



Medicaid Expansion and Unwinding

2023



Upcoming Medicaid Changes

Changes are coming to South Dakota Medicaid in 2023!



Medicaid Expansion

South Dakota voters approved expansion of Medicaid coverage to adults 19 through 64 years of age effective July 1, 2023.



Unwinding: Medicaid Return to Normal

Federal law has set an end date to the Medicaid continuous coverage requirement that has been in place since March 2020.

Effective April 1, 2023, Medicaid coverage can be closed again for individuals who are no longer eligible. This period where states return to normal practices is called the “unwinding.”

Medicaid Expansion

Medicaid Expansion Overview

South Dakota voters approved Constitutional Amendment D, which provides for Medicaid Expansion in South Dakota.

Under Constitutional Amendment D, starting July 1, 2023, adults ages 18 to 64 with incomes up to 138% of the federal poverty level will qualify for Medicaid.

Constitutional amendment requires:

- Submission of Medicaid State Plan Amendments by March 1, 2023
- Coverage effective July 1, 2023

State Plan Amendments

Three Initial State Plan Amendments (SPA):

SD-23-0001: Alternative Benefit Plan

Establish South Dakota's Alternative Benefit Plan (ABP) for individuals in the new adult eligibility group. The benefit package for this population aligns with the benefits currently offered under the state plan. Services will be delivered using the current Medicaid Primary Care Case Management program (Primary Care Provider (PCP) Program). Individuals can also qualify for the Heath Home program.

SD-23-0002: Financial Claiming

Establish South Dakota's eligibility procedures for identification of the new adult eligibility group for purposes of establishing the Federal Medical Assistance Percentage (FMAP) rate for the adult group.

SD-23-0003: Eligibility

Modifications to covered eligibility groups under the South Dakota Medicaid State Plan to add the new adult group ages 18-65 with incomes at or below 133% of the federal poverty level (FPL) (as per section 1902(a)(10)(A)(i)(VIII) of the Social Security Act and 42 CFR 435.119) plus five percent of the federal poverty level for the applicable family size and consistent with the expanded eligibility criteria as defined by the Affordable Care Act and apply full coverage to all Medicaid adult programs including pregnancy coverage.

The Centers for Medicare and Medicaid Services (CMS) asked the state to submit an additional SPA:

SD-23-0005: Primary Care Case Management

Updates South Dakota's Primary Care Case Management program or Primary Care Provider (PCP) Program to the CMS templates and includes the Medicaid Expansion population as participants in the program. The SPA does not make procedural changes to the program. It does update the program to pay IHS, FQHCs and RHCs the \$3 PMPM case management fee.

State Plan Amendment Public Comment

The State Plan Amendment public notice period is 30 days.

Public comments may be submitted through one of the following options:

Mail: Division of Medical Services
Department of Social Services
700 Governors Drive
Pierre, SD 57501-2291

Email: Rena.Hericks@state.sd.us

Phone: 605-773-3495

Benefits

Constitutional Amendment D states that Medicaid expansion enrollees “shall receive coverage that meets or exceeds the benchmark or benchmark-equivalent coverage requirements, as such terms are defined by federal law as of January 1, 2021.”

South Dakota’s [benchmark plan](#) is established by the South Dakota Division of Insurance. Benchmark plan covered services for adults include the 10 essential health benefits for expansion.

Expansion recipients will have the same benefit package as traditional adult Medicaid recipients.

This allows recipients to have access to the same set of services regardless of their category of eligibility.

The current Medicaid benefit package includes the 10 essential health benefit categories in the benchmark plan as well as additional services for adults such as adult dental, adult optometry and eyeglasses, and non-emergency medical transportation.

