

[Records](#) / [Submission Packages - View All](#)

SD - Submission Package - SD2020MS00030 - (SD-20-0008) - Health Homes

- [Summary](#)
- [Reviewable Units](#)
- [Versions](#)
- [Compare Doc Change Report](#)
- [Analyst Notes](#)
- [Review Assessment Report](#)
- [Approval Letter](#)
- [Transaction Logs](#)
- [News](#)
- [Related Actions](#)

CMS-10434 OMB 0938-1188

Package Information

Package ID	SD2020MS00030	Submission Type	Official
Program Name	MIGRATED_HH.South Dakota Health Homes	State	SD
SPA ID	SD-20-0008	Region	Denver, CO
Version Number	1	Package Status	Approved
Submitted By	Matthew Ballard	Submission Date	8/26/2020
Package Disposition		Approval Date	10/21/2020 10:53 AM EDT
Priority Code	P2		

DEPARTMENT OF HEALTH & HUMAN SERVICES
 Centers for Medicare & Medicaid Services
 Medicaid and CHIP Operations Group
 601 E. 12th St., Room 355
 Kansas City, MO 64106



Center for Medicaid & CHIP Services

October 21, 2020

Bill Snyder
 Medicaid Director
 Department of Social Services
 700 Governors Drive
 Pierre, SD 57501

Re: Approval of State Plan Amendment SD-20-0008 MIGRATED_HH.South Dakota Health Homes

Dear Bill Snyder:

On August 26, 2020, the Centers for Medicare and Medicaid Services (CMS) received South Dakota State Plan Amendment (SPA) SD-20-0008 for MIGRATED_HH.South Dakota Health Homes to implement a 2.0 percent inflationary increase to the Health Home per member per month (PMPM) payment.

We approve South Dakota State Plan Amendment (SPA) SD-20-0008 on October 21, 2020 with an effective date(s) of July 01, 2020.

Name	Date Created	
No items available		

If you have any questions regarding this amendment, please contact Mandy Strom at mandy.strom@cms.hhs.gov.

Sincerely,
 James G. Scott
 Director, Division of Program Operations
 Center for Medicaid & CHIP Services

Submission - Summary

MEDICAID | Medicaid State Plan | Health Homes | SD2020MS00030 | SD-20-0008 | MIGRATED_HH.South Dakota Health Homes

Package Header

Package ID	SD2020MS00030	SPA ID	SD-20-0008
Submission Type	Official	Initial Submission Date	8/26/2020
Approval Date	10/21/2020	Effective Date	N/A
Superseded SPA ID	N/A		

State Information

State/Territory Name: South Dakota **Medicaid Agency Name:** Department of Social Services

Submission Component

- State Plan Amendment
- Medicaid

CHIP

Submission - Summary

MEDICAID | Medicaid State Plan | Health Homes | SD2020MS0003O | SD-20-0008 | MIGRATED_HH.South Dakota Health Homes

Package Header

Package ID SD2020MS0003O	SPA ID SD-20-0008
Submission Type Official	Initial Submission Date 8/26/2020
Approval Date 10/21/2020	Effective Date N/A
Superseded SPA ID N/A	

SPA ID and Effective Date

SPA ID SD-20-0008

Reviewable Unit	Proposed Effective Date	Superseded SPA ID
Health Homes Payment Methodologies	7/1/2020	SD-19-0003

Submission - Summary

MEDICAID | Medicaid State Plan | Health Homes | SD2020MS00030 | SD-20-0008 | MIGRATED_HH.South Dakota Health Homes

Package Header

Package ID SD2020MS00030	SPA ID SD-20-0008
Submission Type Official	Initial Submission Date 8/26/2020
Approval Date 10/21/2020	Effective Date N/A
Superseded SPA ID N/A	

Executive Summary

Summary Description Including Goals and Objectives The state plan amendment implements a 2.0 percent inflationary increase to the Health Home PMPM.

Federal Budget Impact and Statute/Regulation Citation

Federal Budget Impact

	Federal Fiscal Year	Amount
First	2020	\$12342
Second	2021	\$45083

Federal Statute / Regulation Citation

42 CFR 447.201

Supporting documentation of budget impact is uploaded (optional).

