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State/Territory Name: South Dakota

State Plan Amendment (SPA) #: SD-11-006

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid , CHIP, and Survey & Certification

SEP -6 2011

Mr. Larry Iversen, Administrator
Medical Services
Department of Social Services
Kneip Building
700 Governors Drive
Pierre, SD 57501-2291

RE: South Dakota 11-006

Dear Mr. Iversen:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-006. Effective for services on or after April 1, 2011, this amendment modifies State plan language by creating a methodology addressing recovery and redistribution of disproportionate share hospital payments.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 11-006 is approved effective April 1, 2011. We are enclosing the CMS-179 and the amended plan page.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,

Cindy Mann
Director, CMCS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 11-6	2. STATE: South Dakota
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	4. PROPOSED EFFECTIVE DATE April 21, 2011 <i>CBC revision on 8/26/11</i>	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		
5. TYPE OF PLAN MATERIAL (Check One):		
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		

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

6. FEDERAL STATUTE/REGULATION CITATION: 1902(a)(13)(A), 1902(a)(30), and 1923 of the Act, and 42 CFR 447 Subpart C	7. FEDERAL BUDGET IMPACT: a. FFY 2011: \$0 b. FFY 2012: \$0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Page 8a (new)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:
This State Plan Amendment adds a new page to the South Dakota methodology for the Disproportionate Share Hospital program based upon a Center for Medicaid, CHIP and Survey and Certification Information Bulletin, dated June 21, 2011.

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: <i>Kim Malsam-Rysdon</i>	16. RETURN TO: DEPARTMENT OF SOCIAL SERVICES DIVISION OF MEDICAL SERVICES 700 GOVERNORS DRIVE PIERRE, SD 57501-2291
13. TYPED NAME: KIM MALSAM-RYSDON	
14. TITLE: Department Secretary	
15. DATE SUBMITTED: 6/29/11	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED:	18. DATE APPROVED: SEP - 6 2011

PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: APR - 1 2011	20. SIGNATURE OF REGIONAL OFFICIAL: <i>[Signature]</i>
21. TYPED NAME: PENNY THOMPSON	22. TITLE: Deputy Director, CMCS

23. REMARKS:

The Department will recover any disproportionate share payments in excess of hospital-specific limits made to qualifying hospitals from those qualifying hospitals. The amount recovered will then be redistributed to the remaining qualifying hospitals proportionately based upon their low-income utilization rate or Medicaid inpatient utilization rate (whichever utilization rate results in a higher payment) by using how many standard deviations above the mean the hospital qualified.

TN # 11-6
Supersedes
TN # NEW

Approval Date SEP -6 2011

Effective Date 4/01/11