Table of Contents

State/Territory Name: South Dakota

State Plan Amendment (SPA) #: SD-16-0006

This file contains the following documents in the order listed:

1) Approval Letter
2) State Plan Pages

The complete title XXI state plan for South Dakota consists of the most recent state plan posted on Medicaid.gov under CHIP and State Plan Amendments. The link is provided below.

Link to state title XXI state plans and amendments: http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Childrens-Health-Insurance-Program-CHIP/CHIP-State-Program-Information.html

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850

Children and Adults Health Programs Group

DEC 1 5 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

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,

/Anne Marie Costello/

Anne Marie Costello
Director

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

CHIP Eligibility

State Name: South Dakota

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? No

Income Standards

Income standards are applied statewide. Yes

Are there any exceptions, e.g. populations in a county which may qualify under either a statewide income standard or a county income standard? No

Statewide Income Standard

The statewide income standard is: From zero up to 133 % 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.

V.20140415

CHIP Eligibility

State Name: South Dakota

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	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. 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. 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. 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.	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

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

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.

V.20160722

expansion of the State's Medicaid program to include children age 6 through 18 from 100% to 133% of the Federal Poverty Level. Under this program expansion eligible children with insurance coverage were enrolled in Medicaid and uninsured children not otherwise eligible for Medicaid were enrolled in SCHIP. In April of 1999, SCHIP implementation via Medicaid expansion continued as the income level for eligibility was increased from 133% of the FPL to 140% for children from birth to age 19 for both the Medicaid and M-SCHIP programs. Again, insured children received Medicaid benefits, and targeted uninsured children received M-SCHIP.

South Dakota's third effort under Title XXI to expand coverage to targeted uninsured children included the method of delivering child health assistance is through a state administered program. The State Administered program, called CHIP NM, is operated directly by the South Dakota Department of Social Services. Children to be covered under the CHIP-NM program are uninsured children from birth to age 19 in families with incomes above 140% of the FPL and not exceeding 200% of the FPL. Effective January 1, 2014, the implementation of the affordable care act required states to convert the established income limits to a Modified Adjust Gross Income (MAGI) equivalent. The MAGI equivalents are as follows:

M-SCHIP uninsured children 6 to 19 – 111% to 181%
M-SCHIP uninsured children 0 to 5 – 147% to 181%
CHINP-NM uninsured children 0 to 19 – 182% to 204%

Effective July 1, 2016 South Dakota added coverage of unborn children of pregnant women with incomes from 0% FPL and up to and including 133% FPL not otherwise eligible for Medicaid due to citizenship requirements. As the single state agency for Medicaid the Department is jointly administering CHIP-NM with the Medicaid and M- SCHIP programs using DSS eligibility, outreach, benefit payment, reporting and management resources. General Funds have been appropriated by the South Dakota State Legislature to provide matching funds for Federal Title XXI funds.

Benefits delivered to targeted uninsured children under the CHIP-NM state administered program are identical to the benefits offered under the State's Medicaid and M-SCHIP programs, including EPSDT benefits. Health care services are delivered using the existing delivery and payment systems including primary care case management and access to specialty health service providers, as approved under the State's 1915(b) waiver under Medicaid. South Dakota will request the managed care waiver be incorporated into it's Medicaid and SCHIP state plans. The State can assure that children receiving services under SCHIP will receive the same beneficiary protections as children receiving Medicaid coverage including grievances and appeals, privacy and confidentiality, respect and non-discrimination, access to emergency services, and an opportunity to participate in health care treatment decision and choice of providers. The State can also assure that it is providing SCHIP services in an effective and efficient manner by using Medicaid policies and procedures.

Children are considered uninsured if they do not qualify for Medicaid and have not had group health plan coverage in the three months immediately prior to application for the SCHIP program.

3.2. Describe the utilization controls under the child health assistance provided under the plan for targeted low-income children. Describe the systems designed to ensure that enrollees receiving health care services under the state plan receive only appropriate and medically necessary health care consistent with the benefit package described in the approved state plan. **(Section 2102)(a)(4) (42CFR 457.490(b))**

Services provided under SCHIP will share the utilization controls used by the Medicaid program to ensure that only health care services that are appropriate, medically necessary, and approved by the State are used. Children covered under SCHIP will be enrolled into a primary care case management system to ensure access to primary care and to provide monitoring and authorization for required specialty medical services. The primary care case management system used will be the PRIME program operated for Medicaid and SCHIP children in South Dakota, authorized by CMS under a 1915(b)(1) waiver. South Dakota will request the managed care waiver be incorporated into it's Medicaid and SCHIP state plan.