Name	Date Created
No items available	

Submission - Summary

MEDICAID | Medicaid State Plan | Health Homes | SD2020MS00030 | SD-20-0008 | MIGRATED_HH.South Dakota Health Homes

Package Header

Package ID	SD2020MS00030	SPA ID	SD-20-0008
Submission Type	Official	Initial Submission Date	8/26/2020
Approval Date	10/21/2020	Effective Date	N/A
Superseded SPA ID	N/A		

Governor's Office Review

- No comment
- Comments received
- No response within 45 days
- Other

Submission - Public Notice/Process

MEDICAID | Medicaid State Plan | Health Homes | SD2020MS00030 | SD-20-0008 | MIGRATED_HH.South Dakota Health Homes

Package Header

Package ID SD2020MS00030	SPA ID SD-20-0008
Submission Type Official	Initial Submission Date 8/26/2020
Approval Date 10/21/2020	Effective Date N/A
Superseded SPA ID N/A	

Name of Health Homes Program

MIGRATED_HH.South Dakota Health Homes

Public notice was provided due to proposed changes in methods and standards for setting payment rates for services, pursuant to 42 CFR 447.205.

Upload copies of public notices and other documents used

Name	Date Created	
Register	7/9/2020 2:54 PM EDT	

Submission - Tribal Input

MEDICAID | Medicaid State Plan | Health Homes | SD2020MS00030 | SD-20-0008 | MIGRATED_HH.South Dakota Health Homes

Package Header

Package ID	SD2020MS00030	SPA ID	SD-20-0008
Submission Type	Official	Initial Submission Date	8/26/2020
Approval Date	10/21/2020	Effective Date	N/A
Superseded SPA ID	N/A		

Name of Health Homes Program:

MIGRATED_HH.South Dakota Health Homes

One or more Indian Health Programs or Urban Indian Organizations furnish health care services in this state

- Yes
- No

This state plan amendment is likely to have a direct effect on Indians, Indian Health Programs or Urban Indian Organizations, as described in the state consultation plan.

- Yes
- No

The state has solicited advice from Indian Health Programs and/or Urban Indian Organizations, as required by section 1902(a)(73) of the Social Security Act, and in accordance with the state consultation plan, prior to submission of this SPA.

Complete the following information regarding any solicitation of advice and/or tribal consultation conducted with respect to this submission:

Solicitation of advice and/or Tribal consultation was conducted in the following manner:

- All Indian Health Programs

Date of solicitation/consultation:	Method of solicitation/consultation:
6/29/2020	Email notification.

- All Urban Indian Organizations

Date of solicitation/consultation:	Method of solicitation/consultation:
6/29/2020	Email notification.

States are not required to consult with Indian tribal governments, but if such consultation was conducted voluntarily, provide information about such consultation below:

- All Indian Tribes

Date of consultation:	Method of consultation:
6/29/2020	Email notification.

The state must upload copies of documents that support the solicitation of advice in accordance with statutory requirements, including any notices sent to Indian Health Programs and/or Urban Indian Organizations, as well as attendee lists if face-to-face meetings were held. Also upload documents with comments received from Indian Health Programs or Urban Indian Organizations and the state's responses to any issues raised. Alternatively indicate the key issues and summarize any comments received below and describe how the state incorporated them into the design of its program.

Name	Date Created	
Provider Inflationary Increases - Tribal Consultation	7/9/2020 3:52 PM EDT	

Indicate the key issues raised (optional)

- Access
- Quality
- Cost
- Payment methodology
- Eligibility
- Benefits
- Service delivery
- Other issue

Submission - Other Comment

MEDICAID | Medicaid State Plan | Health Homes | SD2020MS00030 | SD-20-0008 | MIGRATED_HH.South Dakota Health Homes

Package Header

Package ID SD2020MS00030	SPA ID SD-20-0008
Submission Type Official	Initial Submission Date 8/26/2020
Approval Date 10/21/2020	Effective Date N/A
Superseded SPA ID N/A	

SAMHSA Consultation

Name of Health Homes Program

MIGRATED_HH.South Dakota Health Homes

The State provides assurance that it has consulted and coordinated with the Substance Abuse and Mental Health Services Administration (SAMHSA) in addressing issues regarding the prevention and treatment of mental illness and substance abuse among eligible individuals with chronic conditions.

