



South Dakota  
Department of  
**Social Services**

**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](http://dss.sd.gov)

May 21, 2026

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 Medicaid State Plan Amendment SD-26-0002

Dear Dr. Abbott:

Please find enclosed South Dakota's Medicaid State Plan Amendment (SPA) SD-26-0002 regarding rehabilitation services. The proposed state plan amendment (SPA) implements community mental health center (CMHC) and substance use disorder (SUD) agency rate increases appropriated by the state legislature during the 2025 legislative session effective June 1, 2026. Medicaid CMHC and SUD Agency services will receive a 1.4% rate increase.

The SPA amends Introduction Page 1 of Attachment 4.19-B of the South Dakota Medicaid State Plan. The proposed State Plan Amendment (SPA) will have an effective date of June 1, 2026.

The department estimates the fiscal impact will be \$93,936 in State funds and \$169,562 in Federal funds, totaling \$263,498 in Federal Fiscal Year 2026 (June 1, 2026 to September 30, 2026) and \$281,807 in State funds and \$508,685 in Federal funds, totaling \$790,492 in Federal Fiscal Year 2027 (October 1, 2026 to September 2027).

The State conducted Tribal Consultation beginning with notification on April 20, 2026. No comments were received. 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/306843.pdf>, on April 20, 2026. No comments were received.

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](mailto:Renae.Hericks@state.sd.us), or telephone (605) 773-4087.

Sincerely,

A handwritten signature in black ink, appearing to read 'Heather Petermann', written in a cursive style.

Heather Petermann  
Director

CC: Matt Althoff, Cabinet Secretary

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

1. TRANSMITTAL NUMBER ____ _	2. STATE ____
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3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT XIX XXI
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TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
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5. FEDERAL STATUTE/REGULATION CITATION
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6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY _____ \$ _____
b. FFY _____ \$ _____

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
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8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
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9. SUBJECT OF AMENDMENT
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10. GOVERNOR'S REVIEW (Check One)	OTHER, AS SPECIFIED:
GOVERNOR'S OFFICE REPORTED NO COMMENT	
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	

11. SIGNATURE OF STATE AGENCY OFFICIAL <i>Heather Petermann</i>
12. TYPED NAME
13. TITLE
14. DATE SUBMITTED

15. RETURN TO
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<b>FOR CMS USE ONLY</b>	
16. DATE RECEIVED	17. DATE APPROVED

<b>PLAN APPROVED - ONE COPY ATTACHED</b>	
18. EFFECTIVE DATE OF APPROVED MATERIAL	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL	21. TITLE OF APPROVING OFFICIAL

22. REMARKS
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ATTACHMENT 4.19-B  
INTRODUCTION

Payment rates for the services listed below are set and effective for services provided on or after the corresponding date. Fee schedules are published on the Department's website at <http://dss.sd.gov/medicaid/providers/feeschedules/>. Effective dates listed on the introductory page supersede the effective dates listed elsewhere in Attachment 4.19-B. Unless otherwise noted in the referenced state plan pages, reimbursement rates are the same for both governmental and private providers.

<b>Service</b>	<b>Attachment</b>	<b>Effective Date</b>
Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)	Attachment 4.19-B, Page 4	July 1, 2025
Physician Services	Attachment 4.19-B, Page 6	July 1, 2025
Optometrist Services	Attachment 4.19-B, Page 9	July 1, 2025
Chiropractic Services	Attachment 4.19-B, Page 10	July 1, 2025
Independent Mental Health Practitioners	Attachment 4.19-B, Page 11	July 1, 2025
Nutritionist and Dietician Services]	Attachment 4.19-B, Page 11	July 1, 2025
Home Health Services	Attachment 4.19-B, Page 12	July 1, 2025
Durable Medical Equipment	Attachment 4.19-B, Page 13	July 1, 2025
Clinic Services	Attachment 4.19-B, Page 15	July 1, 2025
Dental Services	Attachment 4.19-B, Page 16	July 1, 2025
Physical Therapy	Attachment 4.19-B, Page 17	July 1, 2025
Occupational Therapy	Attachment 4.19-B, Page 18	July 1, 2025
Speech, Hearing, or Language Disorder Services	Attachment 4.19-B, Page 19	July 1, 2025
Dentures	Attachment 4.19-B, Page 21	July 1, 2025
Prosthetic Devices	Attachment 4.19-B, Page 22	July 1, 2025
Eyeglasses	Attachment 4.19-B, Page 23	July 1, 2025
Diabetes Self-Management Training	Attachment 4.19-B, Page 26	July 1, 2025
Community Health Workers	Attachment 4.19-B, Page 26	July 1, 2025
Doula Services	Attachment 4.19-B, Page 26	July 1, 2025
Community Mental Health Centers	Attachment 4.19-B, Page 26	June 1, 2026
Substance Use Disorder Agencies	Attachment 4.19-B, Page 26	June 1, 2026 *
Nurse Midwife Services	Attachment 4.19-B, Page 31	July 1, 2025
Pregnancy PCCM Program	Attachment 4.19-B, Page 39a	July 1, 2025
Targeted Case Management	Attachment 4.19-B, Page 33	July 1, 2025
Transportation	Attachment 4.19-B, Page 38	July 1, 2025
Personal Care Services	Attachment 4.19-B, Page 38	July 1, 2025
Freestanding Birth Centers	Attachment 4.19-B, Page 39	July 1, 2025
Professional Services Provided in a Freestanding Birth Center	Attachment 4.19-B, Page 39	July 1, 2025

