



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

November 7, 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 Medicaid State Plan Amendment SD-25-0015

Dear Dr. Abbott:

Please find enclosed South Dakota's Medicaid State Plan Amendment (SPA) SD-25-0015. The SPA updates the state plan pages to a new template released by Centers for Medicare & Medicaid Services (CMS) in accordance with the Consolidated Appropriations Act, 2024 (CAA, 2024). The proposed amendment replaces the current Substance Use Disorder (SUD) / Institutions for Mental Diseases (IMD) State Plan pages with the 1915(l) Template as provided by CMS and does not alter current coverage. Additionally, for school-based services, the SPA also updates the random moment time study cost pool list of providers that may perform school-based direct services and/or administrative claiming activities.

The proposed State Plan Amendment (SPA) has an effective date of October 1, 2025. The amendment replaces pages 1-2 of Attachment 3.1-L-SUD/IMD with template pages 1-6 of Attachment 3.1-L-SUD/IMD and revises page 4i of Attachment 4.19-B of the Medicaid State Plan.

The department estimates there will be no fiscal impact associated with this SPA in Federal Fiscal Year 2026 and Federal Fiscal Year 2027.

The State conducted Tribal Consultation beginning with notification on September 29, 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/286556.pdf>, on September 29, 2025. No comments were received.

If you have any questions regarding this package, please contact Matthew Ballard, Deputy Director of the Division of Medical Services, 700 Governors Drive, Pierre, SD 57501-2291, e-mail Matthew.Ballard@state.sd.us, or telephone (605) 773-3495.

Sincerely,

A handwritten signature in cursive script, reading "Heather Petermann", written in black ink.

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

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

5. FEDERAL STATUTE/REGULATION CITATION

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY _____ \$ _____
b. FFY _____ \$ _____

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

9. SUBJECT OF AMENDMENT

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

13. TITLE

14. DATE SUBMITTED

15. RETURN TO

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

State Plan under Title XIX of the Social Security Act
State/Territory: South Dakota

**1915(l) State Plan Option To Provide Medical Assistance For Eligible Individuals
Who Are Patients In Eligible Institutions for Mental Diseases**

General Assurances

- ☒ Services provided under section 1915(l) are covered under the Medicaid state plan.
- ☒ Coverage is available for a maximum of 30 days per 12-month period per eligible individual from the date an eligible individual is first admitted to an eligible institution for mental diseases (IMD) in accordance with section 1915(l)(2).

Eligibility for Services

- ☒ Medicaid beneficiaries ages 21 through 64 who have at least one substance use disorder (SUD) and reside in an eligible IMD primarily to receive withdrawal management and/or SUD treatment services in accordance with 1915(l)(7).

Eligible IMDs

- ☒ The state has a process to review the compliance of eligible IMDs with nationally recognized SUD-specific program standards that are specified by the state, in accordance with section 1915(l)(4)(E).
- ☒ The state provides assurance that providers follow reliable evidence-based practices and offer at least two forms of medications for addiction treatment onsite, including one antagonist and one partial agonist for opioid use disorder, in accordance with section 1915(l)(7)(B).

PRA Disclosure Statement - This use of this form is mandatory and the information is being collected to assist the Centers for Medicare & Medicaid Services in implementing section §1915(l) of the Social Security Act. Under the Privacy Act of 1974, any personally identifying information obtained will be kept private to the extent of the law. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The OMB control number for this project is 0938-1148 (CMS-10398 #93). Public burden for all of the collection of information requirements under this control number is estimated to take about 25 hours per response. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to CMS, 7500 Security Boulevard, Attn: Paperwork Reduction Act Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

State Plan under Title XIX of the Social Security Act
State/Territory: South Dakota

**1915(l) State Plan Option To Provide Medical Assistance For Eligible Individuals
Who Are Patients In Eligible Institutions for Mental Diseases**

Eligible IMDs (continued)

The State ensures that eligible IMDs follow nationally recognized SUD-specific program standards and utilize evidence-based practices, including provision of medications for addiction treatment through standards established by the State's Single State Agency for Substance Abuse Services for providers.