Date of consultation
11/20/2012

Health Homes Payment Methodologies

MEDICAID | Medicaid State Plan | Health Homes | SD2020MS00030 | SD-20-0008 | MIGRATED_HH.South Dakota Health Homes

Package Header

Package ID	SD2020MS00030	SPA ID	SD-20-0008
Submission Type	Official	Initial Submission Date	8/26/2020
Approval Date	10/21/2020	Effective Date	7/1/2020
Superseded SPA ID	SD-19-0003		
	System-Derived		

Payment Methodology

The State's Health Homes payment methodology will contain the following features

- Fee for Service
 - Individual Rates Per Service
 - Per Member, Per Month Rates
 - Fee for Service Rates based on
 - Severity of each individual's chronic conditions
 - Capabilities of the team of health care professionals, designated provider, or health team
 - Other
 - Comprehensive Methodology Included in the Plan
 - Incentive Payment Reimbursement
 - Fee for Service Rates based on
 - Severity of each individual's chronic conditions
 - Capabilities of the team of health care professionals, designated provider, or health team
 - Other

Describe below

South Dakota will provide a supplemental quality incentive payment to Health Homes when the Health Home intervention produces at least \$3 million in savings through efficiencies. Savings through efficiencies is calculated by determining the per member per month (PMPM) for Health Home participants and individuals eligible for Health Homes that do not participate in the program. The PMPMs are multiplied by the number of Health Home member months and the numbers are compared to determine the amount of savings through efficiencies. South Dakota Medicaid worked with a Subgroup of the Implementation Workgroup to identify a payment

methodology. The payment methodology is targeted to:

- Incentivize providers with small caseloads usually in rural and frontier areas to continue to participate in the program.
- Reward providers performing above the mean on clinical outcome measures.

To receive a payment, providers must have participated in the Health Home program during the outcome measurement year, be in good standing with the program by providing a core service to at least 50% of their caseload and reporting outcome measures for each recipient that was provided a core service. Payments are based on outcomes reported on a calendar year basis and average annual caseload and tier are calculated on a calendar year basis.

Total state funds available for the quality incentive payment are listed on the department's website

<http://dss.sd.gov/medicaid/providers/feeschedules/> effective January 1, 2019. The amount is divided into the small caseload incentive payment and the clinical outcome measure payment. The small caseload incentive payment amount is divided equally between each qualifying designated Health Home.

The clinical outcome measure payment is comprised of a base amount to all qualifying designated Health Homes based on the designated Health Homes' performance in relation to the statewide mean and an amount based on the average annual caseload and tier make-up of each qualifying designated Health Home.

South Dakota has 66 counties; only 2 of the 66 counties are urban. For statewide implementation, smaller providers in rural and frontier areas must participate. The small caseload payment promotes access to the Health Home program across the state by incentivizing participation when a caseload may not be large enough to support independent adoption of the program. This encourages health systems to implement the Health Home program in all locations, regardless of size.

To determine if a Health Home should receive the small caseload payment, DSS will average the caseload receiving a Health Home core service for each Health Home for every month of the measurement year. To qualify for this payment, providers must have been an active Health Home Provider during the outcome measurement year and have an average caseload that received a core service of 15 or less.

The incentive payments are based on outcomes data that demonstrates the successful provision of core services to Health Home recipients and demonstrates the provider's successful implementation of the Health Home model. The outcome measure payment recognizes quality of care by rewarding providers who consistently perform above the statewide mean. To qualify for the clinical outcome measure payment, providers must be above the statewide mean in performance on the clinical outcome measures. South Dakota calculates a statewide average for each outcome measure. Each health home's outcomes are compared to the statewide average and assigned a standard deviation from the statewide average. The quality score is calculated by averaging the standard deviation for each measure. The outcome measures used for calculating the quality score are available on the department's website: <https://dss.sd.gov/medicaid/providers/feeschedules/dss/>. The outcome measures are effective January 1, 2019. The outcome measures used for calculating the quality score are selected in partnership between the state and a stakeholder group comprised of health homes.

