



South Dakota  
Department of  
**Social Services**

**DEPARTMENT OF SOCIAL SERVICES**

DIVISION OF MEDICAL SERVICES  
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July 24, 2024

**Attention: South Dakota Medicaid Providers**  
**From: South Dakota Medicaid**  
**Re: Update to Medicaid Cost Sharing Requirements**

**Medicaid Cost Sharing Change**

Effective for claims processed after July 1, 2024, South Dakota Medicaid has removed copays and cost sharing for services and recipients that were previously subject to these on their medical services. This change was approved by the Interim Rules Review Committee on July 23, 2024.

**Reason for this Change**

Prior to July 1, 2024, most Medicaid recipients were exempt from cost sharing. This included children under age 21, American Indians who have received services at Indian Health Services, individuals on hospice care, and individuals residing in a long-term care facility or receiving home and community-based services. In addition, many services were also exempt from cost sharing such as emergency services, family planning services, pregnancy-related services, laboratory services, radiology services, vaccines, vaccine administration, and services received from an individual care management provider. This change creates consistency in the application of the policy by removing copays on all medical services.

Federal regulation (42 CFR 447.56) requires states to implement dynamic limits which would be extraordinarily costly, difficult to implement, administratively burdensome for providers, and would likely result in greater confusion and uncertainty amongst Medicaid providers and recipients. Additionally, the administrative costs to collect the minimal co-pay and cost share amounts exceed their value. Based on all of these factors removal of cost sharing was determined to be the best method of complying with the federal requirement.

**Impact and Guidance**

This change impacts services including prescription drugs, dental services, durable medical equipment, hospital services, physician services, clinic services, and other medical services currently subject to cost sharing.

For claims processed after July 1, 2024 or later, providers should no longer request or attempt to collect Medicaid cost sharing from recipients. Medicaid reimbursement will no longer deduct a cost share amount.

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, 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.

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-800-305-9673 (TTY: 711).  
ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Rufnummer: 1-800-305-9673 (TTY: 711).

The following is key information for providers regarding claims processing dates:

- Pharmacy: Prescriptions filled on July 1, 2024 or later are not subject to a cost share.
- Dental: Dental claims processed for the July 1, 2024 payroll or as part of subsequent payrolls are not subject to cost sharing.
- Other Services: Claims processed directly by the Division of Medical Services for other services for the July 2, 2024 payroll or as part of subsequent payrolls are not subject to cost sharing.

**Long-Term Care and HCBS Waiver Services**

The changes discussed in this bulletin do not impact the post-eligibility treatment of income for long-term care services or home and community based services, which is also sometimes referred to as a cost share.

Sincerely,

South Dakota Medicaid