DEPARTMENT OF SOCIAL SERVICES



DIVISION OF MEDICAL SERVICES 700 GOVERNORS DRIVE PIERRE, SD 57501-2291 PHONE: 605.773.3495

FAX: 605.773.5246 WEB: dss.sd.gov

June 27, 2025

Dr. Sally Abbott, MS, PhD Regional Health Administrator Centers for Medicare and Medicaid Services 1961 Stout Street, Room 08-148 Denver, CO 80294

Re: South Dakota CHIP State Plan Amendment SD-25-0014

Dear Dr. Abbott:

Please find enclosed South Dakota's CHIP State Plan Amendment (SPA) SD-25-0014. The SPA clarifies that pregnancy-related doula services including prenatal, labor and delivery, and postpartum supports, community health worker (CHW) services, and peer support services are covered under the CHIP State Plan to align with benefits under the Medicaid State Plan. The SPA amends pages 5-6, 72-73, 77, and 104 of the CHIP State Plan. The Department intends to make this SPA effective January 1, 2025.

The department's estimates the fiscal impact associated with this SPA to be \$164,818 in Federal Fiscal Year 2025 and \$215,045 in Federal Fiscal Year 2026.

The State is currently conducting Tribal Consultation. The 30-day notification period began on June 23, 2025 and will conclude on July 23, 2025. We have attached a copy of the notification sent to the Tribes. Public notice was published in the South Dakota REGISTER, https://mylrc.sdlegislature.gov/api/Documents/Register/284979.pdf on June 23, 2025. There have

been no tribal or public comments received to date. The State will submit to CMS any comments that are received once the comment period concludes on July 23rd.

If you have any questions regarding this package, please contact Renae Hericks, Policy and Programs Manager, Division of Medical Services, 700 Governors Drive, Pierre, SD 57501-2291, e-mail Renae.Hericks@state.sd.us, or telephone (605) 773-4087.

Sincerely,

Heather Petermann

Director

CC: Matt Althoff, Cabinet Secretary

Dertha feterman

	1. TRANSMITTAL NUMBER	2. STATE
TRANSMITTAL AND NOTICE OF APPROVAL OF		
STATE PLAN MATERIAL	— — [—] — — — —	
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	3. PROGRAM IDENTIFICATION: TITLE OF	F THE SOCIAL
	SECURITY ACT XIX	XXI
TO: CENTER DIRECTOR	4. PROPOSED EFFECTIVE DATE	700
CENTERS FOR MEDICAID & CHIP SERVICES	4.1 NOI COLD EIT EOTIVE DATE	
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
5. FEDERAL STATUTE/REGULATION CITATION	6. FEDERAL BUDGET IMPACT (Amou	nts in WHOLE dollars)
	b. FFY\$\$	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	8. PAGE NUMBER OF THE SUPERSED OR ATTACHMENT (If Applicable)	JED PLAN SECTION
9. SUBJECT OF AMENDMENT	•	
10. 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		
11. SIGNATURE OF STATE AGENCY OFFICIAL	5. RETURN TO	
	S. RETURN TO	
Heather Petermann		
12. TYPED NAME		
13. TITLE		
13. HILE		
14. DATE SUBMITTED		
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FOR CMS US	E ONLY	
16. DATE RECEIVED 1	7. DATE APPROVED	
PLAN APPROVED - ONE		
18. EFFECTIVE DATE OF APPROVED MATERIAL	9. SIGNATURE OF APPROVING OFFICIA	AL
20. TYPED NAME OF APPROVING OFFICIAL 2	1. TITLE OF APPROVING OFFICIAL	
22. REMARKS		

Hericks, Renae

From: DSS Medical Services < DSSMedicalServices@STATE.SD.US>

Sent: Monday, June 23, 2025 9:17 AM

To: DSSMEDICAIDTRIBAL@LISTSERV.SD.GOV

Subject: State Plan Amendments

Attachments: SD-25-0012 and SD-25-0014 Notice Package.pdf

Good morning,

The South Dakota Department of Social Services intends to make changes to the South Dakota Medicaid State Plan to implement inflationary rate increases appropriated by the state legislature during the 2025 legislative session effective July 1, 2025, and coverage and reimbursement for Rural Emergency Hospitals under the Clinic Services benefit.