Quality incentive outcome supplemental payments are only made to providers operating in good standing with the Health Homes program. To be in good standing, a Health Homes must provide a core service to at least 50% of their caseload and report outcome measures for each recipient that was provided a core service. Providers receive two distinct payments for achieving a quality score above the mean

for all clinics.

1. Clinic Outcome Measure Quality Quartile Payment: The Clinic Outcome Measure Quality Quartile Payment provides qualifying Health Homes a base payment for achieving a quality score above the mean. Base payments are made to the top two quartiles and are uniform by quartile. Health Homes qualify for the payment based on their quality score and placement in each quartile. The first quartile payment is \$1,724. The second quartile payment is \$2,742.

2. Clinical Quality Measure Caseload and Tier Payment: The Clinical Quality Measure Caseload and Tier Payment uses the quality score to calculate a payment for Health Homes with a quality score above the mean. The calculation for this payment uses the number of recipients in each tier who received a core service to create a payment by attaching a multiplication factor to each tier equivalent to the percentage of efficiency gained using the Health Home intervention for recipients in the Tier. The percentage of efficiency is the following:

- Tier 1 - 2 percent for enrollment and 4 percent for efficiency
- Tier 2 - 56 percent for enrollment and 42 percent for efficiency
- Tier 3 - 31 percent for enrollment and 32 percent for efficiency
- Tier 4 - 11 percent for enrollment and 22 percent for efficiency

The calculation and distribution methodology utilizes a payment pool. The calculation is attached as Attachment 1.

The supplemental quality incentive payment (small caseload incentive payment, Clinic Outcome Measure Quality Quartile Payment, and Clinical Quality Measure Caseload and Tier Payment) is distributed as an annual, lump sum amount. Payments will be made within 18 months following the end of the outcome measurement calendar year. The payment will be made to the provider through the MMIS system. Payments will be made directly to the qualifying provider

through a supplemental payment mechanism and will appear on their remittance advice. Each provider will receive written notification at the time of payment of the payment amount from DMS.

Payments made in error will be recovered via a supplemental recovery mechanism and will appear on the provider's remittance advice. The agency will notify the provider in writing explaining the error prior to the recovery. The Federal share of payments made in excess will be returned to CMS in accordance with 42 CFR Part 433, Subpart F.

Describe any variations in payment based on provider qualifications, individual care needs, or the intensity of the services provided

Each of the four tiers will have an individual per member per month (PMPM) payment. PMPM payments were based on the estimated Uncoordinated Care Costs (UCC) for the eligible recipients. UCC includes the following: non-emergent ER usage, all cause readmission and ambulatory sensitive conditions. These estimates were developed from FY 2012 claims data and will serve as the baseline. Health Home services will be provided by Community Mental Health Centers (CMHC) and Primary Care Providers (PCP). The agency's rates are effective July 1, 2020 for services provided on or after that date. All rates are posted on the agency website at <https://dss.sd.gov/medicaid/providers/feeschedules/dss/>. The state developed fee schedules are the same for both governmental and private providers.

- PCCM (description included in Service Delivery section)
- Risk Based Managed Care (description included in Service Delivery section)
- Alternative models of payment, other than Fee for Service or PMPM payments (describe below)

Health Homes Payment Methodologies

MEDICAID | Medicaid State Plan | Health Homes | SD2020MS00030 | SD-20-0008 | MIGRATED_HH.South Dakota Health Homes

Package Header

Package ID	SD2020MS00030	SPA ID	SD-20-0008
Submission Type	Official	Initial Submission Date	8/26/2020
Approval Date	10/21/2020	Effective Date	7/1/2020
Superseded SPA ID	SD-19-0003		
	System-Derived		

Agency Rates

Describe the rates used

- FFS Rates included in plan
- Comprehensive methodology included in plan
- The agency rates are set as of the following date and are effective for services provided on or after that date

