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State/Territory Name South Dakota

State Plan Amendment (SPA) #: 25-0007

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

September 4, 2025

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

Re: South Dakota State Plan Amendment (SPA) 25-0007

Dear Director Petermann:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0007. This amendment proposes coverage for peer support services and a rate increase for Community Mental Health Centers and Substance Use Disorder Agency services.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and the implementing regulations 42 CFR §440.130(d). This letter is to inform you that South Dakota Medicaid SPA 25-0007 was approved on September 3, 2025, with an effective date of June 1, 2025.

If you have any questions, please contact Tyler Deines at (202) 571-8533 or via email at Tyler.Deines@cms.hhs.gov.

Sincerely,

Shantrina Roberts, Acting Director
Division of Program Operations

cc: Matthew Ballard, South Dakota Medicaid

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 5 — 0 0 0 7

2. STATE

SD3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT

XIX



XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

June 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447.201, 42 CFR 430.10, and 42 CFR 440.130(d)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2025 \$ 189,702b. FFY 2026 \$ 562,670

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Pages 30-31 and 31b-31c to Supplement to Attachment 3.1-A
Introduction Page 1 of Attachment 4.19-B
Page 26 of Attachment 4.19-B8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)Page 30 to Supplement to Attachment 3.1-A (TN# 20-09) Page 31
to Supplement to Attachment 3.1-A (TN# 24-0003) Pages
31b-31c to Supplement to Attachment 3.1-A (TN# 22-0008)
Introduction Page 1 of Attachment 4.19-B (TN# 25-0003)
Page 26 of Attachment 4.19-B (~~TN# 25-0007~~) (TN# 24-0017)

9. SUBJECT OF AMENDMENT

Implements the inflationary increase appropriated by the state legislature and adds coverage and provider qualifications for non-clinical individual and group peer support services in community mental health centers (CMHCs) and substance use disorder (SUD) agencies.

10. GOVERNOR'S REVIEW (Check One)



GOVERNOR'S OFFICE REPORTED NO COMMENT



COMMENTS OF GOVERNOR'S OFFICE ENCLOSED



NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL



OTHER, AS SPECIFIED:

OFFICIAL

12. TYPED NAME
Heather Petermann13. TITLE
Director14. DATE SUBMITTED
6/13/25

15. RETURN TO

DEPARTMENT OF SOCIAL SERVICES
DIVISION OF MEDICAL SERVICES
700 GOVERNORS DRIVE
PIERRE, SD 57501-2291**FOR CMS USE ONLY**16. DATE RECEIVED
June 13, 202517. DATE APPROVED
September 3, 2025**PLAN APPROVED - ONE COPY ATTACHED**18. EFFECTIVE DATE OF APPROVED MATERIAL
June 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Shantrina Roberts21. TITLE OF APPROVING OFFICIAL
Acting Director, Division of Program Operations

22. REMARKS

Block 8: Pen and ink changes approved by the state on 08/05/2025.

SUPPLEMENT TO ATTACHMENT 3.1-A

- i. Care coordination. Care coordination is a collaborative process which assesses, plans, implements, coordinates, monitors and evaluates the options and services to meet an individual's health needs as identified in the treatment plan.
- ii. Psychiatric services. Psychiatric assessment, treatment, and prescription of pharmacotherapy with the primary purpose of prescribing or reviewing a recipient's use of pharmaceuticals.
- iii. Psychiatric nursing services. Includes components of physical assessment, medication assessment and monitoring, and medication administration for recipients unable to self-administer their medications.
- iv. Symptom assessment and management. Assessment of an individual recipient's symptoms and providing education regarding managing their symptoms including medication and monitoring education.
- v. Individual therapy. Therapeutic contact between a recipient and therapist in which the therapist delivers direct therapy/counseling to assist the recipient in progress toward therapeutic goals.
- vi. Group therapy. Therapeutic contact between a therapist and two or more individuals in which the therapist delivers therapies/counseling to multiple individuals, and in which the therapist and the group seek to assist progress towards treatment goals. Group therapy services to the recipient's family and significant others is for the direct benefit of the recipient, in accordance with the recipient's needs and treatment goals identified in the recipient's treatment plan, and for the purpose of assisting in the recipient's recovery.
- vii. Recovery support services. Supportive counseling/psychotherapy (when diagnostically indicated) and the development of psychosocial and recovery skills may be provided to help the recipient cope with and gain mastery over symptoms and disabilities, including those related to co-occurring disorders, in the context of daily living.
- viii. Psychosocial rehabilitative services. Provided on an individual or group basis to assist the recipient to gain or relearn self-care, interpersonal, and community living skills needed to live independently, sustain psychiatric stability, and progress towards recovery.
- b. Peer Support Services. Peer support workers provide nonclinical individual or group support throughout all stages of the mental health rehabilitation process in support of the beneficiary's recovery and treatment goals. Through lived experience peer support workers help beneficiaries become and stay engaged in the recovery process and reduce the likelihood of relapse by providing the following services:
 - i. Advocating for people in recovery
 - ii. Sharing resources and building skills
 - iii. Linking to resources, services, and supports
 - iv. Leading recovery groups
 - v. Mentoring and setting goals