Essential Health Benefits

1. Outpatient care, such as services delivered in ambulatory care settings
2. Emergency services
3. Hospitalizations, such as surgery and overnight stays
4. Pregnancy, maternity, and newborn care both before and after birth
5. Mental health and substance use disorder services, including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive services, wellness services, and chronic disease management
10. Pediatric services, including oral and vision care

Benefits

EHB 1: Ambulatory Patient Services

- Licensed Physician Assistant Services
- Family Planning Services and Supplies
- Physician Services
- Medical Services by a Dentist
- Podiatrist Services
- Optometrist Services
- Chiropractic Services
- Dental Services
- Dentures
- Eyeglasses
- Hospice Care
- Pediatric or Family Nurse Practitioners
- Personal Care Services
- Licensed Certified Nurse Practitioner

- Licensed Certified Registered Nurse Anesthetist
- Licensed Registered or Licensed Practical Nurse
- Licensed Clinical Nurse Specialist
- Family Planning Clinics
- Ambulatory Surgical Centers
- Endstage Renal Disease Clinics

EHB 2: Emergency Services

- Ground and Air Ambulance Services
- Emergency Hospital Services

EHB 3: Hospitalization

- Inpatient Hospitalization
- Outpatient Hospital
- Organ Transplant Services

Benefits

EHB 4: Maternal and Newborn Care

- Tobacco Cessation Counseling for Pregnant Women
- Nurse-Midwife Services
- Extended Services for Pregnant Women
- Freestanding Birth Centers
- Maternal Child Health Clinics

EHB 5: Mental Health and Substance Use Disorder Services Including Behavioral Health Treatment

- Community Mental Health Center Services
- Substance Use Disorder Agency Services
- Services of a Licensed Psychologist
- Licensed Professional Counselor – Mental Health
- Licensed Professional Counselor Working Toward MH

EHB 6: Prescription Drugs

- The prescription drug benefit plan is the same as under the approved Medicaid State Plan for prescribed drugs.

EHB 7: Rehabilitative and Habilitative Services and Devices

- Home Health Nursing Services
- Home Health Aide Services
- Home Health Medical Supplies and Equipment
- Home Health Therapy Services
- Physical Therapy Service
- Occupational Therapy
- Speech, Hearing, and Language Disorder Services
- Prosthetic Devices
- Skilled Nursing Facility Services

Benefits

EHB 8: Laboratory Services

- Other Lab and X-Ray

EHB 9: Preventive and Wellness Services and Chronic Disease Management

- Diabetes Self-Management Training
- Community Health Worker Services

EHB 10: Pediatric services including oral and vision care

- Medicaid State Plan EPSDT Benefits

Other 1937 Covered Benefits that are not EHBs

- Rural Health Clinics (RHCs)
- Federally Qualified Health Clinics (FQHCs).
- Licensed Nutritionist and Licensed Dietician
- Clinical Trials
- Non-Emergency Medical Transportation
- Nursing Facility Services
- Intermediate Care Facilities for Intellectual Disabilities
- Nursing Facility Services for Patients Under 21 Years of Age
- Intermediate Care Facility Services
- Inpatient Psychiatric Facility Services for Individuals Under 21 Years of Age
- 1945 Health Homes
- Licensed Certified Social Worker – PIP
- Licensed Certified Social Worker – PIP candidate
- Licensed Marriage and Family Therapist
- Indian Health Service Clinics

Primary Care Case Management Program (PCP Program)

The Primary Care Provider Program (PCP) is designed to improve access to medical care for Medicaid recipients as well as improve the quality of care they receive by giving them a medical home.

Medicaid Expansion recipients will participate in the PCP program on the same basis as traditional adult Medicaid recipients.

Recipients either choose or are assigned a Primary Care Provider (PCP). This allows the recipient and their physician to develop a relationship in which the best medical care can be provided. South Dakota Medicaid allows Medicaid recipients to change their PCP at any time for any reason.

- All Indian Health Service, Tribal and Urban Indian primary care providers participate in the PCP Program.
- American Indians are eligible to receive care from an Indian Health Service, Tribal, or Urban Indian provider at anytime, regardless of who they have selected as their PCP.

Individuals in the PCP program receive primary care services from their PCP and require a referral from their PCP for non-emergent specialty and hospital services. This ensures the PCP acts as a medical home and assists Medicaid recipients in coordinating care.

