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State/Territory Name: SD

State Plan Amendment (SPA) #: 22-0001

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group/ Division of Reimbursement Review

March 15, 2022

Laurie Gill, Cabinet Secretary
Department of Social Services
Division of Medical Services
700 Governors Drive
Pierre, SD 57501-2291

RE: TN 22-0001

Dear Laurie Gill:

We have reviewed the proposed South Dakota State Plan Amendment (SPA) to Attachment 4.19-B SD 22-0001, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on February 1, 2022. The SPA implements a one-time supplemental payment to providers of Home and Community Based Services (HCBS) as allowed by section 9817 of the American Rescue Plan Act of 2021.

Based upon the information provided by the State, we have approved the amendment with an effective date of February 1, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Matt Klein at 214-767-4625 or matthew.klein@cms.hhs.gov

Sincerely,

Todd McMillion

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 2 — 0 0 0 1</u>	2. STATE <u>SD</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
February 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
Section 9817 of the American Rescue Plan Act, 2021

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a FFY 2022 \$ 10,440,010
b FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Page 41 of Attachment 4.19-B

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

9. SUBJECT OF AMENDMENT

Implements a one-time supplemental payment to providers of Home and Community Based Services (HCBS).

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Laurie R. Gill

13. TITLE
Cabinet Secretary

14. DATE SUBMITTED
February 1, 2022

15. RETURN TO
Department of Social Services
Division of Medical Services
700 Governors Drive
Pierre, SD 57501-2291

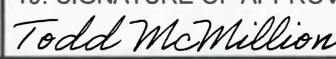
FOR CMS USE ONLY

16. DATE RECEIVED
February 1, 2022

17. DATE APPROVED
March 15, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
February 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement and Review

22. REMARKS

ATTACHMENT 4.19-B
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

1. The State makes a one-time payment to the providers referenced in South Dakota's American Rescue Plan Act Home and Community Based Services Enhanced Funding Spending Plan and that are listed in Appendix B., or could be listed in Appendix B., of the American Rescue Plan Act, State Medicaid Director Letter, SMD# 21-003 Implementation of American Rescue Plan Act of 2021 Section 9817 including:
 - a. Home Health Services
 - b. Rehabilitative Services – Community Mental Health Centers and Substance Use Disorder Agencies
 - c. Early Periodic Screening Diagnosis and Treatment, Private Duty Nursing

Providers must have provided services during the period of April 1, 2021 to December 31, 2021.

2. One-time supplemental payments will be made based on the following criteria:
 - a. Eligibility for the supplemental payment requires providers to attest to the following:
 - i. An understanding these are one-time payments;
 - ii. The payments will be used to expand, enhance, or strengthen Medicaid Home and Community Based Services as described in b.
 - b. Payment is made through a supplemental payment:
 - i. The State will make a supplemental payment to qualified providers in March 2022.
 - ii. Eighty percent of the total payment is for direct care workforce activities. Direct care workforce may include one-time compensation payments, including temporary shift differentials; a one-time compensation adjustment to direct care staff as a method of retention; other types of retention incentives such as paid family leave and paid sick leave; and activities to recruit direct care workers.
 - iii. Twenty percent of the total payment is for equipment and supplies. Equipment and supplies may include expenses related to COVID-19 related equipment, testing supplies, and infection control; telehealth equipment and assistive technology for providers; and other supplies and equipment that enhance the delivery of HCBS.
 - iv. Providers may request in writing an exception from the State to reallocate the percent of the supplemental payment that is designated for each activity. The request must include the proposed use of the funds, justification for the exception, and a report of to date use of supplemental payment funds. The State will determine whether to approve requests based on the merits of the exception request including whether granting the exception furthers the goal of expanding, enhancing, or strengthening HCBS services.
 - v. The one-time payment will equal approximately 56 percent of the claim expenditures from SFY 21.
 - vi. Providers will provide the State with a report of funds expended and for what purpose in the form and manner designated by the State.