Non-covered CMHC Services

- a. The following are non-covered CMHC services:
 - i. Vocational counseling and vocational training at a classroom or job site;
 - ii. Academic educational services;
 - iii. Services that are solely recreational in nature;
 - iv. Services for individuals other than an eligible recipient or a recipient's family if the recipient is receiving specialized outpatient services for children;
 - v. Services provided to recipients who are in detoxification centers.
 - vi. Services provided to recipients who are incarcerated in a correctional facility;
 - vii. Services provided to recipients who are in juvenile detention facilities;
 - viii. Services provided to recipients who are in psychiatric residential treatment facilities, inpatient psychiatric hospital, or institutions for mental disease; and
 - ix. Transportation services.

SUPPLEMENT TO ATTACHMENT 3.1-A

CMHC Practitioners and Qualifications

All CMHCs must have a clinical supervisor. A clinical supervisor is a mental health professional who has at least a master's degree in psychology, social work, counseling, or nursing and currently holds a license in that field. The clinical supervisor must have two years of supervised postgraduate clinical experience in a mental health setting. Individuals with an associate, bachelors, or master's degree that do not meet the definition of a clinical supervisor must be supervised by a clinical supervisor. Registered nurses and licensed practical nurses must comply with state regulations regarding supervision. The table below lists the provider qualifications for furnishing mental health services:

Services	Practitioner Qualifications
<ul style="list-style-type: none"> Psychiatric services 	<ul style="list-style-type: none"> A licensed physician or psychiatrist, or a licensed physician assistant or licensed certified nurse practitioner.
<ul style="list-style-type: none"> Individual therapy; Group therapy; Family therapy; and Parent or guardian therapy. 	<ul style="list-style-type: none"> A master's degree in psychology, social work, counseling, or nursing; a social work license.
<ul style="list-style-type: none"> Care coordination; and Symptom assessment and management. 	<ul style="list-style-type: none"> A minimum of a high school diploma or equivalent and is supervised by a clinical supervisor; or A master's degree in psychology, social work, counseling, or nursing; a social work license; or bachelor's degree in a human services field and two years of related experience; or A licensed physician or psychiatrist, or a licensed physician assistant or licensed certified nurse practitioner; or A registered nurse or licensed practical nurse to provide psychiatric nursing services.
<ul style="list-style-type: none"> Family education and support; Recovery support services; and Psychosocial rehabilitation services. 	<ul style="list-style-type: none"> A minimum of a high school diploma or equivalent and is supervised by a clinical supervisor; or A master's degree in psychology, social work, counseling, or nursing; a social work license; or bachelor's degree in a human services field and two years of related experience.
<ul style="list-style-type: none"> Crisis assessment and intervention 	<ul style="list-style-type: none"> A master's degree in psychology, social work, counseling, or nursing; a social work license; or bachelor's degree in a human services field and two years of related experience.
<ul style="list-style-type: none"> Psychiatric nursing services 	<ul style="list-style-type: none"> A registered nurse or licensed practical nurse to provide psychiatric nursing services.
<ul style="list-style-type: none"> Integrated assessment, evaluation, and screening 	<ul style="list-style-type: none"> A master's degree in psychology, social work, counseling, or nursing; a social work license; or bachelor's degree in a human services field and two years of related experience; or A licensed physician or psychiatrist, or a licensed physician assistant or licensed certified nurse practitioner; or A registered nurse or licensed practical nurse to provide psychiatric nursing services.
<ul style="list-style-type: none"> Peer Support Worker 	<ul style="list-style-type: none"> A minimum of a high school diploma or equivalent with self-attestation of lived experience and ongoing recovery from a mental health diagnosis, has completed a Department-approved training and is supervised by a mental health professional (as defined by the state) or a peer with at least two years of direct experience providing peer services. Mental health professionals and experienced peers may supervise upon completion of state-approved Supervising Peer Support training. Supervisors will provide regularly scheduled supervision of peer support specialists.