PRA Disclosure Statement - This use of this form is mandatory and the information is being collected to assist the Centers for Medicare & Medicaid Services in implementing section §1915(l) of the Social Security Act. Under the Privacy Act of 1974, any personally identifying information obtained will be kept private to the extent of the law. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The OMB control number for this project is 0938-1148 (CMS-10398 #93). Public burden for all of the collection of information requirements under this control number is estimated to take about 25 hours per response. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to CMS, 7500 Security Boulevard, Attn: Paperwork Reduction Act Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

TN:25-0015
Supersedes TN:25-0003

Approval Date: _____
Effective : 10/01/25

State Plan under Title XIX of the Social Security Act
State/Territory: South Dakota

**1915(l) State Plan Option To Provide Medical Assistance For Eligible Individuals
Who Are Patients In Eligible Institutions for Mental Diseases**

Individual Placement Criteria and Utilization Management

☒ The state assures use of evidence-based, SUD-specific individual placement criteria and utilization management approaches to ensure placement of eligible individuals in an appropriate level of care, including criteria and approaches to ensure that eligible individuals receive an appropriate evidence-based clinical screening prior to receiving services in an eligible IMD, including initial and periodic reassessments to determine the appropriate level of care, length of stay, and setting for each individual, in accordance with section 1915(l)(4)(B).

Please briefly describe the state's individual placement criteria and utilization management approaches.:

Eligible individuals receive an appropriate evidence-based clinical screening prior to receiving services in an eligible IMD, including initial and periodic reassessments to determine the appropriate level of care, length of stay, and setting for each individual. Eligible IMDs are required to perform an integrated assessment. The integrated assessment includes both functional and diagnostic components. The assessment shall establish the historical development and dysfunctional nature of the recipient's alcohol and drug abuse or dependence and shall assess the recipient's treatment needs.

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TN:25-0015
Supersedes TN:NEW

Approval Date: _____
Effective :10/01/25

State Plan under Title XIX of the Social Security Act
State/Territory: South Dakota

**1915(l) State Plan Option To Provide Medical Assistance For Eligible Individuals
Who Are Patients In Eligible Institutions for Mental Diseases**

Comprehensive Continuum of Care

☒ In accordance with section 1915(l)(4)(C), the state provides assurance that SUD treatment and withdrawal management services are covered under the state plan consistent with the following levels of care:

- ☒ Early intervention
- ☒ Outpatient services
- ☒ Intensive outpatient services
- ☒ Partial hospitalization
- ☒ Clinically managed, low-intensity residential services
- ☐ Clinically managed, population specific, high-intensity residential services for adults
- ☐ Clinically managed, medium-intensity residential services for adolescents
- ☐ Clinically managed, high-intensity residential services for adults
- ☐ Medically monitored, high-intensity inpatient services for adolescents
- ☐ Medically monitored, intensive inpatient services withdrawal management for adults
- ☒ Medically managed, intensive inpatient services.

PRA Disclosure Statement - This use of this form is mandatory and the information is being collected to assist the Centers for Medicare & Medicaid Services in implementing section §1915(l) of the Social Security Act. Under the Privacy Act of 1974, any personally identifying information obtained will be kept private to the extent of the law. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The OMB control number for this project is 0938-1148 (CMS-10398 #93). Public burden for all of the collection of information requirements under this control number is estimated to take about 25 hours per response. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to CMS, 7500 Security Boulevard, Attn: Paperwork Reduction Act Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

TN:25-0015
Supersedes TN:NEW

Approval Date: _____
Effective :10/01/25

State Plan under Title XIX of the Social Security Act
State/Territory: South Dakota

**1915(l) State Plan Option To Provide Medical Assistance For Eligible Individuals
Who Are Patients In Eligible Institutions for Mental Diseases**

Care Transitions

☒ The state provides assurance that placement of beneficiaries in an IMD will allow for their successful transition to the community, considering factors such as proximity to an individual's support network (e.g., family members, employment, counseling and other services near an individual's place of residence), in accordance with section 1915(l)(4)(D)(i).

☒ The state provides assurance that eligible IMDs either provide services at lower levels of clinical intensity or establish relationships with Medicaid-enrolled providers offering services at lower levels of care, in accordance with section 1915(l)(4)(D)(ii).