The South Dakota Department of Social Services also intends to make changes to the South Dakota CHIP State Plan to clarify that certain services covered under the Medicaid state plan are also covered under the CHIP state plan. This includes pregnancy-related doula services including prenatal, labor and delivery, and postpartum supports, community health worker (CHW) services, and peer support services to align with benefits under the Medicaid State Plan.

Medicaid State Plan

The following services otherwise not subject to a targeted increase or rate rebase are receiving a 1.25% inflationary increase:

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Service	Туре	Rate/Method
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Physician Services	Targeted Increase	 Procedure codes with rates below 90% of Medicare increased 90% of Medicare
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The updated fee schedules will be posted on the department's website at:

http://dss.sd.gov/medicaid/providers/feeschedules/dss/. South Dakota Medicaid providers should continue to submit claims and bill South Dakota Medicaid as they did prior to July 1, 2025. Fee schedules are the maximum allowable reimbursement amount; per ARSD 67:16:01:09 payment for services is limited to the provider's usual and customary charge.

The proposed SPA revises Page 15b of Supplement to Attachment 3.1-A, Pages 1, 5, 7, 8, and 10b of Attachment 4.19-A, Introduction Page 1, Page 1a and 15 of Attachment 4.19-B, and page 7, 9, and 10 of Attachment 4.19-D of the South Dakota Medicaid State Plan. The Department intends to make this SPA effective July 1, 2025.

The department estimates the total annual aggregate increase in expenditures by service type will be the following:

- Inpatient Hospital Services \$2,146,012
- Outpatient Hospital Services \$1,591,744
- Physician Services including EPSDT Screenings/Treatment, and Professional Services Provided in a Freestanding Birth Center - \$713,575.67
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- Home Health Services
- Personal Care Services
- Child Private Duty Nursing
- Community Health Worker Services
- Nursing Facility Services –\$155,336

Professional service rates that were limited to 100% of Medicare's rates are estimated to result in a reduction of \$1,716,755 in expenditures.

Rural Emergency Hospitals will continue to be reimbursed for outpatient services as if they were a critical access hospital.

The total fiscal impact for the combined services associated with the Medicaid SPA is \$751,334 in State funds and \$798,767 in Federal funds, totaling \$1,550,101 in Federal Fiscal Year 2025 (July 1, 2025, to September 30, 2025) and \$3,005,336 in State funds and \$3,195,068 in Federal funds, totaling \$6,200,404 in Federal Fiscal Year 2026 (October 1, 2025, to September 30, 2026).

CHIP State Plan

The proposed SPA revises pages amends pages 5-6, 72-73, 77, and 104 of the South Dakota CHIP State Plan. The proposed State Plan Amendment (SPA) will have an effective date of January 1, 2025.

The department estimates the fiscal impact associated with this SPA to be \$80,629 in State funds and \$164,818 in Federal funds, totaling \$245,447 in Federal Fiscal Year 2025 (January 1, 2025 – September 30, 2025) and \$112,219 in State funds and \$215,045 in Federal funds, totaling \$327,263 in Federal Fiscal Year 2026 (October 1, 2025 – September 30, 2026).

The SPA is available to view on the department's website at http://dss.sd.gov/medicaid/medicaidstateplan.aspx. Copies of the proposed SPA pages are also available at the Department of Social Services, Division of Medical Services. Written requests for a copy of these changes, and corresponding comments, may be emailed to MedicaidSPA@state.sd.us or sent to:

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

The public comment period will start June 23, 2025, and end July 23, 2025.

Sincerely,

South Dakota Medicaid

Department of Social Services 700 Governors Drive Pierre, SD 57501

In-State: 1-800-452-7691 Out-of-State 605-945-5006



This message is being sent by or on behalf of the South Dakota Department of Social Services. It is intended exclusively for the individual or entity to which it is addressed. This communication may contain information that is proprietary, attorney-client privileged, confidential, or otherwise legally exempt from disclosure. If you are not the named addressee, you are not authorized to read, print, retain, copy, or disseminate this message or any part of it. If you have received this message in error, please notify the sender immediately by telephone at (605) 773-3495 or by reply transmission by e-mail, and delete all copies of the message.

The Department of Social Services does not exclude, deny benefits to, or otherwise discriminate against any person on the basis of actual or perceived race, color, religion, national origin, sex, age, gender identity, sexual orientation or disability in admission or access to, or treatment or employment in its programs, activities, or services. For more information about this policy or to file a Discrimination Complaint you may contact: Discrimination Coordinator, Director of DSS Division of Legal Services, 700 Governor's Drive, Pierre SD 57501, 605-773-3305.

