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

October 26, 2026

RE: South Dakota Medicaid and CHIP State Plan Amendment # 26-0011 and 26-0013

Notice is hereby given that the South Dakota Department of Social Services intends to update the South Dakota Medicaid State Plan to remove a provisional sunset date associated with the authority to provide mandatory coverage under Section 5121 of the Consolidated Appropriations Act, 2023, for targeted case management services for eligible juveniles who are inmates of public institutions. The sunset date was originally included as a condition of the companion letter issued by the Centers for Medicare & Medicaid Services (CMS) alongside approval of SPA SD-25-0003, which required the State to complete specified implementation activities related to section 1902(a)(84)(D) of the Social Security Act. These implementation activities included specific stakeholder engagement, outreach, and recruitment of targeted case manager providers, all of which the State has now completed, prompting removal of the sunset provision.

Stakeholder feedback has also indicated that upon adjudication many individuals are released to the community without additional time served, which inhibits the rendering of targeted case management services prior to leaving the carceral setting. Based on this fact the SPA also incorporates other modifications to better fulfill the intent of Section 5121 including updating the targeted case management period to 90 days post-release and incorporating coverage authorized under Section 5122 of the Consolidated Appropriations Act, 2023, to provide Medicaid and CHIP services to eligible youth who are incarcerated pending disposition of charges to ensure continuity of needed services during the pre-adjudication period.

The Department intends to make this SPA effective December 1, 2026. The SPA will amend page 2 and add page 3 to Attachment 3.1-M and page 1 of Supplement 1-A to Attachment 3.1-A of the Medicaid State Plan and will amend pages 6, 7, and 9, and the CS31 – Incarcerated CHIP Beneficiaries template pages of the CHIP State Plan.

The department estimates there will be no fiscal impact associated with this SPA in Federal Fiscal Year 2027 or Federal Fiscal Year 2028.

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 October 26, 2026, and end November 25, 2026.

Sincerely,

Matt Ballard

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

CC: Brenda Tidball-Zeltinger, Deputy Secretary
Heather Petermann, Director

PUBLIC NOTICE

South Dakota Medicaid and CHIP Program

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The public comment period will start October 26, 2026, and end November 25, 2026.

Additional information provided (optional):

☒ No

☐ Yes

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 5121 of the Consolidated Appropriations Act, 2023. 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 #85). Public burden for all of the collection of information requirements under this control number is estimated to take about 50 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.

Optional Coverage for Eligible Juveniles Who are Inmates of a Public Institution Pending Disposition of Charges

State/Territory: South Dakota

Consistent with subdivision (A) following the last paragraph of section 1905(a) of the Social Security Act (the Act), optional coverage for eligible juveniles as defined in 1902(nn) (individuals who are under 21 years of age and determined eligible for any Medicaid eligibility group, or individuals determined eligible for the mandatory eligibility group for former foster care children age 18 up to age 26, immediately before becoming an inmate of a public institution or while an inmate of a public institution) while such individuals are inmates of a public institution, pending disposition of charges. For Medicaid beneficiaries under the age of 21, this includes all medically necessary section 1905(a) services provided in accordance with the Early and Periodic Screening, Diagnostic, and Treatment requirements as outlined in section 1905(r) of the Act, and any additional services as covered in the state plan, waiver of such state plan, and/or 1115 demonstration project for which a beneficiary is entitled. For former foster care youth ages 21-26, this includes all Medicaid mandatory and optional benefits provided to adults in the state plan, waiver of such state plan, and/or 1115 demonstration project for which a beneficiary is entitled. (check below)

☒ The state assures it is electing the option and provides such coverage.