\*Room and board is not included in these rates.

TN# 26-0002  
SUPERCEDES  
TN# 25-0012

Approval Date:

Effective Date: 06/01/26

## Hericks, Renae

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**From:** DSS Medical Services <DSSMedicalServices@STATE.SD.US>  
**Sent:** Monday, April 20, 2026 12:53 PM  
**To:** DSSMEDICAIDTRIBAL@LISTSERV.SD.GOV  
**Subject:** State Plan Amendment - Behavioral Health Inflationary Increase  
**Attachments:** 26-0002 SPA Notice Package.pdf

Good afternoon,

The South Dakota Department of Social Services intends to make changes to the South Dakota Medicaid State Plan to implement community mental health center (CMHC) and substance use disorder (SUD) agency rate increases appropriated by the state legislature during the 2026 legislative session effective June 1, 2026.

Medicaid CMHC and SUD Agency services will receive a 1.4% rate increase. The updated fee schedules will be posted by June 1, 2026 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 June 1, 2026. 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 amendment revises Attachment 4.19-B, Introduction page 1. The department intends to make this SPA effective June 1, 2026.

The department estimates the fiscal impact will be \$93,936 in State funds and \$169,562 in Federal funds, totaling \$263,498 in Federal Fiscal Year 2026 (June 1, 2026 to September 30, 2026) and \$281,807 in State funds and \$508,685 in Federal funds, totaling \$790,492 in Federal Fiscal Year 2027 (October 1, 2026 to September 2027).

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](mailto: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 April 20, 2026, and end May 20, 2026.

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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## **Medicaid State Plan Amendment Proposal**

**Transmittal Number:** SD-26-0002

**Effective Date:** June 1, 2026

**Brief Description:** This State Plan Amendment implements community mental health center (CMHC) and substance use disorder (SUD) agency rate increases appropriated by the state legislature during the 2026 legislative session effective June 1, 2026.

**Area and Page(s) of State Plan Affected:** Attachment 4.19-B

**Estimate of Fiscal Impact, if Any:**        SFY26: \$263,498  
   SFY27: \$790,492

**Reason for Amendment:** Implement rate increases appropriated by the state legislature.

**Anticipated Impact to Tribes:** Minimal impact to tribes as tribal behavioral health providers are reimbursed at the IHS all-inclusive rate.

**Comment Period:** April 20, 2026 to May 20, 2026



# SOUTH DAKOTA REGISTER

Published weekly by the Legislative Research Council

Volume 52

Monday, 8:00 a.m., April 20, 2026

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## FILINGS WITH THE LEGISLATIVE RESEARCH COUNCIL

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### Notice of Proposed Rules

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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 Board of Nursing (Department of Health):** (April 14, 2026) intends to adopt and amend rules to remove the requirement for the board to notify a nursing education program of an applicant's licensure examination results; remove the requirement for the board to issue renewal certificates and inactive status cards; and allow registered nurses to delegate gastrostomy tube care to a nursing assistant. The general authority for these rules, as cited by the board, is SDCL [36-9-21](#).

A public hearing at which persons may present amendments, data, opinions, and arguments for or against the proposed rules will be held at the Conference Room of the South Dakota Board of Nursing, 4305 South Louise Avenue, Suite 201, Sioux Falls, South Dakota, on June 2, 2026, 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 Board of Nursing, 203 South Louise Avenue, Suite 201, Sioux Falls, South Dakota 57106-3115. Copies of the rules are also available at <https://rules.sd.gov>, or may be obtained by calling (605) 362-2760. Comments may be emailed to [linda.young@state.sd.us](mailto:linda.young@state.sd.us). The deadline to submit any such written comments for consideration is May 27, 2026. This hearing is being held in a physically accessible location. Persons with special needs for whom the board can make arrangements may call (605) 362-2760 at least 48 hours before the public hearing.