The SCHIP program will also share the Medicaid SURS resources for post payment review of services provided to SCHIP children. Appropriateness and necessity for care are also monitored by the Department through a contract with the Professional Review Organization (PRO), also used by the Medicaid and Medicare programs in South Dakota. Pharmacy services for SCHIP will be dispensed via a Medicaid point of service computer system that provides prospective drug utilization review on each prescription filled. Additionally, specialized medical services requiring prior authorization under the Medicaid program will also require prior authorization under the SCHIP program.

Section 4. Eligibility Standards and Methodology. (Section 2102(b))

☐ **Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan,** and continue on to Section 5.

4.1. The following standards may be used to determine eligibility of targeted low-income children for child health assistance under the plan. Please note whether any of the following standards are used and check all that apply. If applicable, describe the criteria that will be used to apply the standard. **(Section 2102)(b)(1)(A)) (42CFR 457.305(a) and 457.320(a))**

4.1.1. **X** Geographic area served by the Plan: ~~Statewide.~~See SPA page CS7 for geographic area served by the State Plan.

4.1.2. **X** Age: ~~Birth to age 19 will be served.~~ See SPA page CS7 for age standards under the State Plan.

4.1.3. **X** Income: ~~Children from families with incomes over 140% FPL up to 200% FPL. The plan will use current Medicaid definitions of income, and allows deductions for child support paid and actual child care expenses for employment related daycare up to $500 per month for the family. In addition, the first $50 of current child and spousal support paid to the family unit, and earned income of children under 19 years old who are living with a caretaker, are also deducted. For children from families with incomes under 140% FPL, the additional income disregards are 20% of earned income and actual daycare costs associated with employment.~~ See SPA page CS3 and CS7 for income standards under the State Plan.

4.1.4. ☐ Resources (including any standards relating to spend downs and disposition of resources):

4.1.5. **X** Residency (so long as residency requirement is not based on length of time in state): See SPA pages CS17 and CS18 for residency requirements.~~Children must be residents of the State of South Dakota and meet the citizenship and immigration status requirements applicable to Medicaid.~~

4.1.6. ☐ Disability Status (so long as any standard relating to disability status does not restrict eligibility):

4.1.7. **X** Access to or coverage under other health coverage: Children must not be eligible for Medicaid or covered under any other health insurance or group health plan. Children may not have had insurance coverage under a group health plan in the three months immediately prior to CHIP-NM application unless such coverage was dropped for good cause or access to care not available under the policy.

4.1.8. **X** Duration of eligibility: Eligibility is based on a month to month basis and is redetermined annually for all children. Eligibility may begin up to the first day of the third month prior to the application. Families are required to report all changes that may effect their eligibility, when the change occurs.

4.1.9. **X** Other standards (identify and describe): Families must cooperate with the Department to determine the actual or potential existence of third party coverage for medical expenses, and to establish initial or ongoing eligibility. ~~The Department requires the social security numbers for individuals who are requesting assistance under the SCHIP Medicaid expansion option.~~

The state provides coverage for unborn children in households with income up to and including 133% FPL whose mothers are not otherwise eligible for Medicaid. The unborn child or children are counted as if born and living with the mother in determining family group size. See SPA page CS19 for additional standards.

function consistent with prevailing community standards for diagnosis or condition

- *are not furnished primarily for the convenience of the recipient or the provider*
- *there is no other equally effective course of treatment available or suitable for the recipient requesting the service which is more conservative or substantially less costly.*

Covered Services for Unborn Children

South Dakota provides coverage for unborn children in households with income up to and including 133% FPL whose mothers are not otherwise eligible for Medicaid due to citizenship status. Unborn children receive coverage that is the same as pregnancy related services provided through the Medicaid State Plan for uninsured pregnant women. All coverage listed in section 6.2 only applies to pregnancy related services. Benefits to unborn children are delivered through the same delivery and utilization control systems.

South Dakota uses a bundled payment methodology for prenatal services, labor and delivery, and postpartum visits. The bundled payment is billed on the date of birth of the baby so the postpartum visit is prepaid. If the state is unable to use a bundled payment for any reason, the services are paid fee-for-service.

CHIP level FFP is available for all services provided during the pregnancy and for the bundled payment. No CHIP level FFP is available for non-bundled non-emergency services provided during the postpartum period.

