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State/Territory Name: South Dakota

State Plan Amendment (SPA) #: SD-16-0001

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1961 Stout Street, Room 08-148
Denver, CO 80294



Region VIII

September 1, 2016

Lynne Valenti, Secretary
South Dakota Department of Social Services
Richard F. Kneip Building
700 Governors Drive
Pierre, SD 57501-2291

RE: South Dakota #16-0001

Dear Ms. Valenti:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 16-0001. This State Plan Amendment requests an extension to South Dakota's exemption from the RAC program.

Please be informed that this State Plan Amendment was approved today with an effective date of June 1, 2016. We are enclosing the CMS-179 and the amended plan pages(s).

If you have any questions concerning this amendment, please contact Laurie Jensen at (303) 844-7126.

Sincerely,

A handwritten signature in cursive script that reads "Richard C. Allen".

Richard C. Allen
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Brenda Tidball-Zeltinger, Deputy Secretary
Sarah Aker-South Dakota

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: SD-16-0001	2. STATE: South Dakota
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE June 1, 2016	

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN
AMENDMENT

AMENDMENT TO BE CONSIDERED AS NEW PLAN

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Section 1902(a)(42)(b)(i) of the Social Security Act	7. FEDERAL BUDGET IMPACT: a. FFY 2016: \$ 0.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Section 4.5. Page 36B	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Section 4.5. Page 36B

10. SUBJECT OF AMENDMENT:
This State Plan Amendment requests an extension to South Dakota's exemption from the RAC program.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED:

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL.

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: DEPARTMENT OF SOCIAL SERVICES DIVISION OF MEDICAL SERVICES 700 GOVERNORS DRIVE PIERRE, SD 57501-2291
13. TYPED NAME: Lynne A. Valenti	
14. TITLE: Cabinet Secretary	
15. DATE SUBMITTED: June 21, 2016	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: June 21, 2016	18. DATE APPROVED: September 1, 2016
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: June 1, 2016	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Richard C. Allen	22. TITLE: ARA, DMCHO

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
 MEDICAL ASSISTANCE PROGRAM
 State/Territory: SOUTH DAKOTA

SECTION 4. GENERAL PROGRAM ADMINISTRATION

Citation

4.5b Medicaid Recovery Audit Contractor Program

Section 1902(a)(42)(b)(i)
 of the Social Security Act

_____ The State has established a program under which it will contract with one or more recovery audit contractors (RACs) for the purpose of identifying underpayments and overpayments of Medicaid claims under the State plan and under any waiver of the State plan.

X_____ The State is seeking an exception to establishing such program for the following reasons:

- (1) The State maintains a low rate of errors in Medicaid payments, as evidenced by the most recent PERM review; and
- (2) The State's estimate of the potential amount of payment errors to be recovered is low based in part on relatively low Medicaid enrollment and associated expenditures such that there would not be enough revenue generated to fund an adequate enough contingency fee to attract sufficient bidding attention from vendors. In its fiscal year 2015 the State had total Medicaid expenditures of \$822,098,263 and 105,220 total Title XIX eligibles. CHIP expenditures in state fiscal year 2015 totaled \$6,244,613 with 12,126 total Title XXI eligibles.

This State Plan Amendment (SPA) will be in effect until May 31, 2019. Prior to that time, the State will analyze the most recent PERM results and most timely Medicaid enrollment and associated Medicaid expenditures and, based on that analysis, submit to CMS either

- (1) A new request for an exception; or
- (2) A SPA establishing the State's RAC program.

_____ The State Medicaid agency has contracts of the type(s) listed in Section 1902(a)(42)(B)(ii)(I) of the Act. All contracts meet the requirements of the statute. RACs are consistent with the statute.