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DIVISION OF MEDICAL SERVICES 700 GOVERNORS DRIVE PIERRE, SD 57501-2291 PHONE: 605.773.3495

FAX: 605.773.5246 WEB: dss.sd.gov

June 23, 2025

RE: South Dakota Medicaid and CHIP State Plan Amendments #SD-25-0012 and #SD-25-0014

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

The public comment period will start June 23, 2025, and end July 23, 2025.

Sincerely,

Matt Ballard

Matthew Ballard
Deputy Director
Division of Medical Services
South Dakota Department of Social Services

CC: Matt Althoff, Cabinet Secretary Heather Petermann, Director

CHIP State Plan Amendment Proposal

Transmittal Number: SD-25-0014

Effective Date: 01/1/2025

Brief Description: Clarifies that pregnancy-related doula services including prenatal, labor and delivery, and postpartum supports, community health worker (CHW) services, and peer support services are covered under the CHIP State Plan to align with benefits under the Medicaid State Plan.

Area of State Plan Affected: Pages 5-6, 72-73, 77, and 104 of the South CHIP Medicaid State Plan.

Page(s) of State Plan Affected: Pages 5-6, 72-73, 77, and 104 of the South CHIP Medicaid State Plan.

Estimate of Fiscal Impact, if Any: FFY25: \$245,447

FFY26: \$327,263

Reason for Amendment: Implements coverage doula, community health worker (CHW), and peer support services to align with the Medicaid State Plan.

Anticipated Impact to Tribes: Enhances services available for CHIP recipients.

Comment Period: June 23, 2025 to July 23, 2025



SOUTH DAKOTA REGISTER

Published weekly by the Legislative Research Council

Volume 51

Monday, 8:00 a.m., June 23, 2025

FILINGS WITH THE LEGISLATIVE RESEARCH COUNCIL

Notice of Proposed Rules

Date in parentheses indicates when rules were filed with the Legislative Research Council. Copies of proposed rules may be obtained for no charge at https://rules.sd.gov or from the agency directly.

South Dakota Animal Industry Board (Department of Agriculture and Natural Resources): (June 17, 2025) intends to amend rules to update definitions to more accurately reflect current terminology; modernize the language of reference material; and add municipal or other permitted solid waste landfills as facilities at which certain animal carcasses may be disposed of, to reflect current practice. The general authority for these rules, as cited by the board, is SDCL 40-1-25, 40-3-9, 40-3-14, 40-3-25, 40-3-26, 40-5-5.1, 40-5-8.6, 40-15-14, 40-15-36, and 40-17-9.1.

A public hearing at which persons may present amendments, data, opinions, and arguments for or against the proposed rules will be held at the Animal Industry Board Office, 411 South Fort Street, Pierre, South Dakota, on July 15, 2025, at 10:00 a.m. (CT). Copies of the proposed rules may be obtained without charge from, and written comments may be sent to, South Dakota Animal Industry Board, 411 South Fort Street, Pierre, South Dakota 57501. Material sent by mail must reach the board by July 14, 2025, to be considered. All written comments must include the name, city, and state of the person submitting the comments. This hearing is being held in a physically accessible location. Persons with special needs for which the board can make arrangements may call (605) 773-3321 at least 48 hours before the public hearing.

<u>Department of Game, Fish and Parks:</u> (June 18, 2025) intends to adopt, amend, and repeal rules to establish day pass, annual pass, and event fees for the Pete Lien and Sons Shooting Sports Complex; establish a Custer State Park antelope hunting season and set the number of licenses; repeal a current administrative rule relating to the type and number of licenses issued and the dates for the Custer State Park antelope hunting season; and specify that a person who received an antelope license in Custer State Park may not apply for that season for a period of nine years. The general authority for these rules, as cited by the department, is SDCL <u>41-2-18</u> and <u>41-17-1.1</u>.

A public hearing at which persons may present amendments, data, opinions, and arguments for or against the proposed rules will be held at the NFAA Easton Yankton Archery Center, 800 Archery Lane, Yankton, South Dakota, on July 10, 2025, at 2:00 p.m. (CT). Copies of the proposed rules may be obtained without charge from, and written comments on the proposed rules may be sent to, the Secretary of the Department of Game, Fish and Parks, Foss Building, 523 East Capitol Avenue, Pierre, South Dakota 57501. The rules are also available online at https://rules.sd.gov. Comments may also be submitted at https://gfp.sd.gov/forms/positions. All written and email comments must include the name, city, and state of the person submitting them. The comment period will close 72 hours prior to the date of the hearing. This hearing is being held in a physically accessible location. Persons with special needs for which the department can make arrangements may call (605) 773-3718.

