

## **Table of Contents**

**State/Territory Name: South Dakota**

**State Plan Amendment (SPA) #: 21-0002**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

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April 20, 2021

William Snyder, Medicaid Director  
Department of Social Services  
Richard F. Kneip Building  
700 Governors Drive  
Pierre, SD 57501-2291

RE: TN 21-0002

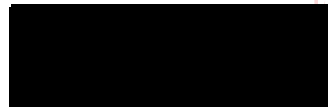
Dear Mr. Snyder:

The Centers for Medicare and Medicaid Services (CMS) has completed its review of South Dakota's State Plan Amendment (SPA) Transmittal #21-0002, submitted on March 17, 2021. This SPA seeks an extension to the exception to the Medicaid Recovery Audit Contractor (RAC) program.

CMS approved SPA #21-0002 on April 20, 2021, with an effective date of June 1, 2021 for a two-year period only, with a termination date of May 31, 2023. Enclosed is a copy of the CMS-179 summary form, as well as the approved pages for incorporation into the South Dakota State Plan.

If you have any questions regarding this amendment, please contact Mandy Strom at [mandy.strom@cms.hhs.gov](mailto:mandy.strom@cms.hhs.gov) or (303) 844-7068.

Sincerely,



Digitally signed by  
James G. Scott -S  
Date: 2021.04.20  
14:56:48 -05'00'

James G. Scott, Director  
Division of Program Operations

Enclosures

cc: Brenda Tidball-Zeltinger, Deputy Secretary, South Dakota Medicaid  
Matthew Ballard, Deputy Director, South Dakota Medicaid  
Rena Hericks, South Dakota Medicaid  
Mandy Strom, CMS North Branch-Division of Program Operations

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER:  
SD-21-0002

2. STATE:  
South Dakota

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE  
June 1, 2021

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

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

6. FEDERAL STATUTE/REGULATION CITATION:

1902(a)(42)(B)(i)

7. FEDERAL BUDGET IMPACT:

a. FFY 2021: \$ 0.00  
b. FFY 2022: \$ 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:

The proposed State Plan Amendment extends South Dakota's Medicaid Recovery Audit Contractor Program exception.

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:

13. TYPED NAME:

Laurie R. Gill

14. TITLE:

Cabinet Secretary

15. DATE SUBMITTED:

March 17, 2021

16. RETURN TO:

DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF MEDICAL SERVICES  
700 GOVERNORS DRIVE  
PIERRE, SD 57501-2291

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

March 17, 2021

18. DATE APPROVED:

April 20, 2021

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

June 1, 2021

20. SIGNATURE OF REGIONAL OFFICIAL:

Digitally signed by James G. Scott -S  
Date: 2021.04.20 14:57:39 -05'00'

21. TYPED NAME:

James G. Scott

22. TITLE:

Director, Division of Program Operations

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 extension to the 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; and
- (3) In fiscal year 2020 the State had total Medicaid and CHIP expenditures of \$992.65 million. For this period the State had an average monthly enrollment of 115,731 eligible recipients and a total of 141,620 eligible recipients during the fiscal year. Of these individuals 113,291 were enrolled in the Primary Care Case Management or the Health Home 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.