Please briefly describe the state's transition process that will ensure a beneficiary's successful transition to the community as well as the state's process to ensure that IMDs either provide services at lower levels of clinical intensity or establish relationships with Medicaid-enrolled providers offering services at lower levels of care.:

Recipients residing in an IMD are required to be transitioned to the community upon discharge. Eligible IMDs are required to provide discharge planning services. Discharge planning services must include continued care planning and counseling, referral to and coordination of care with other resources that will assist a recipient's recovery, including education, vocational, medical, legal, social, mental health, employment, and other related alcohol and drug services, and referral to and coordination of medical services to include the availability of tuberculosis and human immunodeficiency virus services.

PRA Disclosure Statement - This use of this form is mandatory and the information is being collected to assist the Centers for Medicare & Medicaid Services in implementing section §1915(l) of the Social Security Act. Under the Privacy Act of 1974, any personally identifying information obtained will be kept private to the extent of the law. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The OMB control number for this project is 0938-1148 (CMS-10398 #93). Public burden for all of the collection of information requirements under this control number is estimated to take about 25 hours per response. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to CMS, 7500 Security Boulevard, Attn: Paperwork Reduction Act Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

TN:25-0015
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State Plan under Title XIX of the Social Security Act
State/Territory: South Dakota

**1915(l) State Plan Option To Provide Medical Assistance For Eligible Individuals
Who Are Patients In Eligible Institutions for Mental Diseases**

SUD Provider Assessment

☒ In accordance with section 1915(l)(4)(F), the state provides assurance that an assessment of availability of SUD treatment at all levels of care, including the availability of medications for addiction treatment and medically supervised withdrawal management services and how such availability varies by region of the state, will be completed by the state, pursuant to the timeframes outlined in section 1915(l)(4)(F).

Maintenance of Effort (MOE)

☒ The state provides assurance that it will annually maintain or exceed state and local funding, including the state share of Medicaid expenditures, on items and services described in section 1915(l)(3) that are furnished to eligible individuals in outpatient, community-based settings.

☐ The funding amount is based on federal fiscal year 2018.

☒ The funding amount is based on the most recently completed federal fiscal year as of the date the state submits the 1915(l) SPA.

Please add additional information here.:

PRA Disclosure Statement - This use of this form is mandatory and the information is being collected to assist the Centers for Medicare & Medicaid Services in implementing section §1915(l) of the Social Security Act. Under the Privacy Act of 1974, any personally identifying information obtained will be kept private to the extent of the law. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The OMB control number for this project is 0938-1148 (CMS-10398 #93). Public burden for all of the collection of information requirements under this control number is estimated to take about 25 hours per response. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to CMS, 7500 Security Boulevard, Attn: Paperwork Reduction Act Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

TN:25-0015
Supersedes TN:NEW

Approval Date: _____
Effective :10/01/25

ATTACHMENT 4.19-B
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

- i. Below the job categories in each of the cost pools are outlined based on the current eligible provider job category:

a. Cost Pool 1 (Direct Service & Administrative Providers)

*These providers may perform direct services and administrative claiming activities. Only these provider types included in the approved state plan are included in the cost pool and time study.

1. Psychologist / Psychologist Interns
2. School Psychological Examiner
3. Licensed Professional Counselor
4. Certified Social Worker – PIP
5. Certified Social worker – PIP candidate
6. Licensed Marriage and Family Therapist
7. Clinical Nurse Specialist
8. Licensed Audiologist
9. Licensed Registered Professional Nurse
10. Licensed Practical Nurse
11. Advanced Practice Registered Nurse
12. Licensed Occupational Therapist
13. Licensed Occupational Therapy Assistant
14. Licensed Physical Therapist
15. Certified Physical Therapy Assistant
16. Licensed Speech Language Pathologist
17. Licensed Speech Language Pathology Assistant
18. Medicaid Direct Service Billing Coordinator
19. Nurse Assistant / Health Aide
20. Psychiatrist

b. Cost Pool 2 (Administrative Service Providers Only)

*These providers may perform only administrative claiming activities. Only those provider types included in the approved state plan are included in the cost pool and time study.

1. School Administrators that perform Medicaid allowable activities
2. School Counselors
3. Special Education Teachers
4. Special Education Administrators
5. School Bilingual Assistants
6. Interpreters & Interpreter Assistants
7. Other groups/individuals that perform Medicaid allowable services activities.

