

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

May 1, 2025

Heather Petermann
Medicaid Director
South Dakota Department of Social Services
700 Governors Drive
Pierre, SD 57501-2291

Dear Director Petermann:

The Centers for Medicare & Medicaid Services (CMS) completed its review of the South Dakota Former Foster Care Youth Demonstration Evaluation Design, which is required by the Special Terms and Conditions (STCs), specifically, STC #28 “Draft Evaluation Design” of South Dakota’s section 1115 demonstration, “South Dakota Former Foster Care Youth” (FFCY) (Project No: 11-W-00319/8), effective through October 31, 2028. CMS has determined that the Evaluation Design, which was submitted on July 30, 2024, meets the requirements set forth in the STCs and our evaluation design guidance, and therefore approves the state’s Evaluation Design.

CMS has added the approved FFCY Evaluation Design to the demonstration’s STCs as Attachment C. A copy of the STCs, which includes the new attachment, is enclosed with this letter. In accordance with 42 CFR 431.424, the approved Evaluation Design may now be posted to the state’s Medicaid website within 30 days. CMS will also post the approved Evaluation Design as a standalone document, separate from the STCs, on Medicaid.gov.

Please note that an Interim Evaluation Report, consistent with the approved Evaluation Design, is due to CMS one year prior to the expiration of the demonstration, or at the time of the extension application, if the state chooses to extend the demonstration. Likewise, a Summative Evaluation Report, consistent with this approved design, is due to CMS within 18 months of the end of the demonstration period. In accordance with 42 CFR 431.428 and the STCs, we look forward to receiving updates on evaluation activities in the demonstration monitoring reports.

We appreciate our continued partnership with South Dakota on the South Dakota Former Foster Care Youth section 1115 demonstration. If you have any questions, please contact your CMS demonstration team.

Sincerely,

**Danielle
Daly -S**

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Danielle Daly
Director
Division of Demonstration Monitoring and Evaluation

cc: Tyler Deines, State Monitoring Lead, CMS Medicaid and CHIP Operations Group

South Dakota Former Foster Care Youth Draft Evaluation Plan

A. General Background Information

1. On November 21, 2016, CMS published a final rule, entitled “Medicaid and Children’s Health Insurance Programs: Eligibility Notes, Fair Hearing and Appeal Processes for Medicaid and Other Provisions Related to Eligibility and Enrollment for Medicaid and CHIP Final Rule,” that clarified that, after further review, the Department of Health and Human Services (HHS) had determined that the state option to cover youth who were in foster care under the responsibility of another state was not available under section 1902(a)(10)(A)(i)(IX) of the Act. That section provides that, to be eligible under this group, an individual must have been “in foster care under the responsibility of the state” and to have been “enrolled in the state plan under this title or under a waiver of the plan while in such foster care [.]” Because the provision requires coverage specifically for youth in foster care under the responsibility of “the state”—not “a” or “any” state— CMCS did not believe the provision provides states with the option to cover youth who were not under the responsibility of the state while in foster care under the former foster care eligibility group. At the time of the ruling, South Dakota had an approved SPA to cover this population. CMS deemed the provisions were not consistent with the statutory authority or final rules and must be withdrawn through the state plan amendment process. Due to this ruling, South Dakota decided to cover such youth through section 1115 demonstration authority.
2. The South Dakota Former Foster Care Youth demonstration extension request approved October 30, 2023, runs from November 1, 2023, through October 31, 2028.
3. The demonstration enables South Dakota to provide Medicaid coverage to former foster care youth under age 26 who were in foster care under the responsibility of another state or tribe on the date of attaining 18 years of age (or such higher age as the state has elected for termination of federal foster care assistance under title IV-E of the Act), were enrolled in Medicaid on the date of aging out, and are now applying for Medicaid in South Dakota.
 - i. Section 1002(a) of the SUPPORT Act created a Former Foster Care Children (FFCC) Medicaid state plan eligibility group, providing coverage for individuals who were receiving Medicaid while in foster care under the responsibility of any state, however, the new requirements apply exclusively to individuals who turn 18 on or after January 1, 2023. As a result, South Dakota maintains section 1115 demonstration authority to continue coverage for individuals who turned 18 years old on or before December 31, 2022, until a beneficiary reaches age 26.
4. The South Dakota Former Foster Care Youth demonstration has been effective since May 2018. On October 30, 2023, South Dakota was awarded a 5-year extension for which this evaluation plan is effective. That period runs November 1, 2023, through October 31, 2028.

5. The demonstration did not undergo any changes during the approval period on behalf of the state.

B. Evaluation Questions and Hypotheses

1. The state has adopted one main goal for the 1115 waiver:
 - i. Maintain access to Medicaid for former foster care youth who were in foster care and Medicaid in another state and are now a South Dakota resident applying for Medicaid in this state.

