



Children and Adults Health Programs Group

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**DEC 15 2016**

Nicki Bartel RN, RHIT  
Nurse Consultant  
South Dakota Department of Social Services  
Division of Medical Services  
700 Governors Drive  
Pierre, SD 57501-2291

Dear Ms. Bartel:

I am pleased to inform you that your title XXI Children's Health Insurance Program (CHIP) state plan amendment (SPA), SD-16-0002, submitted on August 2, 2016, with additional information submitted on November 30, 2016, and SPAs SD-16-0006 and SD-16-0007, submitted on November 30, 2016, have been approved. These SPAs have an effective date of July 1, 2016, and implement an expansion of coverage to CHIP targeted low-income children from conception to birth.

South Dakota's SPAs SD-16-0002 and SD-16-0006 allows the state to expand eligibility to include unborn children whose pregnant mothers are not otherwise eligible for Medicaid and whose family incomes are up to, and including 133 percent of the federal poverty level (FPL). Coverage will include pregnancy-related services, such as prenatal care for children from conception to birth. SPA SD-16-0007 specifies that this population will be excluded from the state's 90-day waiting period. A copy of the approved CS9 is attached and incorporated into section 4.1.9 of the state's current CHIP state plan. A copy of the approved CS20 state plan page is attached and supersedes section 4.4.4.1 of the current CHIP state plan.

Your title XXI project officer is Ms. Joyce Jordan. She is available to answer questions concerning this amendment and other CHIP-related issues. Ms. Jordan's contact information is as follows:

Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
Mail Stop: S2-01-16  
7500 Security Boulevard  
Baltimore, MD 21244-1850  
Telephone: (410) 786-3413  
Facsimile: (410) 786-5882  
E-mail: [Joyce.Jordan@cms.hhs.gov](mailto:Joyce.Jordan@cms.hhs.gov)

Official communications regarding program matters should be sent simultaneously to Ms. Jordan and to Mr. Richard Allen, Associate Regional Administrator (ARA) in our Denver Regional Office. Mr. Allen's address is:

Centers for Medicare & Medicaid Services  
1961 Stout Street  
Room 08-148  
Denver, Colorado 80294

If you have additional questions, please contact Ms. Amy Lutzky, Acting Director, Division of State Coverage Programs at (410) 786-0721.

We look forward to continuing to work with you and your staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Anne Marie Costello". The signature is fluid and cursive, with the first name "Anne" and last name "Costello" clearly visible.

Anne Marie Costello  
Director

cc:  
Richard Allen, ARA, CMS Region VIII, Denver



# CHIP Eligibility

State Name:

OMB Control Number: 0938-1148

Transmittal Number: SD - 16 - 0002

Expiration date: 10/31/2014

**Separate Child Health Insurance Program Eligibility - Coverage From Conception to Birth** CS9

42 CFR 457.10

**Coverage From Conception to Birth** - Coverage from conception to birth when the mother is not eligible for Medicaid.

The CHIP Agency operates this covered group in accordance with the following provisions:

**Age Standard**

From conception through birth.

Does the state have an additional age definition or other age-related conditions?

**Income Standards**

Income standards are applied statewide.

Are there any exceptions, e.g. populations in a county which may qualify under either a statewide income standard or a county income standard?

**Statewide Income Standard**

The statewide income standard is: From zero up to  % FPL

Exempted from requirement of providing or applying for a Social Security Number.

Exempted from requirement of verifying citizenship status.

### PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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# CHIP Eligibility

State Name:

OMB Control Number: 0938-1148

Transmittal Number: SD - 16 - 0007

**Separate Child Health Insurance Program**  
**Non-Financial Eligibility - Substitution of Coverage** CS20

Section 2102(b)(3)(C) of the SSA and 42 CFR 457.340(d)(3), 457.350(i), and 457.805

## Substitution of Coverage

The CHIP Agency provides assurance that it has methods and policies in place to prevent the substitution of group health coverage or other commercial health insurance with public funded coverage. These policies include:

Substitution of coverage prevention strategy:

