
Table of Contents

State/Territory Name: South Dakota

State Plan Amendment (SPA) #: 19-0012

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 S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group/ Division of Reimbursement Review

February 11, 2020

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

RE: TN 19-0012

Dear Mr. Snyder:

We have reviewed the proposed amendment to Attachment 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 19-012. The proposed amendment was submitted to address and resolve the issues identified in the companion letter issued with the approval of SD-19-0004.

Based upon the information provided by the State, we have approved the amendment as 19-0012 for incorporation into the official South Dakota State Plan with an effective date of December 1, 2019. A copy of the CMS-179 and the approve plan page(s) are enclosed with this letter.

If you have any questions, please call Kirstin Michel at (303) 844-7036 or by email at Kirstin.Michel@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Todd McMillion
Acting Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: SD-19-012	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 December 1, 2019	

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: SSA § 1902(a) and 42 CFR 447	7. FEDERAL BUDGET IMPACT: a. FFY 2020: \$0.00 b. FFY 2021: \$0.00
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Page 6 of Attachment 4.19-B	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Page 6 of Attachment 4.19-B
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10. SUBJECT OF AMENDMENT:
The proposed State Plan Amendment clarifies language on the physician and laboratory services reimbursement page including removing duplicative language and clarifying the reimbursement methodology for clinical diagnostic laboratory tests for which Medicare has not established a fee.

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: Laurie Gill	
14. TITLE: Cabinet Secretary	
15. DATE SUBMITTED: December 19, 2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 12/19/2019	18. DATE APPROVED: 2/11/2020
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 12/1/2019	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Todd McMillion	22. TITLE: Acting Director

23. REMARKS:

FORM CMS-179 (07-92)

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

5a. Physician Services

The rates below are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page, Page 1.

- a. Services other than clinical diagnostic laboratory tests.
 1. Payment will be the lower of the provider's usual and customary charge or the amount established on the State agency's fee schedule published on the agency's website <https://dss.sd.gov/medicaid/providers/feeschedules/dss/>. If there is no fee established, the payment will be 40% of the provider's usual and customary charge.
 2. If there is no fee established for supplies furnished incidental to the professional services of a physician, the payment will be paid 90% of the provider's usual and customary charge.
- b. Anesthesia services. Payment will be the lower of the provider's usual and customary charge or the amount established on the State agency's fee schedule published on the agency's website <https://dss.sd.gov/medicaid/providers/feeschedules/dss/>.
- c. Clinical diagnostic laboratory tests.
 1. Payment will be the lower of the provider's usual and customary charge or the amount established on the State agency's fee schedule published on the agency's website <https://dss.sd.gov/medicaid/providers/feeschedules/dss/>. The established fee will not exceed Medicare's fee on a per test basis as required by Section 1903(i)(7) of the Social Security Act.
 2. Tests for which Medicare has not established a fee will be paid the lower of a fee established by the State agency or priced by report. The reimbursement rate for these services is determined using one of a variety of different reimbursement methodologies. The reimbursement rates for services priced by report are determined using a similar service, product, or procedure that has an established rate, or a percentage of the provider's usual and customary charge. The specific methodology depends on the service, product, or procedure performed.
- d. 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, will be paid the lower of the provider's usual and customary charge or the amount established on the State agency's fee schedule published on the agency's website <https://dss.sd.gov/medicaid/providers/feeschedules/dss/>. 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.
 - ix. School Districts.
 3. Distant sites, the physical location of the practitioner providing the service, will be paid the lower of the provider's usual and customary charge or the amount established on the State agency's fee schedule published on the agency's website <https://dss.sd.gov/medicaid/providers/feeschedules/dss/>.