

# BILLING A RECIPIENT

## OVERVIEW

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Payment by South Dakota Medicaid along with any applicable Medicaid cost sharing is considered payment in full for covered services. Providers may not seek additional compensation from family, friends, political subdivisions, or the eligible individual unless the services provided were a noncovered medical service.

Effective July 1, 2024, South Dakota Medicaid recipients no longer have copays. Providers should not request or attempt to collect a cost share from patients with Medicaid coverage. Medicaid reimbursement will not deduct a cost share.

## LONG-TERM CARE AND HOME AND COMMUNITY BASED SERVICES POST-ELIGIBILITY TREATMENT OF INCOME

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The recipient's cost share is their total income, less any allowable deductions. The recipient is obligated to pay the facility his/her monthly cost share and it is the provider's responsibility to assure the recipient's monthly cost share is collected. Recipients are allowed to retain a personal needs allowance of varying amounts based on their specific eligibility group. Cost share information for each recipient is available through the [Portal](#) recipient eligibility inquiry. Instructions for using this inquiry are available in the [Recipient Eligibility](#) manual.

When a recipient transfers from one facility to another, the cost share collected is first applied toward the first provider's bill. If any of the cost share remains, it is applied toward the second provider's bill.

If a recipient is released from a facility to their home mid-month, they will pay no cost share in the partial month. If the recipient is released on the last day of the month, they are considered to have been a resident of a facility the entire month and may have a cost share for that month. In the event of the recipient's death or transfer to another facility, the monthly cost share shall be applied.

## PRIVATE HEALTH INSURANCE AND MEDICARE

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Providers who accept Medicaid payment for recipients who also have private health insurance must not charge a private health insurance copay for services that are covered by both payment sources. If payment from the other payment source exceeds Medicaid payment, the provider is considered to have received payment in full.

Providers are prohibited from charging cost sharing to recipients for Medicare Part A and Part B services provided to certain individuals who are dually eligible for Medicare and Medicaid.

## NONCOVERED SERVICES

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A provider may bill a recipient for a service only if all the following conditions apply:

- South Dakota Medicaid never covers the service, or the service is not covered for the recipient due to medical necessity, service limits, or coverage criteria; and
- If the provider is aware the service is not covered, the provider informs the recipient that the service is not covered prior to delivery of the services and informs the recipient that he or she will be responsible for payment. South Dakota Medicaid recommends providers have the recipient sign a form attesting to the fact this information was provided to the recipient or at minimum document that this information was provided to the recipient. An Advanced Recipient Notice of Non-Coverage ([MS101](#)) is available online under forms and publications that providers may use as proof of notification.

It is not appropriate to bill a recipient for a claim that was not reimbursed by South Dakota Medicaid due to provider error or inaction. Examples of provider errors or inaction may include delinquency in submitting claims, timely filing denials, prior authorizations denied for no prior authorization received, and failure to provide requested information. If a recipient played a significant role in the claim not being filed timely, a provider may bill the recipient. An example of this is a recipient not informing the provider of his or her Medicaid eligibility until after the timely filing deadline.

## SALES TAX

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Under South Dakota state law health products and services covered by South Dakota Medicaid are exempt from state and municipal sales tax. Providers may refer to the South Dakota Department of Revenue Health Services, Drugs, and Medical Devices tax [fact sheet](#) for more information.

For noncovered services or products purchased by Medicaid recipients that are subject to sales tax, the provider should collect the sales tax in accordance with state law.

## DEFINITIONS

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1. "Cost sharing," money paid by a recipient to a provider for each covered service or procedure rendered to the recipient or on the recipient's behalf;

## REFERENCES

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- [Administrative Rule of South Dakota \(ARSD\)](#)
- [South Dakota Medicaid State Plan](#)
- [Code of Federal Regulations](#)

## QUICK ANSWERS

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1. **Can a provider charge a recipient for a missed or broken appointment?**

No, as no service was rendered it is not appropriate to bill the recipient.

**2. Can a provider charge a recipient for translation or sign-language services?**

No, all providers who receive federal funds for the provision of Medicaid/CHIP services are obligated to make language services available to those with Limited English Proficiency, which can include those who communicate using American Sign Language, under Title VI of the Civil Rights Act and Section 504 of the Rehab Act of 1973.

**3. Can a provider bill a recipient for a claim denied for timely filing?**

In most circumstances a provider is not allowed to bill a recipient for services denied due to timely filing. If a recipient played a significant role in the claim not being filed timely, a provider may bill the recipient. An example of this is a recipient not informing the provider of his or her Medicaid eligibility.

**5. If a recipient wants an “upgraded” item that is not covered by South Dakota Medicaid, can a provider bill South Dakota Medicaid for the Medicaid allowable amount and bill the recipient for the remainder of the item?**

No, South Dakota Medicaid payment is considered payment in full per [ARSD 67:16:01:07](#). If a recipient wants a more expensive item, the provider may choose to accept South Dakota Medicaid’s payment as payment in full for the item. Alternatively, the recipient may choose to pay the full cost of the item out of pocket if the provider does not accept Medicaid payment for the item.