SUPPLEMENT TO ATTACHMENT 3.1-A

- c. Day treatment services are provided by an accredited program providing services to a recipient in a clearly defined, structured, intensive treatment program. The following services are covered:
 - i. Individual, group, and family counseling regarding alcohol and drug abuse and dependence. Group and family counseling services to the recipient's family and significant others is for the direct benefit of the recipient, in accordance with the recipient's needs and treatment goals identified in the recipient's treatment plan, and for the purpose of assisting in the recipient's recovery.
 - ii. Discharge planning which must include continued care planning and counseling, referral to and coordination of care with other resources that will assist a recipient's recovery, including education, vocational, medical, legal, social, mental health, employment, and other related alcohol and drug services, and referral to and coordination of medical services to include the availability of tuberculosis and human immunodeficiency virus services.
- d. Clinically-managed low-intensity residential treatment services provided by an accredited residential program providing services to a recipient in a structured environment designed to aid re-entry into the community. Clinically-managed, low-intensity residential treatment programs are not institutions for mental diseases as described in 42 CFR 435.1010. The following services are covered:
 - i. Individual, group, and family counseling regarding alcohol and drug abuse and dependence. Group and family counseling services to the recipient's family and significant others is for the direct benefit of the recipient, in accordance with the recipient's needs and treatment goals identified in the recipient's treatment plan, and for the purpose of assisting in the recipient's recovery.
 - ii. Discharge planning to continued care planning and counseling, referral to and coordination of care with other resources that will assist a recipient's recovery, including education, vocational, medical, legal, social, mental health, employment, and other related alcohol and drug services, and referral to and coordination of medical services to include the availability of tuberculosis and human immunodeficiency virus services.
- e. Medically-monitored intensive inpatient treatment programs are an accredited residential program providing services to a recipient in a structured environment. These medically-monitored intensive inpatient treatment program may be provided to eligible individuals in an eligible IMD as allowed in Attachment 3.1-L-SUD/IMD. The following services are covered:
 - i. Individual, group, and family counseling regarding alcohol and drug abuse and dependence. Group and family counseling services to the recipient's family and significant others is for the direct benefit of the recipient, in accordance with the recipient's needs and treatment goals identified in the recipient's treatment plan, and for the purpose of assisting in the recipient's recovery.
 - ii. Discharge planning to include continued care planning and counseling, referral to and coordination of care with other resources that will assist a recipient's recovery, including education, vocational, medical, legal, social, mental health, employment, and other related alcohol and drug services, and referral to and coordination of medical services to include the availability of tuberculosis and human immunodeficiency virus services.
- f. Peer support services provide nonclinical individual or group support throughout all stages of the substance use rehabilitation process in support of the beneficiary's recovery and treatment goals. Through lived experience peer support workers help beneficiaries become and stay engaged in the recovery process and reduce the likelihood of relapse by providing the following services:
 - i. Advocating for people in recovery
 - ii. Sharing resources and building skills
 - iii. Linking to resources, services, and supports
 - iv. Leading recovery groups
 - v. Mentoring and setting goals

SUPPLEMENT TO ATTACHMENT 3.1-A

Substance Use Disorder Agencies Non-Covered Services

The following services are non-covered for substance use disorder agencies:

- a. Treatment for a diagnosis of substance use disorder that exceeds the limits established by the division, unless prior authorization is approved by the division;
- b. Out-of-state substance use disorder treatment unless the division determines that appropriate in-state treatment is not available;
- c. Treatment for a gambling disorder;
- d. Room and board for residential services;
- e. Substance use disorder treatment before the integrated assessment is completed;
- f. Substance use disorder treatment after 30 days if the treatment plan has not been completed;
- g. Substance use disorder treatment if a required review has not been completed;
- h. Court appearances, staffing sessions, or treatment team appearances; and
- i. Substance use disorder services provided to a recipient incarcerated in a correctional facility.

