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State/Territory Name: South Dakota

State Plan Amendment (SPA) #: 21-0002

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page



Medicaid and CHIP Operations Group

April 20, 2021

William Snyder, Medicaid Director
Department of Social Services
Richard F. Kneip Building
700 Governors Drive
Pierre, SD 57501-2291

RE: TN 21-0002

Dear Mr. Snyder:

The Centers for Medicare and Medicaid Services (CMS) has completed its review of South Dakota's State Plan Amendment (SPA) Transmittal #21-0002, submitted on March 17, 2021. This SPA seeks an extension to the exception to the Medicaid Recovery Audit Contractor (RAC) program.

CMS approved SPA #21-0002 on April 20, 2021, with an effective date of June 1, 2021 for a two-year period only, with a termination date of May 31, 2023. Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into the South Dakota State Plan.

If you have any questions regarding this amendment, please contact Mandy Strom at mandy.strom@cms.hhs.gov or (303) 844-7068.

Sincerely,

A handwritten signature in blue ink, appearing to read "James G. Scott", is positioned to the left of the digital signature information.

Digitally signed by
James G. Scott -S
Date: 2021.04.20
14:56:48 -05'00'

James G. Scott, Director
Division of Program Operations

Enclosures

cc: Brenda Tidball-Zeltinger, Deputy Secretary, South Dakota Medicaid
Matthew Ballard, Deputy Director, South Dakota Medicaid
Rena Hericks, South Dakota Medicaid
Mandy Strom, CMS North Branch-Division of Program Operations

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER:
SD-21-0002

2. STATE:
South Dakota

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
June 1, 2021

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

1902(a)(42)(B)(i)

7. FEDERAL BUDGET IMPACT:

- a. FFY 2021: \$ 0.00
- b. FFY 2022: \$ 0.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Section 4.5, page 36b

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

Section 4.5, page 36b

10. SUBJECT OF AMENDMENT:

The proposed State Plan Amendment extends South Dakota's Medicaid Recovery Audit Contractor Program exception.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED:

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Laurie R. Gill

14. TITLE:

Cabinet Secretary

15. DATE SUBMITTED:

March 17, 2021

16. RETURN TO:

DEPARTMENT OF SOCIAL SERVICES
DIVISION OF MEDICAL SERVICES
700 GOVERNORS DRIVE
PIERRE, SD 57501-2291

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

March 17, 2021

18. DATE APPROVED:

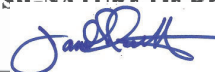
April 20, 2021

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

June 1, 2021

20. SIGNATURE OF REGIONAL OFFICIAL:



Digitally signed by James G. Scott -S
Date: 2021.04.20 14:57:39 -05'00'

21. TYPED NAME:

James G. Scott

22. TITLE:

Director, Division of Program Operations

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
State/Territory: SOUTH DAKOTA

SECTION 4. GENERAL PROGRAM ADMINISTRATION

Citation

4.5b Medicaid Recovery Audit Contractor Program

Section 1902(a)(42)(b)(i)
of the Social Security Act

_____ The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.

X_____ The State is seeking an extension to the exception to establishing such program for the following reasons:

- (1) The State maintains a low rate of errors in Medicaid payments, as evidenced by the most recent PERM review; and
- (2) The State's estimate of the potential amount of payment errors to be recovered is low based in part on relatively low Medicaid enrollment and associated expenditures such that there would not be enough revenue generated to fund an adequate enough contingency fee to attract sufficient bidding attention from vendors; and
- (3) In fiscal year 2020 the State had total Medicaid and CHIP expenditures of \$992.65 million. For this period the State had an average monthly enrollment of 115,731 eligible recipients and a total of 141,620 eligible recipients during the fiscal year. Of these individuals 113,291 were enrolled in the Primary Care Case Management or the Health Home program.

_____ The State Medicaid agency has contracts of the type(s) listed in Section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.