

South Dakota Medicaid

Provider News

Summer 2025

Medicaid Implements Legislative Rate Updates

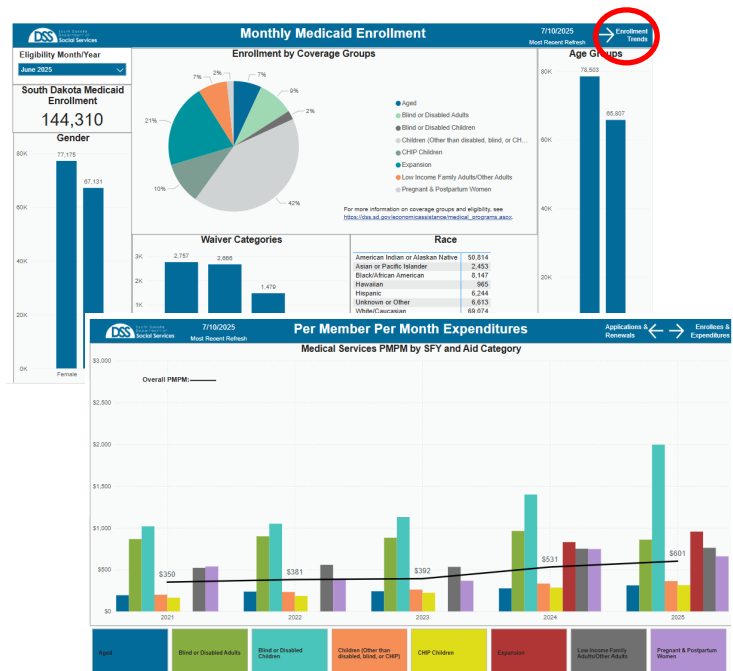
South Dakota Medicaid implemented inflationary rate increases effective July 1, 2025 for services provided in State Fiscal Year 2026. Services received up to a 1.25% inflationary increase if they were below the target rate methodology for the service. Professional services rates were limited to 100 percent of Medicare rate. Some received a rate decrease if they were previously above the Medicare rate. Community transportation, secure transportation, ground ambulance, and air ambulance services procedure codes received targeted rate increases to bring them closer to the target methodology. Updated fee schedules for SFY 26 are available on our [Fee Schedule](#) webpage.

Mental Health Care Management Referrals

Effective for dates of service of June 1, 2025, care management referrals (Primary Care Provider, Health Home, and BabyReady programs) are no longer required for outpatient mental health services provided by community mental health centers, independent mental health practitioners, and psychiatrists. The change is intended to remove a potential barrier to accessing mental health services. Care management providers should continue to help Medicaid recipients on their caseload locate and coordinate behavioral health services as needed. However, claims for these services will no longer require a referral from the care management provider in order to pay.

Medicaid Releases New and Improved Data Dashboard

South Dakota Medicaid published an updated [data dashboard](#) on our website. The previous version of the dashboard included information about Medicaid enrollment and applications. The new dashboard expands this to include expenditure and utilization data, care management enrollment data, claims processing data, and prior authorization data. Use the navigation arrows to view the new pages.



Primary Care Provider (PCP) Quality Scorecard Released

Medicaid released the [2025 PCP Quality Scorecard](#). The scorecard provides clinics with PCP providers outcomes data for participating providers in the clinic. This year's version adds breast cancer screening and lead screening metrics. The scorecard is sent to a point of contact within each clinic. For questions regarding the scorecard please contact DSS.Medicaid@state.sd.us.