Substance Use Disorder Agencies Practitioners and Qualifications

All agency staff providing addiction counseling must meet the standards for addiction counselors or addiction counselor trainees in accordance with South Dakota Board of Addiction and Prevention Professionals requirements. Each agency must have a clinical supervisor that supervises clinical services. Clinical supervisors must be licensed as either a certified addiction counselor or licensed addiction counselor. The table below lists the services each provider can provide, provider qualifications, and supervisory requirements:

Practitioner Type	Services Furnished	Qualifications	Supervisory Requirements
Licensed Addiction Counselor	<ul style="list-style-type: none"> Integrated assessment; Crisis intervention; Early intervention services; Individual, group, and family counseling; and Discharge planning. 	Must meet be licensed as a Licensed Addiction Counselor by the South Dakota Board of Addiction and Prevention Professionals.	None
Certified Addiction Counselor	<ul style="list-style-type: none"> Integrated assessment; Crisis intervention; Early intervention services; Individual, group, and family counseling; and Discharge planning. 	Must meet be certified as a Certified Addiction Counselor by the South Dakota Board of Addiction and Prevention Professionals.	None
Addiction Counselor Trainee	<ul style="list-style-type: none"> Integrated assessment; Crisis intervention; Early intervention services; Individual, group, and family counseling; and Discharge planning. 	Must meet be recognized as an Addiction Counselor Trainee by the South Dakota Board of Addiction and Prevention Professionals.	Must be supervised by a certified addiction counselor or licensed addiction counselor.
Peer Support Services	<ul style="list-style-type: none"> Individual or group peer supports 	A minimum of a high school diploma or equivalent with self-attestation of lived experience and ongoing recovery from a mental health diagnosis and has completed a Department-approved training.	Must be supervised by a certified addiction counselor, licensed addiction counselor or a peer with at least two years of direct experience providing peer services. Certified addiction counselors, licensed addiction counselors, and experienced peers may supervise upon completion of state-approved Supervising Peer Support training. Supervisors will provide regularly scheduled supervision of peer support specialists.

ATTACHMENT 4.19-B INTRODUCTION

Payment rates for the services listed below are effective for services provided on or after the corresponding date. Fee schedules are published on the Department's website at <http://dss.sd.gov/medicaid/providers/feeschedules/>. Effective dates listed on the introductory page supersede the effective dates listed elsewhere in Attachment 4.19-B. Unless otherwise noted in the referenced state plan pages, reimbursement rates are the same for both governmental and private providers.