SPA SD-23-0005 updates the PCP program to new CMS templates and includes the Medicaid Expansion population as participants in the program. The SPA does not make procedural changes to the program. It does update the program to pay IHS, FQHCs and RHCs the \$3 PMPM case management fee.

Cost Sharing

Cost sharing is a small portion of a medical bill, often called a co-insurance or co-pay. Cost sharing is limited to 5% of a household's income.

Medicaid Expansion recipients will have the cost sharing as traditional adult Medicaid recipients.

Services Exempt from Cost Sharing

- True emergency services
- Family planning services and supplies
- Services relating to a pregnancy, postpartum condition, a condition caused by the pregnancy, or a condition that may complicate the pregnancy;
- Provider-preventable services
- Laboratory services
- Psychiatric inpatient and rehabilitation services;
- Radiological services; and
- Substance use disorder treatment.

Individuals Exempt from Cost Sharing

- Children under age 21;
- Individuals receiving hospice care;
- Individuals residing in a long-term care facility or receiving home and community-based services;
- American Indians who have ever received an item or service furnished by an Indian Health Services (IHS) provider or through referral under contract health services; and
- Individuals eligible for Medicaid through the Breast and Cervical Cancer program.

Timeline for Implementation

Implementation timeline dependent several factors including:

- Hiring, training, onboarding FTE
 - DSS is requesting 68 new FTE to administer Medicaid Expansion
- Approval of Medicaid State Plan amendments from the Centers for Medicare and Medicaid Services (CMS)
- Modifications to DSS information technology systems
 - Mainframe applications
 - Third Party Software

Eligibility Applications: July 2023

Provider Eligibility Verification: July 2023

Today, providers can verify eligibility through a variety of methods including telephone, the on-line portal, or submitting various electronic files/transactions

DSS mainframe systems are being modified so that providers can verify eligibility for the new expansion group

Prior Authorization: July/August 2023

PCP and Health Home Enrollment: July/August 2023

Timeline for Implementation

Claim Submission:

Dental Claims: July 2023

Pharmacy Claims: July 2023

Medical Claims: Currently Estimated December 2023/January 2024

- Working with South Dakota Bureau of Information and Telecommunications (BIT) staff to determine feasibility of phased/staggered approach for medical claims. Gathering additional information/technical requirements to determine if a faster implementation is feasible. More refined timeline for healthcare claims anticipated in late February/early March.
- South Dakota Medicaid's claim processing system operates using a mainframe application. Mainframe application requires substantive updates to process healthcare claims. Best short- term solution given the short timeframe for implementation. Factors driving mainframe implementation timeframe:
 - Limited mainframe programmers (both internal and contractors) with skills necessary for implementation
 - Limited Medicaid program staff with knowledge of detailed business requirements
- Complexities/volume of coding that require updates – i.e. to ensure 90% federal match hundreds of lines of coding requiring updates, over 450 areas of the system require review/updates to accommodate new expansion eligibility groups
- Mainframe system used to pay providers includes high volume of interfaces with other subsystems
- Exploring alternative approaches to claims payment including potential for third party administration for the longer term.



Questions?

Sarah Aker



605-773-3495



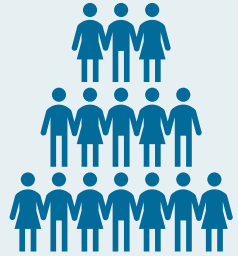
Sarah.Aker@state.sd.us



dss.sd.gov



Medicaid Expansion Eligibility



Adult Expansion

There is not currently a medical coverage group in South Dakota for adults aged 19 through 64 who are not blind, disabled, pregnant, or a parent/relative caretaker of a child.

Adult Expansion Eligibility Criteria

- Aged 19 through 64
- Income below 133% of the Federal Poverty Limit for 2023
- Not entitled to or enrolled in Medicare (Part A or B)
- Not otherwise eligible for or enrolled in another aid category



Application Process

The application process will not change. Adults who may be eligible for this group may begin applying July 1, 2023.