The clinic met 6 of 9 quality metrics

Measure Category	Measure	Numerator	Denominator	Quality Score	Target*	Met Target
Adult Preventative	Adult Preventative Visits	48	267	18%	18% or greater	Yes
	Breast Cancer Screenings	21	34	62%	27% or greater	Yes
	Colorectal Screenings	11	25	44%	34% or greater	Yes
Pediatric Preventative	Infant Preventative Visits 15 Months	212	264	80%	49% or greater	Yes
	Infant Preventative Visits 15-30 Months	52	100	52%	55% or greater	No
	Adolescent Preventative Visits	277	833	33%	44% or greater	No
	Lead Screenings	1	37	3%	37% or greater	No
Emergency Department Utilization (Rate per 1,000 member months)	Adult Emergency Department Visits	165	4218	39	54 or fewer	Yes
	Child Emergency Department Visits	293	13918	21	25 or fewer	Yes

Example PCP Scorecard

Hospital Reimbursement Methodology Review

South Dakota Medicaid is conducting a review of inpatient and outpatient hospital reimbursement methodologies. Stakeholder meetings were held in April, May, and June to provide an overview of proposed methodology updates and solicit provider feedback. Slides from the [trainings](#) our available on our website. Updates are currently anticipated to be implemented January 1, 2026.

BabyReady Eligibility Updated to Include Additional Recipients

Medicaid's BabyReady care management program was implemented April 1, 2024. Program participation was initially limited to recipients who were 20 weeks or less gestation. Effective July 1, 2025, participation criteria has been revised to 32 weeks or less gestation. Providers may also request a pregnant recipient be added to their Medicaid caseload as long as the recipient has not yet given birth. For additional details please refer to the [BabyReady Manual](#).



One Big Beautiful Bill Act

The recently signed One Big Beautiful Bill Act includes numerous Medicaid provisions. The department is currently reviewing the provisions and will communicate further with providers regarding changes that will impact providers and recipients. Medicaid had previously released the SDCareerLink 1115 demonstration for public comment. In light of the bill, Medicaid does not intend to submit the waiver application and will instead focus on implementing the community engagement requirements included in the act.

Provider Resource Spotlight

The [Procedure Code Look-Up Tool](#) allows Medicaid providers to determine the coverage status of professional service CPT and HCPCS codes. It also includes information regarding the code's reimbursement rate, prior authorization status, allowable age ranges, and whether the procedure is allowable via telemedicine.

New Medicaid Insights Educational Series Launched

Medicaid launched a new educational series for providers and recipients. The series called Medicaid Insights is intended to highlight key topic in a quick and easily accessible format. The first release in the series focused on when it is appropriate for a provider to bill a Medicaid recipient. A new topic will be highlighted each quarter. A copy of the first SD Medicaid Provider Insights communication is included in the right column.

Billing Guidance Updates

Medicaid recently released updated billing guidance regarding [audio-only evaluation and management](#) codes and [speech language pathology services](#). Here are some key ways providers can stay up-to-date regarding Medicaid policies:

- Sign-up for our [Medical Services ListServ](#);
- Review communications our [Provider Communication](#) webpage; and
- Check the applicable [provider manual](#) for update or review the [Provider Manual Tracking Log](#) updates.

Time Based Procedure Codes

As a reminder for time-based procedure codes, the start time and stop time of the service must be documented. A unit of time is attained when the mid-point is passed. For example, 15 minutes is attained when 8 minutes have elapsed. A second 15-minute unit is attained when a total of 23 minutes has elapsed. Refer to the online [Documentation and Record Keeping manual](#), as well as your provider- and service-specific manuals for more information.



Billing a Medicaid Recipient

Medicaid is the payer of last resort. Providers must bill any other insurance, such as Medicare or private insurance, before billing Medicaid.

Third-Party Liability



Medicaid Payment in Full: No Balance Billing

Medicaid payments cover the full cost of a covered service - Providers cannot bill the patient, their family, or anyone else for the remaining balance.

As of July 1, 2024, South Dakota Medicaid eliminated copays for medical services. Providers should not collect copays.

No More Copays



Non-Covered Services

Providers may bill patients for services not covered by Medicaid, but they should inform patients in advance.

For non-covered or possibly non-covered services, providers should have the recipient sign [Advanced Recipient Notice of Non-Coverage Form](#).

Advanced Recipient Notice of Non-Coverage



Provider Billing Errors

If Medicaid denies a claim due to provider error, providers cannot bill patients for the service.

For more guidance on billing a Medicaid recipient, refer to the [Billing a Recipient](#) provider manual.

Billing a Recipient Provider Manual



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Department of

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