Based on general population coverage outcomes the state has adopted the following hypotheses:

- ii. Beneficiaries will be continuously enrolled for 12 months.
- iii. Beneficiaries will access health services.

The evaluation questions allow the state to quantify results statistical evaluation tools. Understanding coverage and utilization will demonstrate the effectiveness of the waiver.

South Dakota is not including goal 2 from the previous demonstration period evaluation design due to small sample sizes and statistical insignificance of findings.

2. All hypotheses promote the objectives of Titles XIX and Title XXI by increasing eligibility for health care to low-income adults who would have otherwise been eligible under a parent's insurance until age 26.
3. The goals are translated into quantifiable targets using administrative enrollment and claims data. This data can be analyzed using descriptive statistics (frequencies and percentages).
4. The driver diagrams for this evaluation can be found in Appendix A.
5. The state will use the following implementation evaluation questions to inform the crafting and selection of testable hypotheses and research questions:
 - i. Does the demonstration provide continuous health insurance coverage?
 - ii. How did beneficiaries utilize health services?

C. Methodology

1. South Dakota will be using a pre/post data comparison to evaluate goal success. The evaluation summary can be found in Appendix B.
2. The evaluation will use the population data collected from the initial 1115 demonstration period (May 1, 2018- April 30, 2023) as baseline data to evaluate outcomes.
3. An interim evaluation and summative evaluation will be performed in accordance with the STCs.
4. The goal will be evaluated using five different measures. The measures are as follows:
 - i. Goal 1
 1. Number of beneficiaries continuously enrolled/ Total number of enrollees.
 2. Number of beneficiaries who had an ambulatory care visit/ Total number of beneficiaries.
 3. Number of beneficiaries who had an emergency department visit/ Total number of beneficiaries.
 4. Number of beneficiaries who had an inpatient visit/ Total number of beneficiaries.
 5. Number of beneficiaries who had a behavioral health encounter /Total number of beneficiaries.

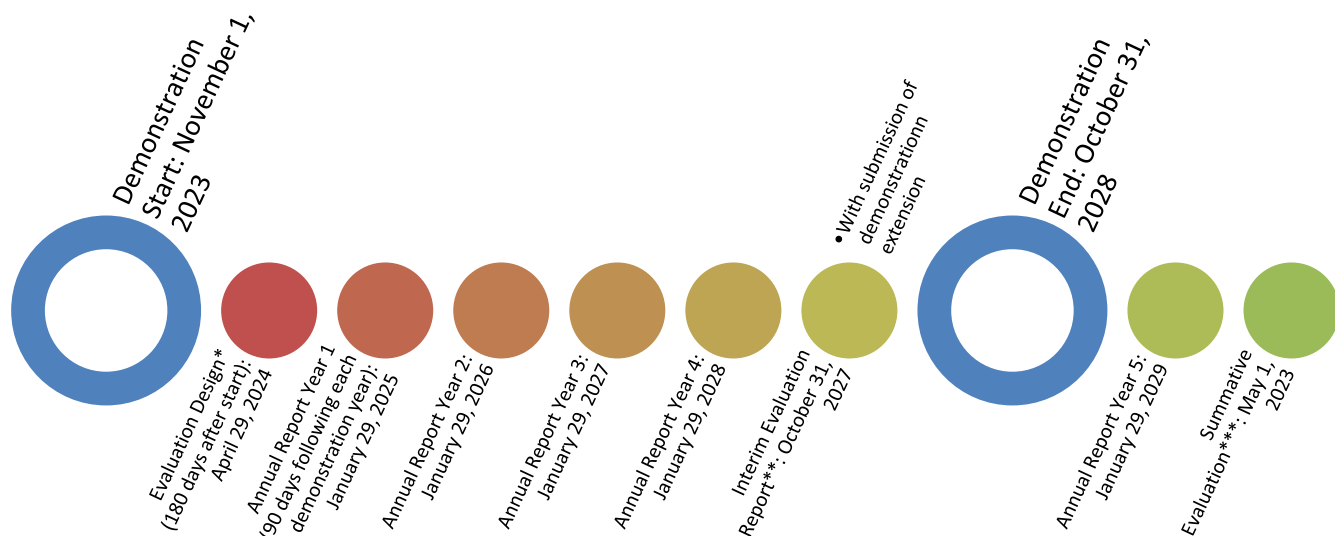
5. Data sources include:
 - i. Administrative data – enrollment and disenrollment data (Goal 1 measure 1)
 - ii. Administrative data – Medicaid claims (Goal 1 measures 2-5)
6. A t-test will be used to compare two sample groups (previous 1115 waiver group, current 1115 waiver group).

