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State/Territory Name: SD

State Plan Amendment (SPA) #: 26-0005

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850

Financial Management Group

September 8, 2026

Heather Petermann
Department of Social Services
Division of Medical Services
700 Governors Drive
Pierre, SD 57501-2291

RE: TN 26-0005

Dear Director Petermann,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed South Dakota State Plan Amendment (SPA) to Attachments 4.19-A and 4.19-D TN: #26-0005 which was submitted to CMS on June 23, 2026. This plan amendment updates the provider lists and provides increases to the supplemental payment amounts for the inpatient and nursing facility providers that have a signed care coordination agreement.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the State, we have approved the amendment with an effective date of June 1, 2026. 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 Matthew Klein at 214-767-4625 or matthew.klein@cms.hhs.gov

Sincerely,

Rory Howe

Rory Howe
Director
Financial Management Group

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26 — 0005

2. STATE: SD

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

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

4. PROPOSED EFFECTIVE DATE
June 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447.201

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ 1,475,513
b. FFY 2027 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A, Page 14
Attachment 4.19-D, Page 17b

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-A, Page 14 TN# 25-0011
Attachment 4.19-D, Page 17b TN# 25-0011

9. SUBJECT OF AMENDMENT
Updates the supplemental payment amounts for inpatient and nursing facility providers.

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
Heather Petermann

12. TYPED NAME
Heather Petermann

13. TITLE
Director

14. DATE SUBMITTED
06/23/2026

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
June 23, 2026

17. DATE APPROVED
September 8, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
June 1, 2026

19. SIGNATURE OF APPROVING OFFICIAL
Rory Howe

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS

Instructions on Back

The Department of Social Services (DSS) supports ensuring access and proper coordination of care. The department will make supplemental payments to further these goals to the following private providers in the following amounts:

Provider	**Amount**
Abbot House Inc	$28,112
Aurora Plains Academy	$16,050
Avera	$475,337
Bennett County	$16,768
Black Hills Surgical	$385
Mobridge Regional	$9,104
Monument Health	$1,258,951
Lutheran Social Services	$24,127
Our Home	$20,397
Rushmore Ambulatory Surgery	$13,325
Sanford	$801,843
Children's Home Society of SD	$46,247

Effective on or after June 1, 2026, supplemental payments will be made using South Dakota Medicaid claims data calculated for the period of January 1, 2025 to December 31, 2025. Payments for the supplemental payment period will be made during the last quarter of the state fiscal year.

The payment will be made to the provider through the MMIS system. Payments will be made directly to the qualifying provider through a supplemental payment mechanism and will appear on their remittance advice. Each provider will receive written notification at the time of payment of the payment amount from the Division of Medical Services.

Payments made in error will be recovered via a supplemental recovery mechanism and will appear on the provider's remittance advice. The agency will notify the provider in writing explaining the error prior to the recovery. The Federal share of payments made in excess will be returned to CMS in accordance with 42 CFR Part 433, Subpart F.

The maximum aggregate payment to all qualifying providers shall not exceed the available upper payment limit in accordance with 42 CFR 447.272.

The Department of Social Services (DSS) supports ensuring access and proper coordination of care. The department will make supplemental payments to further these goals to the following private providers in the following amounts:

Provider	**Amount**
Aurora Plains Academy	$8,016
Avera	$25,127
Bennett County	$567
Legacy	$120,846
Monument Health	$5,643
Sanford	$21,751

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