Health Homes Payment Methodologies

MEDICAID | Medicaid State Plan | Health Homes | SD2020MS00030 | SD-20-0008 | MIGRATED_HH.South Dakota Health Homes

Package Header

Package ID	SD2020MS00030	SPA ID	SD-20-0008
Submission Type	Official	Initial Submission Date	8/26/2020
Approval Date	10/21/2020	Effective Date	7/1/2020
Superseded SPA ID	SD-19-0003		
	System-Derived		

Rate Development

Provide a comprehensive description in the SPA of the manner in which rates were set

1. In the SPA please provide the cost data and assumptions that were used to develop each of the rates
2. Please identify the reimbursable unit(s) of service
3. Please describe the minimum level of activities that the state agency requires for providers to receive payment per the defined unit
4. Please describe the state's standards and process required for service documentation, and
5. Please describe in the SPA the procedures for reviewing and rebasing the rates, including
 - the frequency with which the state will review the rates, and
 - the factors that will be reviewed by the state in order to understand if the rates are economic and efficient and sufficient to ensure quality services.

Comprehensive Description Each of the four tiers will have an individual per member per month (PMPM) payment. PMPM payments were based on the estimated Uncoordinated Care Costs (UCC) for the eligible recipients. UCC includes the following: non-emergent ER usage, all cause readmission and ambulatory sensitive conditions. These estimates were developed from FY 2012 claims data and will serve as the baseline. In order to receive the PMPM payment, designated providers must provide at a minimum one core service per quarter. Core services provided must be documented in the EHR and responses must be submitted online following each quarter through the DSS online provider portal. The agency's rates are effective July 1, 2020 for services provided on or after that date. All rates are posted on the agency website at <https://dss.sd.gov/medicaid/providers/feeschedules/dss/>. The state developed fee schedules are the same for both governmental and private providers.

Health Homes Payment Methodologies

MEDICAID | Medicaid State Plan | Health Homes | SD2020MS00030 | SD-20-0008 | MIGRATED_HH.South Dakota Health Homes

Package Header

Package ID	SD2020MS00030	SPA ID	SD-20-0008
Submission Type	Official	Initial Submission Date	8/26/2020
Approval Date	10/21/2020	Effective Date	7/1/2020
Superseded SPA ID	SD-19-0003		
	System-Derived		

Assurances

The State provides assurance that it will ensure non-duplication of payment for services similar to Health Homes services that are offered/covered under a different statutory authority, such as 1915(c) waivers or targeted case management.

Describe below how non-duplication of payment will be achieved South Dakota has taken care to ensure the reimbursement model is designed to only fund Health Home Services that are not covered by any of the currently available Medicaid funding mechanisms.

The state has developed payment methodologies and rates that are consistent with section 1902(a)(30)(A).

The State provides assurance that all governmental and private providers are reimbursed according to the same rate schedule, unless otherwise described above.

The State provides assurance that it shall reimburse providers directly, except when there are employment or contractual arrangements consistent with section 1902(a)(32).

Optional Supporting Material Upload

Name	Date Created	
Attachment 1 - Calculations	4/5/2019 2:58 PM EDT	

PRA Disclosure Statement: Centers for Medicare & Medicaid Services (CMS) collects this mandatory information in accordance with (42 U.S.C. 1396a) and (42 CFR 430.12); which sets forth the authority for the submittal and collection of state plans and plan amendment information in a format defined by CMS for the purpose of improving the state application and federal review processes, improve federal program management of Medicaid programs and Children's Health Insurance Program, and to standardize Medicaid program data which covers basic requirements, and individualized content that reflects the characteristics of the particular state's program. The information will be used to monitor and analyze performance metrics related to the Medicaid and Children's Health Insurance Program in efforts to boost program integrity efforts, improve performance and accountability across the programs. Under the Privacy Act of 1974 any personally identifying information obtained will be kept private to the extent of the law. 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 0938-1188. The time required to complete this information collection is estimated to range from 1 hour to 80 hours per response (see below), 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.

This view was generated on 10/21/2020 2:25 PM EDT