

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850



Children and Adults Health Programs Group

March 30, 2026

Heather Petermann
Director, Division of Medical Services
Department of Social Services
700 Governors Drive
Pierre, SD 57501

Dear Director Petermann:

Your Title XXI Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) SD-26-0016, submitted January 23, 2026, has been approved. The effective date for this SPA is July 1, 2025.

Through SD-26-0016, South Dakota demonstrates compliance with section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023) by modifying CHIP eligibility requirements for the treatment of incarcerated youth and providing pre-release services to eligible juveniles. Additionally, the state clarifies its policies for this population related to the delivery system for pre-release services.

Your Project Officer is Kristin Pacek. She is available to answer your questions concerning this amendment and other CHIP-related matters and can be reached at kristin.pacek@cms.hhs.gov.

If you have additional questions, please contact Mary Beth Hance, Director, Division of State Coverage Programs, at (410) 786-4299. We look forward to continuing to work with you and your staff.

Sincerely,

A handwritten signature in black ink that reads "Jessica Stephens". The signature is written in a cursive, flowing style.

Jessica Stephens
Acting Director



CHIP Eligibility

OMB Control Number: 0938-1148

State Name: South Dakota

Transmittal Number: SD-26-0016

| Incarcerated CHIP Beneficiaries | CS31 |
|--|-------------|
| 2102(d) and 2110(b)(7) of the SSA | |
| Targeted Low-Income Children Who Become Incarcerated | |
| <input checked="" type="checkbox"/> The state assures that it does not terminate eligibility for children enrolled in a separate CHIP because the child is an inmate of a public institution. | |
| <p>States may either suspend CHIP coverage or continue to provide CHIP state plan (or waiver of such plan) services otherwise not covered by the carceral facility to children who are incarcerated. States that elect to suspend CHIP coverage for the duration of a child's incarceration may implement a benefits or eligibility suspension.</p> <p>The state elects to suspend CHIP coverage for the duration of a child's incarceration <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, then check an option below:</p> <p><input checked="" type="checkbox"/> Benefits suspension</p> <p><input type="checkbox"/> Eligibility suspension</p> <p><input checked="" type="checkbox"/> The state assures that it redetermines eligibility for any child prior to their release if it has been longer than 12 months since the child's last redetermination and restores coverage for child health assistance to eligible children upon their release.</p> <p><input checked="" type="checkbox"/> Within the 30 days prior to release (or within one week of release, or as soon as practicable after release), the state assures that it provides eligible children with any screenings, diagnostic services, or case management services that would otherwise be available to children under the CHIP state plan (or waiver of such plan).</p> <p>Additional information regarding implementation of mandatory provisions of section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023), including providing screenings, diagnostic services, or case management services:</p> <p><i>The State may determine that it is not feasible for recipients to access the required services during the pre-release period in certain carceral facilities (e.g., local jails, youth correctional facilities, and state prisons) and/or certain circumstances (e.g. unexpected release or short-term stays).</i></p> <p><i>The State assures that clear documentation will be maintained in the internal operational plan indicating where implementation of services during the pre-release period in certain carceral facilities (e.g., local jails, youth correctional facilities, and state prisons) and/or certain circumstances (e.g. unexpected release or short-term stays) are not feasible, including the reason why the state has determined it is not feasible which will be available to CMS upon request. Services will be provided post-release, including the mandatory screening, diagnostic services, and case management services consistent with coverage otherwise available under the CHIP state plan.</i></p> <p><i>The State assures that clear documentation will be maintained in the internal operational plan indicating which carceral facility/facilities,</i></p> | |

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

V.20240322



CHIP Eligibility

if any, are furnishing services but not enrolling in or billing Medicaid which will be available to CMS upon request.

Under section 5122 of the CAA, 2023, states may consider otherwise eligible children who are inmates pending disposition of charges as eligible for CHIP and provide all services covered under the CHIP state plan.

- The state elects to provide all CHIP state plan benefits (or waiver of such plan) to eligible children who are inmates pending disposition of charges.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

V.20240322



CHIP Eligibility

Children Determined Eligible for CHIP While Incarcerated

Generally, children who apply for CHIP when they are in a carceral facility are not eligible because of the eligibility exclusion for inmates of a public institution under section 2110(b) of the Act. However, section 2110(b)(7) of the Act provides an exception to this eligibility exclusion for children who are within 30 days prior to their release.

- The state assures that they will process any application submitted on behalf of a child and make an eligibility determination for child health assistance upon their release from the institution.
- Children who apply and are found eligible within 30 days prior to their release will be provided screening and diagnostic services, and case management services that are otherwise available under the CHIP state plan (or waiver of such plan).

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

V.20240322

South Dakota Children's Health Insurance Program State Plan

Effective Date: July 1, 2016

SPA# SD-16-0006: This state plan amendment provides proposed program specifics to the state's CHIP state plan for unborn children from conception to birth.

Effective Date: July 1, 2016

SPA# SD-16-0007: This state plan amendment updates the state's exemptions from its waiting period to include coverage for unborn children.

Effective Date: July 1, 2016

SPA# SD-17-0009: This state plan amendment clarifies that the Mental Health Parity and Addiction Equity Act requirements are satisfied through the EPSDT benefit.

