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State/Territory Name: South Dakota

State Plan Amendment (SPA) #: SD-14-003

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1600 Broadway, Suite 700
Denver, CO 80202-4967



Region VIII

September 3, 2014

Lynne Valenti, Secretary
Department of Social Services
Richard F. Kneip Building
700 Governors Drive
Pierre, SD 57501-2291

RE: South Dakota #14-003

Dear Ms. Valenti:

We have reviewed the proposed State Plan Amendment (SPA) submitted under transmittal number (TN) 14-003. This SPA allows payment of a facility fee to eligible originating sites for completed telemedicine transactions.

Please be informed that this State Plan Amendment is approved effective October 1, 2014. We are enclosing the CMS-179 and the amended plan page(s).

If you have any questions concerning this amendment, please contact Laurie Jensen at (303) 844-7126.

Sincerely,

/s/

Dzung Hoang
Acting Associate Regional Administrator
Division for Medicaid & Children's Health Operations

CC: Kirby Stone, Medicaid Director
Ann Schwartz
Sarah Aker

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: SD-14-003	2. STATE: South Dakota
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE October 1, 2014	

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: 42 CFR 447 Subpart B	7. FEDERAL BUDGET IMPACT: a. FFY 2015: \$ 3,262.73 b. FFY 2016: \$ 3,262.73
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 6	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Page 6
10. SUBJECT OF AMENDMENT: This State Plan Amendment allows payment of a facility fee to eligible originating sites for completed telemedicine transactions.	

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: 	16. RETURN TO: DEPARTMENT OF SOCIAL SERVICES DIVISION OF MEDICAL SERVICES 700 GOVERNORS DRIVE PIERRE, SD 57501-2291
13. TYPED NAME: Lynne A. Valenti	
14. TITLE: Cabinet Secretary	
15. DATE SUBMITTED: 07/14/2014	

17. DATE RECEIVED: 7/14/14	18. DATE APPROVED: 9/3/14
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19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/01/14	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME: Dzung Hoang	22. TITLE: Acting ARA, DMCHO

23. REMARKS:

ATTACHMENT 4.19-B
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

5a. Physician Services

a. Services other than clinical diagnostic laboratory tests.

1. Payment will be the lower of billed charges or based upon a fee schedule established by the State agency for procedures provided ten or more times in the base year without a procedure modifier indicated on the claim. The fee schedule will be published on the agency's website <http://dss.sd.gov/sdmedx/includes/providers/feeschedules/dss/index.aspx> along with any subsequent adjustments. The state agency's rates were set as of January 1, 2013 and are effective for services rendered on or after that date. The fee schedule is subject to annual/periodic adjustment. Payment amounts will be the same for all public and private providers.
2. Payment for procedures provided less than ten times in the base year will be the amount allowed under the Medicare program effective January 1, 1993. If there is no Medicare fee established the payment will be 40% of billed charges.
3. Supplies will be paid at 90% of the provider's usual and customary charge.

b. Anesthesia services. Payment will be the lower of billed charges or the fee established by the State agency. The fee schedule will be published on the agency's website <http://dss.sd.gov/sdmedx/includes/providers/feeschedules/dss/index.aspx> along with any subsequent adjustments.

c. Clinical diagnostic laboratory tests.

1. Payment will be the lower of billed charges or the fee set by Medicare.
2. Payments will be the same for all public and private providers.
3. Tests for which Medicare has not established a fee will be paid at 60% of billed charges.
4. Fees will be published on the State agency's website <http://dss.sd.gov/sdmedx/includes/providers/feeschedules/dss/index.aspx>, as well as any subsequent adjustments and updates. The state agency's rates were set as of July 1, 2012 and are effective for services rendered on or after that date. The fee schedule is subject to annual/periodic adjustment.

d. Deductible and co-insurance charges under the Medicare program will be paid at the amount indicated by the Medicare carrier.

e. Payment levels for procedures reported with a procedure modifier may be paid at a lower or higher amount than the fee established in "a" or "c" above, depending on the modifier used by the provider when submitting the claim.

f. Payment for physician services provided via telemedicine is made as follows:

1. Only providers eligible to enroll in the Medicaid program are eligible for payment of telemedicine services. Providers must bill the appropriate CPT procedure code with the modifier "GT" indicating the services were provided via telemedicine.
2. Originating sites, the physical location of the recipient at the time the service is provided, are paid a facility fee per completed transmission, according to the fee schedule. All originating sites must be an enrolled provider. Approved originating sites are:
 - i. Office of a physician or practitioner.
 - ii. Outpatient Hospitals.
 - iii. Critical Access Hospitals.
 - iv. Rural Health Clinics. The facility fee is not considered an encounter and will be reimbursed according to the fee schedule.
 - v. Federally Qualified Health Centers. The facility fee is not considered an encounter and will be reimbursed according to the fee schedule.
 - vi. Indian Health Service (IHS) Clinics. The facility fee is not considered an encounter and will be reimbursed according to the fee schedule.
 - vii. Community Mental Health Centers.
 - viii. Nursing Facilities.
3. Distant sites, the physical location of the practitioner providing the service, are reimbursed the lesser of the established rate on the Department's fee schedule or the provider's usual and customary charge.

Payment amounts will be the same for all public and private providers of telemedicine. The State agency publishes the fee schedule and all subsequent updates on its website

<http://dss.sd.gov/sdmedx/includes/providers/feeschedules/dss/index.aspx>. The state agency's rates were set as of January 1, 2013 and are effective for services rendered on or after that date. The fee schedule is subject to annual/periodic adjustment.