



**DEPARTMENT OF SOCIAL SERVICES**

DIVISION OF MEDICAL SERVICES

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July 1, 2022

**Attention: Providers and Billing Professionals**

**From: South Dakota Medicaid**

**RE: July 1, 2022 Fee Schedules**

South Dakota Medicaid is implementing inflationary rate increases effective July 1, 2022 for services provided in FY 2023. Updated fee schedules are available online at <https://dss.sd.gov/medicaid/providers/feeschedules/>. Fee schedules list the maximum allowable reimbursement amount; per ARSD 67:16:01:09 payment for services is limited to the lesser of the provider's usual and customary charge or the fee schedule amount. South Dakota Medicaid providers should continue to submit claims and bill South Dakota Medicaid as they did prior to July 1, 2022.

The following services are receiving a 6.0 percent inflationary increase:

- Instate DRG Inpatient Hospital Services, Instate DRG Exempt Inpatient Hospitals/Hospital Units, and Instate APC Outpatient Hospital Services
- Optometric Services
- Chiropractic Services
- Nutritionists and Dietician Services
- Clinic Services
- Eyeglasses
- Diabetes Self-Management Training
- Nurse Midwife Services
- Community Transportation
- Secure Medical Transportation
- Air and Ground Ambulance Transportation
- Home Health Agencies
- Independent Mental Health Practitioners Services
- Nutrition Items
- Personal Care Services
- Child Private Duty Nursing
- Freestanding Birth Centers
- Disproportionate Share Hospital Payment Pools
- Graduate Medical Education Payment Pools

The following services are receiving a targeted rate increase or are being rebased:

Service	Type	Method
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Community Health Worker Services	Targeted Increase	<ul style="list-style-type: none"> <li>• Code 98960 - \$30.89</li> <li>• Code 98961 - \$15.45</li> <li>• Code 98962 - \$10.81</li> </ul>
Dental Services including Orthodontic Services and Dentures	Targeted Increase	<ul style="list-style-type: none"> <li>• Procedure codes with high utilization are receiving an 8.38% increase</li> <li>• Orthodontic and Preventative Services are receiving a 2.0% increase</li> <li>• Certain codes are subject to both increases</li> </ul>
Supplies, Orthotics and Prosthetics	Rebased	<ul style="list-style-type: none"> <li>• Procedure codes with rates above 100% of Medicare are rebased to 100% of Medicare</li> <li>• Procedure codes below 90% of Medicare are rebased to 90% of Medicare</li> <li>• Procedure codes with no utilization are rebased to 90% of Medicare</li> <li>• Other procedure codes are subject to a 6% inflationary increase</li> </ul>
Occupational, Speech, and Physical Therapy	Rebased	<ul style="list-style-type: none"> <li>• Certain procedure codes are rebased to 65% of Medicare.</li> <li>• Other codes including rebased codes are subject to a 6% inflationary increase</li> <li>• HM modifier revised to reimburse assistants at a maximum of 90% of the established rate</li> </ul>
Physician Administered Drugs	Rebased	<ul style="list-style-type: none"> <li>• Procedure codes are rebased to 100% of Medicare or a surrounding state average</li> <li>• Other procedure codes are subject to a 6% inflationary increase</li> </ul>
Physician Services	Rebased	<ul style="list-style-type: none"> <li>• Procedure codes with rates above 100% of Medicare are rebased to 100% of Medicare</li> <li>• Codes paid rates below 62% of Medicare are rebased to 66% of Medicare</li> <li>• Procedure codes with no utilization are rebased to 90% of Medicare</li> <li>• Other procedure codes are subject to a 6% inflationary increase</li> </ul>

If you have any questions, please contact the Division of Medical Services at 1-800-452-7691.

Sincerely,

South Dakota Medicaid