Welcome!



Find your
local office



Contact
us



Application Process

The application process for Medicaid can be done entirely by mail or online. No interview is required.

An application for one Medicaid program is considered an application for all programs.

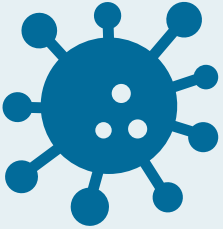
SSI recipients are automatically eligible for the South Dakota Medicaid program and do not need to apply.

It's easy to apply! Applications are available:

1. **Online:** <http://dss.sd.gov/applyonline>
2. **DSS website:** <http://dss.sd.gov/formsandpubs/>
3. **All Department of Social Services offices**
4. **Most SD Medicaid providers**

Unwinding: Medicaid Return to Normal

Continuous Coverage



The Families First Coronavirus Relief Act (FFRCA) has had a “continuous coverage” requirement for Medicaid during the public health emergency (PHE).

Any Medicaid recipient (this does not include CHIP) eligible on or after March 18, 2020 has not been able to lose coverage unless they:

- request closure,
- are deceased,
- move out of state, or
- were incorrectly enrolled.



Federal law set an end date to the continuous coverage requirement effective April 1, 2023. It is no longer tied to the PHE.

Effective April 1, 2023, Medicaid coverage can be closed again for individuals who are no longer eligible. This period where states return to normal practices is called the “unwinding.”

Unwinding – Return to Normal



Case Closures

Over the next several months, DSS staff will be redetermining Medicaid eligibility. Prior to determinations, individuals on Medicaid will receive a Medicaid review form.

Once they receive their review form, they should complete it right away.



Timeline

Beginning April 1, 2023, reviews will be conducted to assess continued eligibility or need for program termination.

South Dakota will follow federal guidance to ensure individuals are screened for all Medicaid aid categories prior to closure. A certain number of cases will be worked on per month. It is estimated nine months could be needed to close all ineligible individuals.

Unwinding – Preparation

Make sure contact information is up to date.

Individuals should call or email today to report any change in address, phone number, email, or other contact information. Find contact information for local offices at <https://dss.sd.gov/findyourlocaloffice>.



Report any changes in circumstances, such as income or changes in household members.

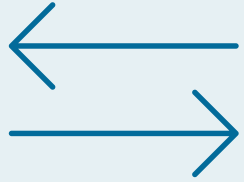
Call or email local offices today to report any changes. Find contact information for local offices at <https://dss.sd.gov/findyourlocaloffice>.

Check their mail.

When they receive a Medicaid review form, they must complete it right away. If they do not complete the review process, they will no longer be eligible for medical assistance. This could be on or after April 1, 2023.

Transitions and Closures

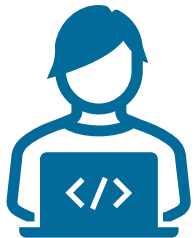
Transitions



Cases set to close will be screened for other Medicaid programs prior to coverage ending. If an individual is eligible for another aid category, they will continue to receive Medicaid coverage.

Closures

If a recipient is no longer eligible, their coverage will close at the end of the first month the Department can provide 10-day advance notice, but no sooner than effective April 1, 2023. Individuals who have lost coverage can reapply at any time.



HealthCare.gov

Individuals denied for Medicaid may still be able to get health insurance, and help paying for it, through the **Health Insurance Marketplace**. For more information on the **Health Insurance Marketplace**, please call (800) 318-2596 (TTY: 1-855-889-4325) or visit www.healthcare.gov.



