

# South Dakota Medicaid Provider News

Winter 2026

## Rural Health Transformation Update



South Dakota received an award of \$189.4 million dollars for year one of the Rural Health Transformation project. The Department of Health's Office of Rural Health is the lead agency for this project. The funds were officially appropriated during the current legislative session to the Department of Health, which provides the needed authority to spend and award the funds. The Department of Social Services is partnering with the Department of Health on the Rural Health Transformation Project and is leading Medicaid and behavioral health initiatives. It is anticipated initial grant funding opportunities will be released shortly after CMS officially releases the funds. For information about Rural Health Transformation, including a recording of a recent webinar, please visit [ruralhealthtransformation.sd.gov/](https://ruralhealthtransformation.sd.gov/).

## Care Management Program Annual Reports

### BabyReady Program Achieves Positive Results



The [BabyReady Annual Report](#) demonstrated strong provider participation, meaningful initiatives, and life-changing outcomes for patients in the program's first year. Key results from an analysis of the first year include that women in the BabyReady program were more likely to access both prenatal and postpartum care than pregnant women not in the program and more likely to have the recommended number of well-child visits in the first months after their baby was born. Medicaid is excited about these initial strong results and looks forward to continuing to work with providers to achieve improved outcomes for our recipients.

### Care Connect (formerly Health Home) Program Continues to Demonstrate Success

The [Care Connect Annual Report](#) indicates that the program continues to have a positive impact on participant health outcomes. The calendar year 2024 analysis showed significant increases in several quality and cost avoidance metrics, more recipients with active care plans, increased depression screening follow-up, and major savings in the costs of inpatient admissions.



# 2026 South Dakota Case Management Summit

Save the date for our 2nd Annual Case Management Summit (formerly known as the Case Management and Social Worker SD Medicaid Workshop). Recommended audience includes nurse case managers, nurse navigators, social workers, community health workers and anyone that wants to learn more about South Dakota state government resources, and a chance to network with colleagues across the state to share best practices.

Topics this year include:

- Economic Assistance programs such as SNAP and energy assistance
- Department of Health programs such as Bright Start and chronic disease management
- Behavioral Health programs
- Mandatory reporting for adults and pediatrics
- Guardianship
- Medicaid transportation
- PASSAR
- And much more!

In person and virtual options will be available. If you did not attend last year and would like to join our mailing list for future communications and registration, please reach out at [CMSummit@state.sd.us](mailto:CMSummit@state.sd.us).



## Provider Website Updates

### New Medicaid Fee Schedules

South Dakota Medicaid has published five new Provider Fee Schedules to ensure transparency and the availability of information regarding provider reimbursement. These fee schedules are available on our [website](#) and include detailed reimbursement information for the following provider types:

- Residential Treatment Facilities
- Federally Qualified Health Centers (FQHCs)
- Rural Health Centers (RHCs)
- Outpatient Hospitals
- Inpatient Hospitals

## New Webpage Designated for Federal Regulation Updates

South Dakota Medicaid has launched a new dedicated [Federal Regulation Updates](#) webpage to help Medicaid recipients and providers stay informed about upcoming federal regulation changes under the reconciliation bill H.R. 1. These changes will affect eligibility rules, coverage timelines, and cost-sharing requirements for certain Medicaid groups. The webpage is designed to be your central resource for understanding what's changing, when it takes effect, and how it may impact your patients and your practice.

The new webpage offers the following information:

- Summaries of major policy changes including who is affected
- Effective dates so you can plan ahead
- Links to provider-specific updates and communication tools

## Provider Resource Spotlight

### Verifying Recipient Eligibility

South Dakota Medicaid recommends using the Medicaid Portal to verify a recipient's Medicaid eligibility. Providers who have access to the Medicaid Portal have access to an eligibility inquiry functionality. Follow the instructions outlined in the [Recipient Eligibility](#) provider manual to complete a recipient eligibility inquiry in the Medicaid Portal.



Providers may also call South Dakota Medicaid's Claims Advice and Processing Unit at 1-800-452-7691 and press 1 to verify current eligibility through the Interactive Voice Response System (IVR). You'll need your NPI number and the recipient's Medicaid ID number to check eligibility through the IVR.

Pharmacy providers also have the option of verifying recipient eligibility through the Medicaid Eligibility Verification system (MEVS). There are three MEVS options to verify recipient eligibility:

- Point of Sale Device
- PC Software
- Secure web-based site

For more information about MEVS, contact Optum at 800-457-1209 or [assurance.support@optum.com](mailto:assurance.support@optum.com).

## South Dakota Medicaid Phone System Update

South Dakota Medicaid recently upgraded the call center phone system used by the Claims Advice Processing and Provider Enrollment units. This upgrade brings new features that allow us to better serve you, including improved phone queue cross coverage and streamlined call metrics to target customer service improvement. Providers calling in now can select a virtual hold option, which will hold your line in queue, and a South Dakota Medicaid staff member will call you back. It's important to note that you will want to use this option if you are calling from a direct number that can receive an incoming call. If you are calling from a number that cannot receive a call back or contains an extension, please stay on the line, or select to leave a voicemail. Thank you for the patience of adjusting with us to this new technology.

## Program Reminders

### Medicare Enrollment Requirement

All providers enrolled in South Dakota Medicaid who are also eligible to enroll in Original Medicare (not including Medicare replacement or supplemental plans) must be enrolled in Original Medicare. Medicaid will not reimburse providers for services provided to dually eligible recipients unless the provider meets this requirement. Claims for dually eligible recipients must first be submitted to Medicare before being sent to South Dakota Medicaid for secondary payment consideration.

Medicaid will not consider letters or EOBs indicating that an eligible provider is not enrolled in Original Medicare as an exception to the requirement above. Providers must submit a denial letter from Original Medicare or documentation from Medicare that indicates they are not eligible for enrollment. Please refer to the [General Coverage Principles](#) for additional information.

### Prior Authorization Number Reminder

The South Dakota Medicaid prior authorization number assigned by South Dakota Medicaid is the only acceptable content for Block 23 of a CMS 1500 claim and Locator 63 on a UB04 Claim. The number must match the specific number assigned by South Dakota Medicaid in order for the claim to pay. If prior authorization is not required, leave blank. Additional information can be found in Provider Manuals [CMS 1500 Claim Instructions](#) and [UB04 Claim Instructions](#).

Services that require a prior authorization are identified at the HCPCs level in the [Procedure Code Look-Up Tool](#).



**[DSS.MEDICAID@STATE.SD.US](mailto:DSS.MEDICAID@STATE.SD.US)**  
**[DSS.SD.GOV/MEDICAID/PROVIDERS](https://DSS.SD.GOV/MEDICAID/PROVIDERS)**