**Department of Game, Fish and Parks:** (April 16, 2026) intends to amend a rule to increase the Black Hills elk hunting season length in Unit BHE-4B from October 15-31 and December 1-16 to October 1-31 and December 1-16. The general authority for this rule, as cited by the department, is SDCL [41-2-18](#).

A public hearing at which persons may present amendments, data, opinions, and arguments for or against the proposed rule will be held at the Custer State Park Event Barn, 13438 U.S. Highway 16A, Custer, South Dakota, on May 7, 2026, at 2:00 p.m. (MT). Copies of the proposed rule may be obtained without charge from, and written comments on the proposed rule may be sent to, the Secretary of the Department of Game, Fish and Parks, Foss Building, 523 East Capitol Avenue, Pierre, South Dakota 57501. Copies of the proposed rule may also be obtained by calling (605) 773-3718. Comments may also be submitted at <http://gfp.sd.gov/forms/positions>. 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 whom the department can make arrangements may call (605) 773-3718.

### Notices

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The **Department of Social Services** intends to make changes to the South Dakota Medicaid State Plan regarding Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs). The proposed State Plan Amendment (SPA) clarifies criteria for determining a change in scope of services, outlines the application and review process for rate adjustments, and defines the change in scope rate calculation for RHCs and FQHCs. Additionally, the SPA implements an Alternative

Payment Methodology (APM) for FQHCs based on a legislative appropriation. FQHCs must affirmatively elect the enhanced encounter rate payment. The APM rates were informed by the statewide cost-based weighted average encounter rates based on an analysis of FQHCs' cost reports. Funding for the enhanced APM rates was appropriated for FQHCs during the 2026 Legislative Session.

The SPA has an effective date of July 1, 2026, and amends pages 2, 2a, and 2b, and adds pages 2c, 2d, 2e, and 2f to Attachment 4.19-B of the South Dakota State Plan.

The department estimates the fiscal impact will be \$641,004 in state funds and \$1,359,008 in federal funds, totaling \$2,000,012 in Federal Fiscal Year 2026, and \$2,564,016 in state funds and \$5,436,034 in federal funds, totaling \$8,000,050 in Federal Fiscal Year 2027.

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](mailto:MedicaidSPA@state.sd.us) or sent to the Division of Medical Services, Department of Social Services, 700 Governors Drive, Pierre, South Dakota 57501-2291. The public comment period will start April 20, 2026, and end May 20, 2026.

The **Department of Social Services** intends to make changes to the South Dakota Medicaid State Plan to implement community mental health center (CMHC) and substance use disorder (SUD) agency rate increases effective June 1, 2026.

Medicaid CMHC and SUD agency services will receive a 1.4 percent rate increase. The updated fee schedules will be posted by June 1, 2026, on the department's website at <https://dss.sd.gov/medicaid/providers/feeschedules/>. South Dakota Medicaid providers should continue to submit claims and bill South Dakota Medicaid as they did prior to June 1, 2026. 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 State Plan Amendment (SPA) has an effective date of June 1, 2026, and revises Attachment 4.19-B, Introduction page 1. The department estimates the fiscal impact will be \$93,936 in state funds and \$169,562 in federal funds, totaling \$263,498 in Federal Fiscal Year 2026, and \$281,807 in state funds and \$508,685 in federal funds, totaling \$790,492 in Federal Fiscal Year 2027.

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**SCHEDULED PUBLIC HEARINGS**

<b>4-23-2026</b>	<b><a href="#">South Dakota Transportation Commission (Department of Transportation)</a></b> : Amend a rule to reduce the fifty-five mile per hour speed limit on South Dakota Highway 115 around its intersection with South Veterans Parkway in Lincoln County; 52 SDR 90, March 30, 2026.
<b>4-28-2026</b>	<b><a href="#">South Dakota Plumbing Commission (Department of Labor and Regulation)</a></b> : Amend a rule to clarify floor drain sloping and acceptable use of CPVC Schedule 80 pipe and fittings and provide guidance for horizontal wet venting; 52 SDR 94, April 13, 2026.
<b>4-30-2026</b>	<b><a href="#">South Dakota Board of Accountancy (Department of Labor and Regulation)</a></b> : Amend rules to clarify the definition for education, experience, and issuing a license to an applicant licensed by another state; 52 SDR 94, April 13, 2026.