<u>Department of Health:</u> (June 18, 2025) intends to repeal rules for the Children's Special Health Services Health KiCC program. The general authority for these rules, as cited by the department, is SDCL 34-1-21.

A public hearing at which persons may present amendments, data, opinions, and arguments for or against the proposed rules will be held at the Hayes Building, 600 East Capitol Avenue, Pierre, South Dakota, on July 17, 2025, at 10:00 a.m. (CT). Copies of the proposed rules may be obtained without charge from the Department of Health, Children's Special Health Services Program, 615 East 4th Street, Pierre, South Dakota 57501 and are also available online at https://rules.sd.gov. Written comments on the proposed rules may be sent to the Department of Health, Children's Special Health Services Program, 615 East 4th Street, Pierre, South Dakota 57501, emailed to DOHNewbornScreening@state.sd.us, or submitted at https://rules.sd.gov. The deadline to submit any written comments for consideration is July 27, 2025. This hearing is being held in a physically accessible location. Persons with special needs for which the department can make arrangements may call (605) 773-3737 at least 48 hours before the public hearing.

Notice

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FILINGS WITH THE OFFICE OF THE SECRETARY OF STATE

Final Administrative Rules

SOUTH DAKOTA BOARD OF FUNERAL SERVICE (DEPARTMENT OF HEALTH): 20:45:02:08; 20:45:03:01, 20:45:03:02, 20:45:03:02.02, 20:45:03:02.03; 20:45:03:08.

History/Notice: 51 SDR 104, April 7, 2025

Hearing: May 7, 2025 **Filed:** June 16, 2025 **Effective:** July 6, 2025

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

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

Effective Date: January 1, 2025

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.

Effective Date: January 1, 2025

correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services whether or not such services are covered under this State plan. Medically necessary services not specifically covered under the state plan can be accessed by requesting coverage of the service and receiving prior authorization from the department.

Payment will also be allowed under EPSDT for the following medically necessary services:

- 1. Nutrition items, prior authorization required for total parenteral nutrition.
- 2. Orthodontic services, prior authorization required.
- 3. Private duty nursing services, prior authorization required.

Payment will also be made for any medically necessary services provided to children less than 21 years of age in excess of service limitations applicable to adult Medicaid recipients.

6.2.22.1 \(\subseteq \) The state assures that any limitations applied to the amount, duration, and scope of benefits described in Sections 6.2 and 6.3- BH of the CHIP state plan can be exceeded as medically necessary.

6.2.23. Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic, or rehabilitative services. (See instructions) (Section 2110(a)(24))

Other medical services included in the plan are Chiropractic Services, Podiatry Services, Nutritional Services, Nursing Facility Services, Diabetes Self-management training programs, Vaccination Services, certain Organ Transplant Services, Doula Services, and Community Health Worker Services.

Chiropractic services are limited to examinations and manual manipulations required to correct a subluxation of the spine. Services are outside of the PCCM program and limited to no more than one visit per day and thirty visits in a twelve-month period.

Podiatry services include the surgical and non-surgical diagnosis and treatment of conditions of the feet and lower extremities, excluding routine foot care. Services are outside of the PCCM program. There is no limit on the number of services provided.

Nutritional services are covered for children not able to obtain

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necessary nutrition through oral means. Enteral and perenteral nutrition are covered services. Perenteral nutrition services are prior authorized. Nutritional supplements are covered when physician ordered for conditions that exceed normal nutritional requirements.

Nursing Facility services are covered when medically necessary and individuals meet level of care and financial eligibility criteria for long term care. Nursing facility services are prior authorized.

Immunization services include all recommended vaccinations and are covered under Section 6.2.6, prescription drugs.

Organ transplant services include Kidney, Cornea, Bone Marrow, Liver and Heart Transplants. All transplant services are covered only when all other medical and surgical treatments have been exhausted, patients are free from adverse factors and there is likelihood of success or survival. Transplants are limited to the transplantation of human organs. With the exception of kidney and cornea transplants, transplant procedures are prior authorized.

