face. Social determinant screeners indicate families struggle with having food to eat, or enough money to purchase food to eat. The clinics offer food bags to families visiting the clinics to help address food insecurity needs of their population. Bags are not dependent on families completing a screening. The clinics also provide education and referral to the local community food pantry for ongoing food needs. This initiative seeks to enhance maternal health outcomes by meeting nutrition needs to improve health outcomes for patients.

The clinics learned the following:

- The importance of universal screening. Never assume people need a resource or do not.
- Do not let perfect be the enemy of the good. There were initial concerns about having certain items (fresh produce, frozen meat, refrigerated dairy) and creating specialized bags for different allergies or dietary preferences. This was getting in the way of getting food bags to patients. When the clinics switched to pre-packed, entirely shelf stable bags that were all the same, we were able to get more bags out the door faster.

- Have solid documentation for bag distribution.

Avera Sioux Falls and Brandon clinics will continue this this initiative with hopes to expand to additional site locations.

Barrier to Care Initiative: Incentive Program

The Monument Spearfish clinic's barrier to care initiative focused on improving initiation and attendance at prenatal and postpartum visits. They established a goal of 50 percent of patients on the South Dakota Medicaid BabyReady program attending 100 percent prenatal appointments required and a 6-week OB postpartum appointment. For missed appointments the clinic's nursing staff called to try to reschedule the appointments.

As an incentive for appointment compliance the clinic provided a \$50 gift card to each patient after their 6-week postpartum appointment if the patient met the adequate prenatal care by gestational age guideline.

The clinic reported that their patients attended the majority of appointments and rescheduled if unable to attend. The clinic indicated it experienced a low number of no-show appointments.

Program Activity Highlights

Program activities in SFY 2025 included:

- Hosting three in-person sharing sessions and one virtual sharing session. The goal of the sharing session was to provide an overview of the program, answer questions, and give providers a chance to share concerns and ideas on how we can improve the BabyReady program going forward.
- Initiating a quarterly meeting with BabyReady providers to better collaborate and support providers with the program.
- Rebranding the program to "BabyReady" and implementing a promotional campaign to make the public aware of the program. At initial launch of the program the program was referred to as the Pregnancy Program.
- All newly enrolled BabyReady clinics are required to attend a BabyReady program training prior to receiving their first caseload.

Conclusion and Next Steps

The first year of BabyReady demonstrated strong provider participation, meaningful initiatives, and life-changing outcomes for patients. The Medicaid agency is committed to continuing to work with stakeholders to achieve better health outcomes for the South Dakotans we serve including continuing to evolve the program to best meet the needs of Medicaid BabyReady recipients and providers.

Expanded Eligibility

For SFY 2026, the Medicaid agency expanded recipient eligibility for the program. Upon initial launch of the program eligibility was limited to 20 weeks or less gestation. Effective July 1, 2025, eligibility was expanded to include recipients 32 weeks or less gestation with the ability for BabyReady providers to add additional recipients who have not delivered if they felt the recipient would benefit from the program. The program is excited to be able to make a difference for more recipients.

Quality Assurance Review

The BabyReady program will be conducting a quality assurance review in SFY 2026 using an external vendor. This review will help ensure operational excellence by identifying opportunities for improvement in operationalizing the program and educating providers regarding any identified deficiencies.

Opportunities and Challenges

As the Medicaid Agency continues to evaluate and evolve the program, key opportunities and challenges in SFY 2026 and beyond include:

- Ensuring the program is appropriately designed to support and reward care coordination activities and successful outcomes.
- Ensuring program design and implementation is scalable and feasible for both larger urban providers and smaller rural providers.
- Ensuring providers have the support and education materials to fully understand and operationalize program requirements.