Service	Attachment	Effective Date
Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)	Attachment 4.19-B, Page 4	July 1, 2024
Physician Services	Attachment 4.19-B, Page 6	July 1, 2024
Optometrist Services	Attachment 4.19-B, Page 9	July 1, 2024
Chiropractic Services	Attachment 4.19-B, Page 10	July 1, 2024
Independent Mental Health Practitioners	Attachment 4.19-B, Page 11	July 1, 2024
Nutritionist and Dietician Services]	Attachment 4.19-B, Page 11	July 1, 2024
Home Health Services	Attachment 4.19-B, Page 12	July 1, 2024
Durable Medical Equipment	Attachment 4.19-B, Page 13	July 1, 2024
Clinic Services	Attachment 4.19-B, Page 15	July 1, 2024
Dental Services	Attachment 4.19-B, Page 16	July 1, 2024
Physical Therapy	Attachment 4.19-B, Page 17	July 1, 2024
Occupational Therapy	Attachment 4.19-B, Page 18	July 1, 2024
Speech, Hearing, or Language Disorder Services	Attachment 4.19-B, Page 19	July 1, 2024
Dentures	Attachment 4.19-B, Page 21	July 1, 2024
Prosthetic Devices	Attachment 4.19-B, Page 22	July 1, 2024
Eyeglasses	Attachment 4.19-B, Page 23	July 1, 2024
Diabetes Self-Management Training	Attachment 4.19-B, Page 26	July 1, 2024
Community Health Workers	Attachment 4.19-B, Page 26	July 1, 2024
Doula Services	Attachment 4.19-B, Page 26	January 1, 2025
Community Mental Health Centers	Attachment 4.19-B, Page 26	June 1, 2025
Substance Use Disorder Agencies	Attachment 4.19-B, Page 26	June 1, 2025 *
Nurse Midwife Services	Attachment 4.19-B, Page 31	July 1, 2024
Pregnancy PCCM Program	Attachment 4.19-B, Page 39a	July 1, 2024
Targeted Case Management	Attachment 4.19-B, Page 33	January 1, 2025
Transportation	Attachment 4.19-B, Page 38	July 1, 2024
Personal Care Services	Attachment 4.19-B, Page 38	July 1, 2024
Freestanding Birth Centers	Attachment 4.19-B, Page 39	July 1, 2024
Professional Services Provided in a Freestanding Birth Center	Attachment 4.19-B, Page 39	July 1, 2024

*Room and board is not included in these rates.

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

13c. Preventive Services

1. Payments for Diabetes Self-Management Training will be made to the providers and are based on an hourly rate as determined by the lesser of the established Medicaid fee schedule, the established Medicare fee schedule, or the provider's usual and customary charges. The rates are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page, Page 1.
2. Payments for Community Health Workers will be made to the provider and are reimbursed the lesser of the established Medicaid fee schedule or the provider's usual and customary charges. The rates are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page, Page 1.
3. Payment for Doula Services will be made to the provider and are reimbursed the lesser of the established Medicaid fee schedule or the provider's usual and customary charges. The rates are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page, Page 1.

13d. Rehabilitation Services

Payment for services 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 <http://dss.sd.gov/medicaid/providers/feeschedules/>.

1. Community Mental Health Centers (CMHCs). The rates are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page, Page 1. CMHC services are paid on a fee-for-service basis and are not bundled unless noted below.

The following specialized outpatient services for children services are paid via a bundled payment, which is paid at a 15-minute unit rate:

- a. Integrated assessment, evaluation, and screening;
- b. Care coordination;
- c. Individual therapy;
- d. Family education, support, and therapy; and
- e. Crisis assessment and intervention services.

The following specialized outpatient services for adults and assertive community treatment services are paid via a bundle using separate daily rates:

- a. Integrated assessment, evaluation, and screening;
- b. Crisis assessment and intervention services;
- c. Care coordination;
- d. Symptoms assessment and management, including medication monitoring and education;
- e. Individual therapy;
- f. Group therapy;
- g. Recovery support services; and
- h. Psychosocial rehabilitation services.

Any provider delivering services through a specialized outpatient services for children, specialized outpatient services for adults, or assertive community treatment services bundle will be paid through a bundled payment rate and cannot bill separately with the exception of the integrated assessment, evaluation, and screening. The integrated assessment, evaluation, and screening is separately billable when conducted by a licensed physician or psychiatrist, resident, nurse practitioner, physician assistant, registered nurse, or licensed practical nurse. Medicaid providers performing the assessment can bill for the assessment in accordance with their particular benefit category in Attachment 4.19-B.

At least one of the services included in the bundle must be provided within the service payment unit in order for providers to bill the bundled rate.

The bundled rates do not include costs related to room and board or other unallowable facility costs. The state will periodically monitor the actual provision of services paid under a bundled rate to ensure that the beneficiaries receive the types, quantity, and intensity of services required to meet their medical needs and to ensure that the rates remain economic and efficient based on the services that are actually provided as part of the bundle.

2. Substance Use Disorder Agencies. The rates are effective for services on or after the date listed on the Attachment 4.19-B Introduction Page.
3. Peer Support Services Payment Methodology. The rates are included on the Community Mental Health Centers and Substance Use Disorder Agencies fee schedules effective for services on or after the date listed on the Attachment 4.19-B Introduction Page 1.