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**State/Territory Name: South Dakota**

**State Plan Amendment (SPA) #: 21-0001**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services

Center for Medicaid & CHIP Services

233 North Michigan Ave., Suite 600

Chicago, Illinois 60601



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**Financial Management Group**

April 26, 2021

Laurie R. Gill, Cabinet Secretary  
Department of Social Services Division of Medical Services  
700 Governors Drive  
Pierre, SD 57501-2291

**RE: South Dakota State Plan Amendment (SPA) Transmittal Number 21-0001**

Dear Ms. Gill:

We have reviewed the proposed South Dakota State Plan Amendment (SPA) to Attachment 4.19-B of your state plan, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on January 27, 2021. This plan amendment allows substance use disorder (SUD) agencies to be reimbursed an originating site fee for acting as a telemedicine originating site.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 01, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact LaJoshica (Josh) Smith via 214-767-6453 or [lajoshica.smith@cms.hhs.gov](mailto:lajoshica.smith@cms.hhs.gov).

Sincerely,



Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	<b>1. TRANSMITTAL NUMBER:</b> SD-21-0001	<b>2. STATE:</b> South Dakota
	<b>3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
<b>TO: REGIONAL ADMINISTRATOR</b> CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	<b>4. PROPOSED EFFECTIVE DATE</b> January 1, 2021	

**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)**

<b>6. FEDERAL STATUTE/REGULATION CITATION:</b> 42 CFR 447.201	<b>7. FEDERAL BUDGET IMPACT:</b> a. FFY 2021: \$4,356 b. FFY 2022: \$5,809
<b>8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:</b> Attachment 4.19-B, page 6	<b>9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):</b> Attachment 4.19-B, page 6

**10. SUBJECT OF AMENDMENT:**

The proposed state plan amendment allows substance use disorder agencies to be reimbursed an originating site fee for acting as a telemedicine originating site.


**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

<b>12. SIGNATURE OF STATE AGENCY OFFICIAL:</b> 	<b>16. RETURN TO:</b>  DEPARTMENT OF SOCIAL SERVICES DIVISION OF MEDICAL SERVICES 700 GOVERNORS DRIVE PIERRE, SD 57501-2291
<b>13. TYPED NAME:</b>  Laurie R. Gill	
<b>14. TITLE:</b> Cabinet Secretary	
<b>15. DATE SUBMITTED:</b> January 27, 2021	

**FOR REGIONAL OFFICE USE ONLY**

<b>17. DATE RECEIVED:</b> 01/27/2021	<b>18. DATE APPROVED:</b> 4/26/2021
<b>PLAN APPROVED - ONE COPY ATTACHED</b>	
<b>19. EFFECTIVE DATE OF APPROVED MATERIAL:</b> 01/01/2021	<b>20. SIGNATURE OF REGIONAL OFFICIAL:</b> 
<b>21. TYPED NAME:</b> Todd McMillion	<b>22. TITLE:</b> Director, Division of Reimbursement Review

**23. REMARKS:**

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. Substance Use Disorder Agencies.
    - ix. Nursing Facilities.
    - x. 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/>.