State/Territory Name: South Dakota

State Plan Amendment (SPA) #: 19-0008

This file contains the following documents in the order listed:

1) Approval Letter
2) 179
3) Approved SPA Pages
July 9, 2019

William Snyder, Medicaid Director
South Dakota Department of Social Services
Richard F. Kneip Building
700 Governors Drive
Pierre, SD 57501-2291

Dear Mr. Snyder:

CMS has reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 19-008 and approved as SD-19-0008. This amendment requests a time limited exception from the requirements of the Medicaid RAC program.

Please be informed that this State Plan Amendment is approved today with an effective date of June 1, 2019 for a two year period only, with a termination date of June 1, 2021. We are enclosing the CMS-179 and the amended plan pages(s).

If you have any questions concerning this amendment, please contact Kirstin Michel at (303) 844-7036.

Sincerely,

[Signature]
Richard C. Allen
Director, Western Regional Operations Group
Denver Regional Office
Centers for Medicaid and CHIP Services

cc: Brenda Tidball-Zeltinger, Deputy Secretary, South Dakota
Sarah Aker, South Dakota
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN  ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN  ☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
1902(a)(42)(B)(i)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Section 4.5, page 36b

10. SUBJECT OF AMENDMENT:
The proposed State Plan Amendment extends South Dakota’s Medicaid Recovery Audit Contractor Program exception.

11. 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 SUBMITAL

13. TYPED NAME:
Amy Iversen-Patkiewicz

14. TITLE:
Interim Cabinet Secretary

15. DATE SUBMITTED:
June 28, 2019

16. RETURN TO:
DEPARTMENT OF SOCIAL SERVICES
DIVISION OF MEDICAL SERVICES
700 GOVERNORS DRIVE
PIERRE, SD 57501-2291

17. DATE RECEIVED:
June 28, 2019

18. DATE APPROVED:
July 9, 2019

19. EFFECTIVE DATE OF APPROVED MATERIAL:
June 1, 2019

21. TYPED NAME:
Richard C. Allen

22. TITLE:
Director, Western Regional Operations Group

23. REMARKS:

FORM CMS-179 (07-92)
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
State/Territory: SOUTH DAKOTA

SECTION 4. GENERAL PROGRAM ADMINISTRATION

Citation 4.5b Medicaid Recovery Audit Contractor Program

Section 1902(a)(42)(b)(i) of the Social Security Act

The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.

The State is seeking an exception to establishing such program for the following reasons:

(1) The State maintains a low rate of errors in Medicaid payments, as evidenced by the most recent PERM review; and

(2) The State’s estimate of the potential amount of payment errors to be recovered is low based in part on relatively low Medicaid enrollment and associated expenditures such that there would not be enough revenue generated to fund an adequate enough contingency fee to attract sufficient bidding attention from vendors. In its fiscal year 2018 the State had total Medicaid expenditures of $917,272,710 and 102,235 total Title XIX eligibles. CHIP expenditures in state fiscal year 2018 totaled $32,612,402 with 16,103 total Title XXI eligibles.

Prior to the expiration of the exception, the State will analyze the most recent PERM results and most timely Medicaid enrollment and associated Medicaid expenditures and, based on that analysis, submit to CMS either

(1) A new request for an exception; or

(2) A SPA establishing the State’s RAC program.

The State Medicaid agency has contracts of the type(s) listed in Section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.