Doula services are covered throughout the prenatal and postpartum periods. Doula services are limited to \$1,800 per pregnancy. This limit may be exceeded if additional hours/units are prior authorized

Community Health Worker Services are limited to 104 units of services in a plan year. Services limits may be exceeded with prior authorization.

- 6.2.24. Premiums for private health care insurance coverage (Section 2110(a)(25))
- 6.2.25. Medical transportation (Section 2110(a)(26))

Medical transportation includes medically necessary air ambulance, ground ambulance, wheelchair transportation and other medical transportation. Ambulance services are necessary when other forms of transportation may endanger a person's life or health. Ground ambulance includes advanced life support and basic life support services and attendants. Air ambulance includes fixed wing emergency transportation, rotary emergency transportation, and medical air transportation. Air ambulance must be medically necessary because of time, distance and emergency. Wheelchair transportation includes transportation services to persons that are confined to wheelchairs or stretchers to and from medical services.

Other transportation services are available to assist persons obtain

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6.3.2.4- BH ☐ Peer Support Provided for: ☐ Mental Health ☐ Substance Use Disorder
6.3.2.5- BH Caregiver Support Provided for: Mental Health Substance Use Disorder
6.3.2.6- BH Respite Care Provided for: Mental Health Substance Use Disorder
6.3.2.7- BH ⊠ Intensive in-home services Provided for: ⊠ Mental Health □ Substance Use Disorder
Substance use disorder intensive outpatient treatment services can be provided inhome. South Dakota does not consider this a unique service based on the location the services are rendered.
6.3.2.8- BH ☐ Intensive outpatient Provided for: ☐ Mental Health ☐ Substance Use Disorder
6.3.2.9- BH ☐ Psychosocial rehabilitation Provided for: ☐ Mental Health ☐ Substance Use Disorder
6.3.3- BH ⊠ Day Treatment Provided for: ☐ Mental Health ⊠ Substance Use Disorder
6.3.3.1- BH ☐ Partial Hospitalization Provided for: ☐ Mental Health ☐ Substance Use Disorder 6.3.4- BH ☒ Inpatient services, including services furnished in a state-operated mental hospital and including residential or other 24-hour therapeutically planned structural services (Sections 2110(a)(10) and 2110(a)(18)) Provided for: ☒ Mental Health ☒ Substance Use Disorder
6.3.4.1- BH ⊠ Residential Treatment Provided for: ⊠ Mental Health ⊠ Substance Use Disorder
6.3.4.2- BH ☑ Detoxification Provided for: ☑ Substance Use Disorder
6.3.5- BH ⊠ Emergency services Provided for: ⊠ Mental Health ⊠ Substance Use Disorder
6.3.5.1- BH ⊠ Crisis Intervention and Stabilization Provided for: ⊠ Mental Health ⊠ Substance Use Disorder

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impermissible provider taxes or donations, and that the State is in compliance with Section 1903 (w) of the Social Security Act.

Through State Plan Amendment 25-0004, Targeted Case Management services were amended. The total CHIP (CHIP-NM, S-CHIP, and M-SCHIP) budget for targeted case management services is \$17,901 in Federal Fiscal Year 2025 and \$23,868 in Federal Fiscal Year 2026.

CHIP Budget

STATE:	FFY25 Budget	FFY26 Budget
Federal Fiscal Year		
State's enhanced FMAP rate	67.15%	65.71%
Benefit Costs		
Insurance payments		
Managed care	¢305.000	¢220.250
per member/per month rate	\$295,000	\$339,250
Fee for Service	\$55,004,660	\$64.207.140
Total Benefit Costs	\$55,994,660	\$64,397,140
(Offsetting beneficiary cost sharing payments)	\$56,289,660	\$64,736,390
Net Benefit Costs		
Cost of Proposed SPA Changes – Benefit	\$17,901	\$23,868
Cost of Froposed SFA changes Deficit	\$17,901	323,000
Administration Costs		
Personnel		
General administration		
Contractors/Brokers	\$286,802	\$387,183
Claims Processing		
Outreach/marketing costs		
Health Services Initiatives		
Other	\$336,852	\$454,750
Total Administration Costs	\$623,654	\$841,933
10% Administrative Cap		
Cost of Proposed SPA Changes - Administration		
Federal Share	\$38,382,108	\$43,306,561
State Share	\$18,776,653	\$22,599,025
Total Costs of Approved CHIP Plan	\$57,157,761	\$65,905,586

NOTE: Include the costs associated with the current SPA.

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