6.2.1. **X** Inpatient services **(Section 2110(a)(1))**

Inpatient services include services provided in general acute care hospitals and specialty hospitals including rehabilitation, long term care, surgical specialty, psychiatric and children's hospitals. Specialized units of acute care hospitals including neonatal intensive care, rehabilitation and psychiatric units are also covered. Inpatient hospital services are included as PCCM services requiring referrals. Psychiatric, Rehabilitation, and Long Term Care hospitals require prior authorization. Emergency psychiatric hospitalizations are authorized after admission. Inpatient surgeries that are normally performed in outpatient settings must be prior authorized. The Department monitors neonatal Intensive Care Services. There are no limitations on services provided.

6.2.2. **X** Outpatient services **(Section 2110(a)(2))**

Outpatient hospital services include laboratory services, X ray and other

Prosthetic devices, except dental, are included for coverage, including braces, artificial limbs, artificial eyes, augmentative communication devices, items to replace all or part of an internal body organ, and the replacement of such devices required by a change in the patient's condition.

Eyeglasses and contact lenses are included in coverage and may be obtained from optical providers, physicians as described in 6.2.3, and optometrists along with professional services. Eyeglasses are limited to replacement after 15 months, unless significant vision changes have occurred. Not applicable to the unborn.

Durable Medical Equipment and prosthetic devices are included in the PCCM program. Eyeglasses and services of vision professionals are not included in the PCCM program.

6.2.13. **X** Disposable medical supplies **(Section 2110(a)(13))**

Disposable medical supplies are covered when medically necessary under each of the forms of coverage in Section 6.2.

6.2.14. **X** Home and community-based health care services (See instructions) **(Section 2110(a)(14))**

Home and community based services are covered when medically necessary and ordered by a physician and provided by a home health agency or qualified professional. Home health services include medical supplies, skilled nursing services, home health aide services, physical therapy, speech therapy, occupational therapy, respiratory therapy when ventilator dependent, and medical social services. Individuals receiving these services must be unable to leave home without considerable effort. Services are of an intermittent nature, not more than once per day or 4 times per week. There is no limit on the number of visits a person may receive.

Extended home health aide services and private duty nursing services are covered when more than 3 consecutive hours of care are necessary. These services must be prior authorized.

Home based therapy services are also covered for children with mental disorders or who are seriously emotionally disturbed. A treatment plan must exist that documents the need for home based therapy services. Covered services include diagnostic assessment, individual therapy, family therapy, and collateral services. Services must be prior authorized.

6.2.15. **X** Nursing care services (See instructions) **(Section 2110(a)(15))**

database of prior authorizations, and monitoring of the determination within 14 days of receipt can be easily documented.

Section 8. Cost Sharing and Payment (Section 2103(e))

☐ **Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan,** and continue on to Section 9.

8.1. Is cost-sharing imposed on any of the children covered under the plan? **(42CFR 457.505)**

8.1.1. ☐ YES
8.1.2. X NO, **skip to question 8.8.**

8.2. Describe the amount of cost-sharing, any sliding scale based on income, the group or groups of enrollees that may be subject to the charge and the service for which the charge is imposed or time period for the charge, as appropriate. **(Section 2103(e)(1)(A)) (42CFR 457.505(a), 457.510(b) &(c), 457.515(a)&(c))**

8.2.1. Premiums:
8.2.2. Deductibles:
8.2.3. Coinsurance or copayments:
8.2.4. Other: Unborn children are excluded from cost-sharing requirements.

8.3. Describe how the public will be notified, including the public schedule, of this cost- sharing (including the cumulative maximum) and changes to these amounts and any differences based on income. **(Section 2103(e)((1)(B)) (42CFR 457.505(b))**

8.4. The state assures that it has made the following findings with respect to the cost sharing in its plan: **(Section 2103(e))**

8.4.1. ☐ Cost-sharing does not favor children from higher income families over lower income families. **(Section 2103(e)(1)(B)) (42CFR 457.530)**

8.4.2. ☐ No cost-sharing applies to well-baby and well-child care, including age-appropriate immunizations. **(Section 2103(e)(2)) (42CFR 457.520)**

8.4.3 ☐ No additional cost-sharing applies to the costs of emergency medical services delivered outside the network. **(Section 2103(e)(1)(A)) (42CFR 457.515(f))**

8.5. Describe how the state will ensure that the annual aggregate cost-sharing for a family does not exceed 5 percent of such family's income for the length of the child's eligibility period in the State. Include a description of the procedures that do not primarily rely on a refund given by the state for overpayment by an enrollee: **(Section 2103(e)(3)(B)) (42CFR 457.560(b) and 457.505(e))**