Effective Date: October 1, 2017

SPA# SD-20-0004: This state plan amendment provides assurances that the state is in compliance with section 5022 of the SUPPORT Act, which made behavioral health services a required benefit for CHIP.

Effective Date: October 24, 2019

SPA# SD-22-0003: The purpose of this SPA is to demonstrate compliance with the American Rescue Plan Act provisions that require states to cover treatment (including treatment of a condition that may seriously complicate COVID-19 treatment), testing, and vaccinations for COVID-19 without cost sharing in CHIP.

Effective Date: March 11, 2021

SPA# SD-23-0020: The State is assuring that it covers age-appropriate vaccines and their administration, without cost sharing.

Effective: October 1, 2023.

SPA# SD-25-0004: This amendment establishes targeted case management services for eligible juveniles up to 19 years of age to improve health care transitions upon reentry to the community from a carceral setting as required by Section 5121 of the Consolidated Appropriations Act, 2023.

Effective: January 1, 2025

SPA# SD-25-0014: This amendment establishes coverage of doula, community health worker, and peer support services.

Effective: January 1, 2025

SPA# SD-26-0016: This SPA implements Section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023) for CHIP-eligible targeted low-income children who become inmates of a public institution – see CHIP Non-Financial Eligibility CS 31: Incarcerated CHIP Beneficiaries pages.

South Dakota Children's Health Insurance Program State Plan

Effective date: July 1, 2025.

- 1.4-TC SPA# SD-22-0003: The State conducted Tribal Consultation beginning with notification on July 18, 2022. Notification was sent via email to the Tribal Consultation Listserv with a 30-day comment period.
Effective Date: March 11, 2021
- SPA# SD-23-0020: The State conducted Tribal Consultation beginning with notification on November 6, 2023. Notification was sent via email to the Tribal Consultation Listserv with a 30-day comment period.
Effective Date: October 1, 2023.
- SPA# SD-25-0004: The State conducted Tribal Consultation beginning with notification on December 2, 2024. Notification was sent via email to the Tribal Consultation Listserv with a 30-day comment period.
Effective Date: January 1, 2025.
- SPA# SD-25-0014: The State conducted Tribal Consultation beginning with notification on June 23, 2025. Notification was sent via email to the Tribal Consultation Listserv with a 30-day comment period.
Effective Date: January 1, 2025.
- SPA# SD-26-0016: The State conducted Tribal Consultation beginning with notification on December 15, 2025. Notification was sent via email to the Tribal Consultation Listserv with a 30-day comment period.
Effective Date: July 1, 2025.

South Dakota Children’s Health Insurance Program State Plan

| Transmittal Number | SPA Group | PDF # | Description | Superseded Plan Section(s) |
|--|----------------------------|--------------|---|---|
| | | | Substitution of Coverage | Superseded part of section 4.4.4.1 |
| SD-14-008 Approval Date: 09/22/14 Effective Date: January 1, 2014 | XXI Medicaid Expansion | CS3 | Eligibility for Medicaid Expansion Program | Supersedes the current Medicaid expansion section 4.0 |
| SD-16-0002 Approval Date: 12/15/16 Effective Date: July 1, 2016 | MAGI Eligibility & Methods | CS9 | Eligibility - Coverage from Conception to Birth | Incorporated into the current section 4.1.9 |
| SD-16-0007 Approval Date: 12/15/16 Effective Date: July 1, 2016 | Non-Financial Eligibility | CS20 | Non-Financial Eligibility – Substitution of Coverage | Supersedes the current section 4.4.4.1 |
| SD-26-0016 Approval Date: Effective Date: July 1, 2025 | Non-Financial Eligibility | CS31 | Non-Financial Eligibility – Incarcerated CHIP Beneficiaries | New section |

South Dakota Children's Health Insurance Program State Plan

- *Mental health services for individuals who are diagnosed with a serious emotional disturbance or serious mental illness;*
- *Targeted Case Management Services;*
- *Ambulance;*
- *Other Transportation;*
- *Anesthesiology;*
- *Independent radiology/pathology;*
- *Independent lab/x-ray services (when sending samples or specimens to any outside facility for analysis only); and*
- *Up to 4 urgent care visits per State fiscal year.*

American Indian recipients may receive services at an IHS facility without a referral from their PCCM.

3.1.2 Use of a Managed Care Delivery System for All or Some of the State's CHIP Populations

3.1.2.1 Check each of the types of entities below that the State will contract with under its managed care delivery system, and select and/or explain the method(s) of payment that the State will use:

- Managed care organization (MCO) (42 CFR 457.10)
 - Capitation payment
 - Describe population served:
- Prepaid inpatient health plan (PIHP) (42 CFR 457.10)
 - Capitation payment
 - Other (please explain)
 - Describe population served:
- Prepaid ambulatory health plan (PAHP) (42 CFR 457.10)
 - Capitation payment
 - Other (please explain)
 - Describe population served:
- Primary care case manager (PCCM) (individual practitioners) (42 CFR 457.10)
 - Case management fee
 - Other (please explain)
- Primary care case management entity (PCCM Entity) (42 CFR 457.10)
 - Case management fee