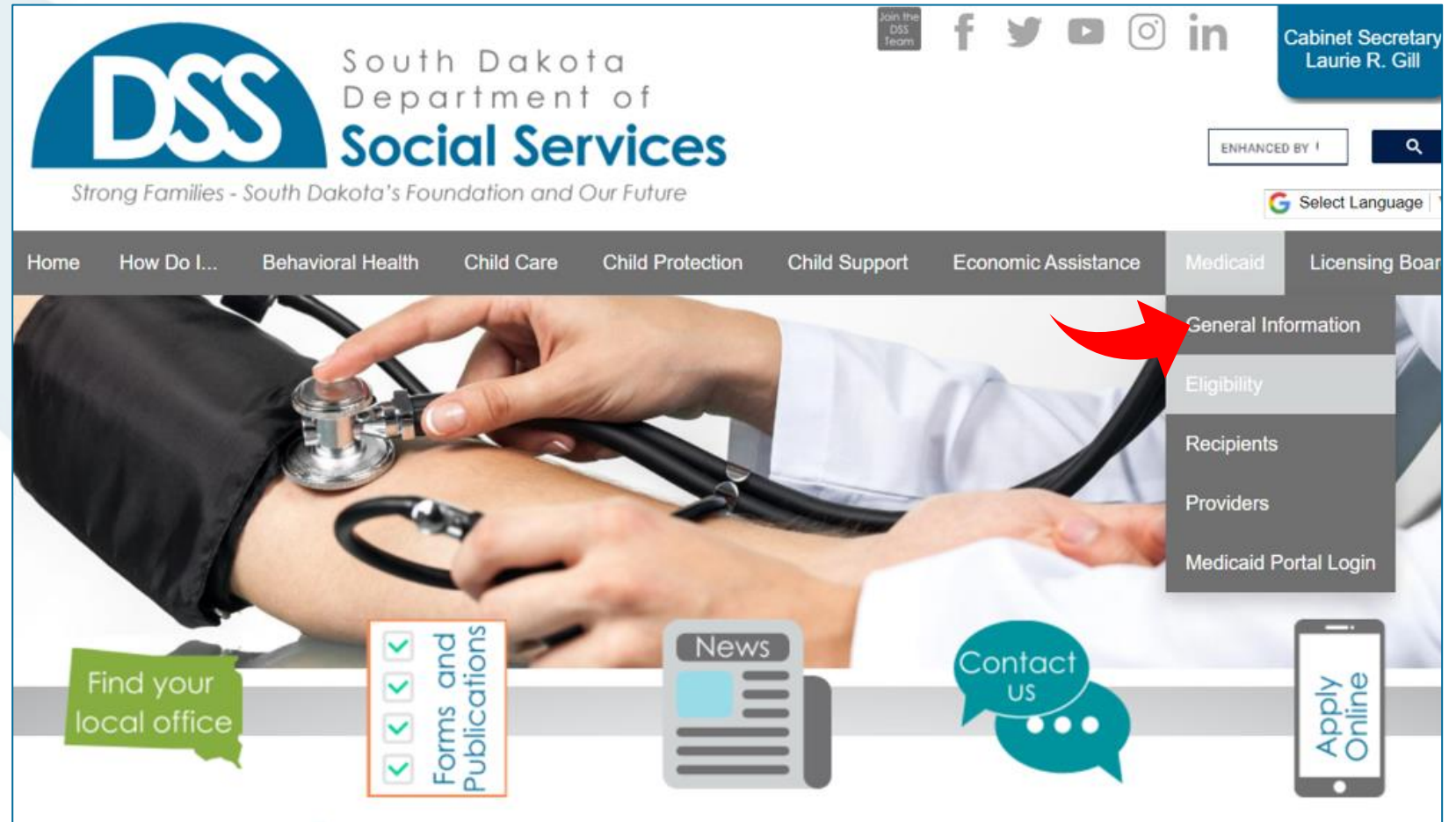
Coverage Groups

South Dakota Coverage Groups

A list of coverage groups is at dss.sd.gov.

Other information available:

- Income limits for MAGI and non-MAGI
- Resource limits for non-MAGI
- Other eligibility requirements specific to each program
- Services provided by the waiver programs





Questions?

Mary Johnle



605-280-5369



Mary.Johnle@state.sd.us



dss.sd.gov

