

DEPARTMENT OF SOCIAL SERVICES

DIVISION OF MEDICAL SERVICES

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Strong Families - South Dakota's Foundation and Our Future

MEMO

TO: South Dakota Medicaid PT/OT Providers

FROM: Larry Iversen, Medicaid Director *LI*

DATE: June 30, 2009

RE: Changes in Medicaid Reimbursement and Coverage

As you are probably aware, there was no discretionary inflation approved by legislature to increase reimbursement for Medicaid providers in FY2010 that begins July 1, 2009. However, we are still able to adjust reimbursement rates as long as there is no net effect upon projected expenditures.

After consultation with the South Dakota Physical Therapy Association and the South Dakota Occupational Therapy Association, we are proposing to reduce reimbursement on some codes and increase reimbursement of others. Additionally, South Dakota Medical Assistance will no longer reimburse for CPT code 97010 – application of a hot/cold pack. This policy aligns with Medicare coverage guidelines that indicate hot/cold packs are an integral part of covered therapy codes. The savings related from this change is being applied to increased reimbursement of other codes.

The new rates will become effective with dates of service beginning July 8, 2009. For a complete list of covered codes and reimbursement rates, please go to <http://dss.sd.gov/medicalservices/docs/fee%20schedules/NonlaboratoryProcedures1.pdf>
The website will be updated on July 8.

If you have questions, please contact our telephone service unit at 1-800-452-7691 for in-state providers or 605-945-5006 for out-of-state providers.