	Name of policy	Description	
+	Substitution of Coverage Prevention Strategy	<p>The CHIP Agency has specific methods and policies to prevent the program from substituting for coverage under group health plans. Persons covered by insurance providing hospital and medical services or HMO's are not eligible for benefits under SCHIP. Additionally, children are ineligible if they have been covered by a group health plan in the 90 days immediately preceding the application for SCHIP. Exceptions to the waiting period are noted below. The Department has adopted a definition of "group health plan" that includes employers, self-employed plans, employee organizations, and self insured plans that provide health care directly or otherwise.</p> <p>The Department also requires that insurance information on the persons seeking medical assistance coverage be provided on the application for SCHIP as a measure to avoid substitution for group health coverage. The Department also requires that members of the SCHIP unit cooperate with the Department to determine the availability of coverage. Failure to cooperate may result in loss of eligibility for the unit.</p> <p>The Department also maintains a database on persons with insurance coverage for persons applying for or receiving medical assistance from the Department under Medicaid, M-SCHIP or CHIP- NM. The database includes type of coverage, name and address of carrier, policy numbers, plan sponsor, premium payer, and dates of coverage. Information from this database is available to benefits specialists to explore potential group health coverage. Benefits specialists also have the opportunity to update the information on this database to keep the information up to date.</p> <p>Targeted, low-income children belonging to employees of State government in South Dakota will not be eligible for SCHIP coverage since the State provides indirect assistance for the coverage of dependents in excess of the cost to cover the employee alone, regardless of the coverage choices made by the family.</p>	X



# CHIP Eligibility

A waiting period during which an individual is ineligible due to having dropped group health coverage.  Yes

How long is the waiting period?

- One month
- Two months
- 90 days
- Other

The state allows exemptions from the waiting period for the following reasons:

- The premium paid by the family for coverage of the child under the group health plan exceeded 5 percent of household income.
- The child's parent is determined eligible for advance payment of the premium tax credit for enrollment in a QHP through the Marketplace because the ESI in which the family was enrolled is determined unaffordable in accordance with 26 CFR 1.36B-2(c)(3)(v).
- The cost of family coverage that includes the child exceeded 9.5 percent of the household income.
- The employer stopped offering coverage of dependents (or any coverage) under an employer-sponsored health insurance plan.
- A change in employment, including involuntary separation, resulted in the child's loss of employer-sponsored insurance (other than through full payment of the premium by the parent under COBRA).
- The child has special health care needs.
- The child lost coverage due to the death or divorce of a parent.

Does the state allow other exemptions in addition to those listed above?  Yes

	Describe	
+	The state exempts unborn children from the waiting period.	X

Describe the processes the state employs to facilitate enrollment of CHIP-eligible children who have satisfied the waiting period.

When a child is subject to the waiting period due to having dropped group health coverage the benefits specialist will take appropriate steps to facilitate enrollment of CHIP-eligible children upon satisfaction of the waiting period. The case will be flagged by the benefits specialist for follow-up at conclusion of the waiting period. The waiting period and any items of significance will be noted in the case narration. The benefits specialist will follow-up prior to enrollment to inquire whether anything of significance has changed during the waiting period. If eligible, the child will be enrolled when the waiting period has been satisfied.

Describe the processes the state employs to coordinate coverage of children subject to a waiting period with other insurance affordability programs, including safeguards to prevent gaps in coverage for children transitioning from another insurance affordability program to CHIP after satisfying the waiting period.

When a child does not meet Medicaid eligibility criteria or any of the Federal or state exceptions to the waiting period, the state has a process in place to notify the family of the option to enroll the child in another insurance affordability program for the duration of the waiting period. The case will be flagged for follow up upon the expiration date of the waiting



# CHIP Eligibility

period, and the state will facilitate enrollment of the child into CHIP (if still eligible) to ensure there is no gap in coverage between the end date of coverage in another insurance affordability program (if applicable) and the effective date of CHIP coverage at the end of the waiting period.

The state provides assurance that:

It does not require a new application or the submission of information already provided by the family immediately preceding the waiting period for the purpose of enrolling CHIP-eligible children who have satisfied a waiting period.

For children subject to the waiting period, it will promptly transfer each individual's electronic account to the applicable insurance affordability program and notify such program of the date on which the waiting period ends for each individual.

If the state covers pregnant women, the waiting period does not apply to pregnant women.

If the state elects to offer dental only supplemental coverage, the following assurances apply:

The other coverage exclusion does not apply to children who are otherwise eligible for dental only supplemental coverage as provided in section 2110(b)(5) of the SSA.

The waiting period does not apply to children eligible for dental only supplemental coverage.

## PRA Disclosure Statement

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