D. Methodological Limitations

1. Limitations include the small number of participants in the demonstration. Due to the low number of program participants, statistical analysis has been considered invalid.
2. Strengths of the design include availability of Medicaid enrollment and claims data for analysis, ease of implementation, and ease of evaluation. As such, the demonstration has previously been considered successful. With no administrative changes, appeals, grievances, issues with reporting, and corrective action plans the state plans to continue with the waiver as outlined.

E. Attachments

1. **Budget:**
 - i. Costs associated with evaluation are limited to state staff time. Estimated total expenditures for completion of the interim and summative evaluations is approximately \$5,000.
2. **Timeline and Major Milestones:**



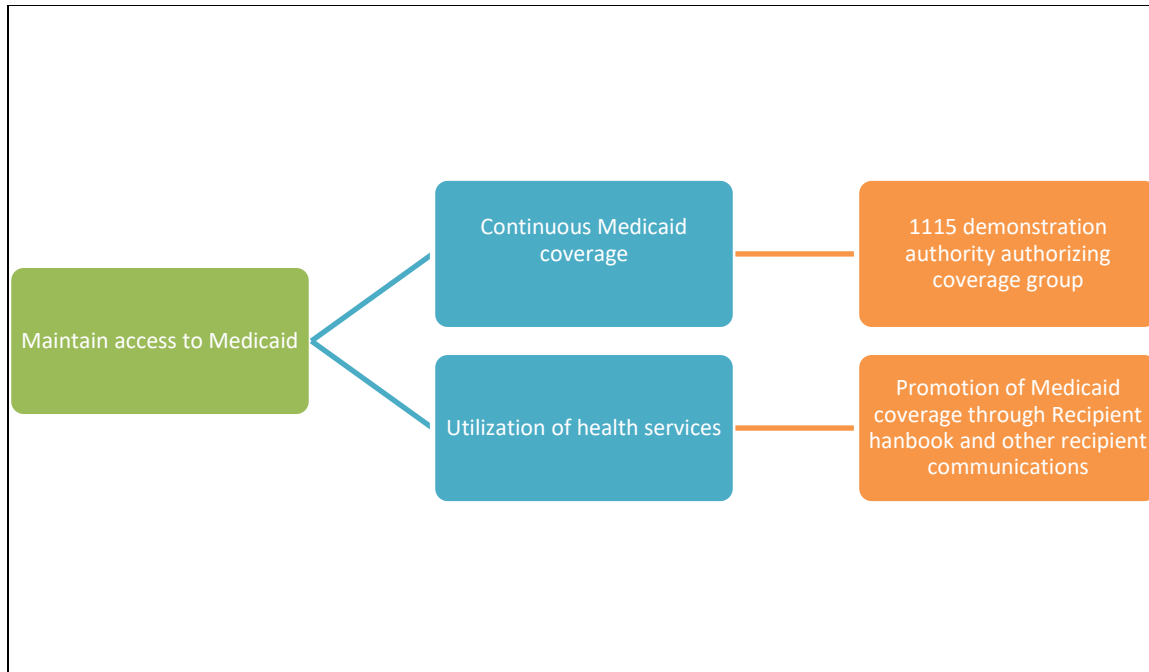
* Revised no later than 60 days following receipt of CMS comments on Draft Evaluation Design

** Revised no later than 60 days following receipt of CMS comments on Draft Interim Evaluation Report

*** Revised no later than 60 days following receipt of CMS comments on Draft Summative Evaluation Report

Appendix A- Driver Diagrams

Diagram 1: Maintain access to Medicaid for former foster care youth who were in foster care and Medicaid in another state and are now a South Dakota resident applying for Medicaid in this state.



Appendix B- Summary of Key Evaluation Questions, Hypotheses, Data Sources, and Analytic Approaches

Demonstration Goal 1: Maintain access to Medicaid for former foster care youth who were in foster care and Medicaid in another state and are now a South Dakota resident applying for Medicaid in this state.					
Evaluation Component	Evaluation Question	Evaluation Hypotheses	Measure [Reported for each Demonstration Year]	Recommended Data Source	Analytic Approach
Process	Does the demonstration provide continuous health insurance coverage?	Beneficiaries will be continuously enrolled for 12 months.	Number of beneficiaries continuously enrolled/ total number of enrollees	Administrative data – enrollment and disenrollment data	Descriptive statistics (frequency and percentage)
	How did beneficiaries utilize health services?	Beneficiaries will access health services.	Number of beneficiaries who had an ambulatory care visit/ Total number of beneficiaries	Administrative data – Medicaid claims	Descriptive statistics (frequencies and percentages)
			Number of beneficiaries who had an emergency department visit/ Total number of beneficiaries		
			Number of beneficiaries who had an inpatient visit/ Total number of beneficiaries		
			Number of beneficiaries who had a behavioral health encounter /Total number of beneficiaries		