- h) The RMTS generates the Administration Services time study percentages; The RMTS method polls participants on an individual basis at random time intervals over a given time period and totals the results to determine work effort for the entire population of eligible staff over that same time period. The RMTS method provides a statistically valid means of determining what portion of the selected group of participant's workload is spent performing administrative activities. The Administrative Service time study percentages are applied to only those costs associated with Administrative services to generate the cost amount for services provided pursuant Administrative Services cost amount. The

Hericks, Renae

From: DSS Medical Services <DSSMedicalServices@STATE.SD.US>
Sent: Monday, September 29, 2025 8:08 AM
To: DSSMEDICAIDTRIBAL@LISTSERV.SD.GOV
Subject: State Plan Amendment
Attachments: 25-0015 SPA Notice Package.pdf

Good morning,

The South Dakota Department of Social Services intends to submit a Medicaid State Plan Amendment (SPA) to update state plan pages to new template released by Centers for Medicare & Medicaid Services (CMS) in accordance with the Consolidated Appropriations Act, 2024 (CAA, 2024). The proposed amendment replaces the current Substance Use Disorder (SUD) / Institutions for Mental Diseases (IMD) State Plan pages with the 1915(l) Template as provided by CMS and does not alter current coverage. Additionally, for school-based services, the SPA also updates the random moment time study cost pool list of providers that may perform school-based direct services and/or administrative claiming activities.

The proposed State Plan Amendment (SPA) has an effective date of October 1, 2025. The amendment replaces pages 1-2 of Attachment 3.1-L-SUD/IMD with template pages 1-6 Attachment 3.1-L-SUD/IMD and revises page 4i of Attachment 4.19-B of the Medicaid State Plan.

The department estimates there will be no fiscal impact associated with this SPA in Federal Fiscal Year 2026 and Federal Fiscal Year 2027.

The SPAs are 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 September 29, 2025 and end October 29, 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

Medicaid State Plan Amendment Proposal

Transmittal Number: SD-25-0015

Effective Date: 10/01/2025

Brief Description: Replaces the current Attachment 3.1-L Substance Use Disorders / Institutions for Mental Diseases State Plan pages with the new template pages provided by CMS and separately updates the random moment time study cost pool list of providers that may perform school-based direct services and/or administrative claiming activities.

Area and Page(s) of State Plan Affected: Pages 1-6 of Attachment 3.1-L-SUD/IMD and page 4i of Attachment 4.19-B.

Estimate of Fiscal Impact, if Any: FFY26: \$0
 FFY27: \$0

Reason for Amendment: States electing to continue coverage under the section 1915(l) state plan option are required to submit all required template pages and clarifies the provider types allowed in each cost pool for random moment time studies required for school-based administrative claiming.

Anticipated Impact to Tribes: No impact as the current coverage is not being altered.

Comment Period: September 29, 2025 to October 29, 2025.



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FILINGS WITH THE LEGISLATIVE RESEARCH COUNCIL

Notice

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The department intends to make this SPA effective October 1, 2025, and estimates there will be no fiscal impact associated with it in Federal Fiscal Year 2026 and 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 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 September 29, 2025, and end October 29, 2025.

FILINGS WITH THE OFFICE OF THE SECRETARY OF STATE

Executive Order

Governor Rhoden has signed [Executive Order 2025-07](#) establishing the Correctional Rehabilitation Task Force, a group tasked with evaluating programming and treatment needs for the inmate population in the new prison authorized by the passage of [Senate Bill 2](#) by the First Special Session of the One Hundredth Legislature, and identify opportunities for expansion; engaging in consultation to understand needs of Native American-focused programming; engaging in consultation for faith-based programming; studying re-entry models and best practices; and recommending legislation related to these issues. The Order, dated September 23, 2025, states that membership of the task force shall at least include the Lieutenant Governor (serving as Chair), six current members of the House of Representatives, five current members of the Senate, one judge, two law enforcement representatives, one Indigenous representative, one health care representative with behavioral or mental health expertise, one representative with experience in correctional rehabilitative services, and any other interested representative deemed necessary by the Governor. The task force will expire on January 1, 2027, unless sooner terminated by the Governor.