



South Dakota
Department of
Social Services

DEPARTMENT OF SOCIAL SERVICES
PROVIDER REIMBURSEMENTS AND AUDITS
700 GOVERNORS DRIVE
PIERRE, SD 57501
PHONE: 605-773-3643
WEB: dss.sd.gov

February 23, 2026

Attention: Out of State PRTF Providers

From: Provider Reimbursement & Audits

Re: Cost Reporting

The South Dakota Department of Social Services, Provider Reimbursement & Audits (PRA), is issuing this notice to all Out-of-State Psychiatric Residential Treatment Facility (OOS PRTF) providers regarding payment methodology requirements under the South Dakota Medicaid State Plan.

Pursuant to the South Dakota Medicaid [State Plan](#), OOS PRTF providers are reimbursed under one of the following three methodologies:

1. The provider's home-state Medicaid rate (as verified by the home state Medicaid agency);
2. The average of South Dakota in-state PRTF rates; or
3. A rate determined based on the provider's allowable costs, consistent with Medicaid cost principles.

To ensure compliance with the South Dakota Medicaid State Plan and to appropriately evaluate rates determined by cost, PRA is requiring all OOS PRTF providers seeking reimbursement based on cost to submit one of the following:

- A completed CMS-2552-10 Medicare Cost Report; or
- A completed Simplified PRTF Cost Report Template developed by PRA
 - available on the DSS website at <https://dss.sd.gov/medicaid/providers/costreports/default.aspx>

The required cost report must be submitted to PRA **no later than March 31st**. Reports can be submitted via postal service or electronically to DSSFinancePRA@state.sd.us.

Failure to submit a cost report by the deadline may result in the provider not being eligible for a cost-based rate determination. In such cases, reimbursement may default to one of the alternative methodologies outlined above.

If you have questions regarding this requirement or the submission process, please contact: Provider Reimbursement & Audits at DSSFinancePRA@state.sd.us.

Thank you for your attention to this matter and for your continued partnership in serving South Dakota Medicaid recipients.

Sincerely,

Provider Reimbursement & Audits