Additional Information (Optional):

PRA Disclosure Statement - This use of this form is mandatory and the information is being collected to assist the Centers for Medicare & Medicaid Services for states implementing Section 5122 of the Consolidated Appropriations Act, 2023. 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 #85). Public burden for all of the collection of information requirements under this control number is estimated to take about 22 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

TARGETED CASE MANAGEMENT SERVICES FOR ELIGIBLE JUVENILES

Target Group (42 Code of Federal Regulations 441.18(a)(8)(i) and 441.18(a)(9)):

Eligible juveniles as defined in §1902(nn) (individuals who are under 21 years of age and determined eligible for any Medicaid eligibility group, or individuals determined eligible for the mandatory eligibility group for former foster care children age 18 up to age 26, immediately before becoming an inmate of a public institution or while an inmate of a public institution) who are within 30 days of their scheduled date of release from a public institution **following adjudication,** and for at least 30 days following release.

Post Release TCM Period beyond 30 day post release minimum requirement:
☒State will provide TCM beyond the 30 day post release requirement.

The State provides TCM for up to 90 days post release.

Areas of State in which services will be provided (§1915(g)(1) of the Act):
☒Entire state

Comparability of services (§§1902(a)(10)(B) and 1915(g)(1))
☒Services are not comparable in amount duration and scope (§1915(g)(1)).

Definition of services (42 CFR 440.169): Targeted case management (TCM) services are defined as services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational and other services.

Targeted Case Management includes the following assistance:

- Comprehensive assessment and periodic reassessment of individual needs, to determine the need for any medical, educational, social or other services. These assessment activities include:
  - taking client history;
  - identifying the individual's needs and completing related documentation; and
  - gathering information from other sources such as family members, medical providers, social workers, and educators (if necessary), to form a complete assessment of the eligible individual;

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Effective date: July 1, 2025.

SPA# SD-26-0007: This amendment updates the
Strategic Objectives and Performance Goals in Section 9 of the plan.
Effective: November 1, 2026

SPA# SD-26-0013: This amendment implements coverage authorized under Section 5122 of the Consolidated Appropriations Act, 2023 (CAA, 2023), For CHIP eligible youth who are incarcerated pending disposition of charges – see CHIP Non-Financial Eligibility CS 31: Incarcerated CHIP Beneficiaries pages.
Effective: December 1, 2026

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.

SPA# SD-26-0007: The State conducted Tribal Consultation beginning with notification on October 19, 2026. Notification was sent via email to the Tribal Consultation Listserv with a 30-day comment period.
Effective Date: October 1, 2026.

SPA# SD-26-0013: The State conducted Tribal Consultation beginning with notification on October 26, 2026. Notification was sent via email to the Tribal Consultation Listserv with a 30-day comment period.

Effective Date: December 1, 2026.

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
SD-26-0013 Approval Date: Effective Date: December 1, 2026	Non-Financial Eligibility	CS31	Non-Financial Eligibility – Incarcerated CHIP Beneficiaries	Supersedes the current CS31 PDF.

CHIP Eligibility

State Name: South Dakota

OMB Control Number: 0938-1148

Transmittal Number: SD - 26 - 0013

Incarcerated CHIP Beneficiaries — CS31

2102(d) and 2110(b)(7) of the SSA

Targeted Low-Income Children Who Become Incarcerated

☒ 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.

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.

The state elects to suspend CHIP coverage for the duration of a child's incarceration: Yes

If yes, then check an option below:

- (•) Benefits suspension
- ( ) Eligibility suspension

☒ 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.

☒ 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).

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:

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).

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.

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).

Targeted Low-Income Pregnant Women Who Become Incarcerated

☒ The state assures that it does not terminate eligibility for pregnant women enrolled in a separate CHIP because the pregnant woman is an inmate of a public institution.

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 pregnant women who are incarcerated. States that elect to suspend CHIP coverage for the duration of a pregnant woman's incarceration may implement a benefits or eligibility suspension.

The state elects to suspend CHIP coverage for the duration of a pregnant woman's incarceration: Yes

If yes, then check an option below:

- (•) Benefits suspension
- ( ) Eligibility suspension

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.