



South Dakota
Department of
Social Services

DEPARTMENT OF SOCIAL SERVICES

DIVISION OF MEDICAL SERVICES

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Note: The Department of Social Services (DSS) is South Dakota's State Medicaid Agency. Our Home and Community Based Services waivers are administered by our sister agency, the Department of Human Services (DHS). As such, this spending plan is a collaboration between DSS and DHS.

Executive Summary

The March 2021 American Rescue Plan Act (ARPA) allows enhanced federal funding for State Medicaid spending on home and community-based services (HCBS). HCBS allow older adults and people with disabilities to live in their home or a home-like setting and remain integrated with the community. These programs serve a variety of targeted population groups, such as people with intellectual or developmental disabilities (I/DD), physical disabilities, and / or mental health needs. Section 9817 of the ARPA provides the State with a one-year, 10 percentage point increase in their federal medical assistance percentage (FMAP) for certain Medicaid HCBS expenditures. This 10-percentage point increase will apply only to certain HCBS expenditures provided between April 1, 2021 and March 31, 2022.

Over the past decade, the State of South Dakota has made great strides in enhancing and improving Medicaid HCBS. Accomplishments include:

- Addition of alternative living choices under the HCBS waivers operated by LTSS (Community Living Homes and Structured Family Caregiving) and DD (Shared Living).
- Expansion of transition support through addition of Community Transitions and Supports Services through the LTSS HOPE 1915(c) waiver.
- Review and increase of home and community-based services rate reimbursement to support additional in-home services.
- Rebranding and conducting an advertising campaign for South Dakota's Aging and Disability Resource Center, Dakota at Home, to raise awareness of services and supports available.
- South Dakota responded to the COVID-19 Public Health Emergency (PHE) through continuous evaluation of support needs for affected populations including older adults and individuals with I/DD
- South Dakota is one of 33 states that continues to transition individuals from nursing facilities to HCBS
- As a result, South Dakota has increased the HCBS percentage of total Medicaid expenditures from 45% in 2013 to 52% in 2020 across all Disability services.

The one-year increase in federal matching funds under section 9817 of the ARP will result in new, time-limited funding which can be invested in HCBS services through March 2024. The extended time period for enhanced funding will provide South Dakota with the opportunity to design, gather input, and implement short-term activities to strengthen the HCBS system in response to the COVID-19 PHE, as well as longer term strategies that enhance and expand the HCBS system and sustain effective programs and services.

Key areas for enhancement and improvement in HCBS were based on feedback and areas of expressed need received from stakeholders throughout the PHE. As a result, South Dakota identified three major focus areas for HCBS improvement:

- 1) Enhancement and expansion of HCBS infrastructure
- 2) Expansion of HCBS services with a focus on increased independence and diversion from institutionalization

- 3) Targeted evaluations and studies to support regulatory compliance and rate setting activities

The State will continue to use stakeholder, administration and legislative feedback, to inform and guide quarterly spending plans moving forward.

Spending Plan

Estimated Savings - 10% FMAP Increase

	FFY Q3 2021	Q4 2021	Q2 2022	Q3 2022	Total
10% FMAP	\$4,819,596	\$4,819,596	\$4,819,594	\$4,819,594	\$19,278,380
DSS- Home Health	\$389,798	\$389,798	\$389,797	\$389,797	\$1,559,190
DSS-Rehab Services	\$420,000	\$420,000	\$420,000	\$420,000	\$1,680,000
DHS- 1915C, Incontinence Supplies, Personal Care	\$4,009,798	\$4,009,798	\$4,009,797	\$4,009,797	\$16,039,190

Spending Plan Projections

Priority	Description	Estimated Fiscal Impact
Infrastructure Enhancement		
1	Enhanced infrastructure for HCBS workforce, critical incident management processes and training for HCBS providers.	\$32,900,000
Service Expansion		
2	Enhance and expand existing HCBS services to improve availability and quality of service delivery	\$26,350,000
Targeted Evaluations and Studies		
3	Evaluate participant direction opportunities, level of care instruments, HCBS settings readiness, and residential services infrastructure.	\$11,550,000
Total		\$70,800,000

Calculations to determine total general and federal dollars available of \$70.8 million assume the FMAP for FFY22 is 74.89% and the FMAP for FFY23 is 64.89%. FFY22 FMAP is 58.69% plus 10% temporary enhanced rate plus 6.2% temporary PHE increase. Calculations assume that the enhanced 6.2% FMAP will be available through FFY 23.

Spending Plan Narrative

The State of South Dakota is in a unique position to accelerate the expansion of HCBS. Over the past decade the State has implemented an array of HCBS strategies and approaches that promote community living over institutionalization, offering older adults and individuals with disabilities choice, control, and access to services that help them achieve independence, optimal health, and quality of life.

Currently South Dakota has a robust array of HCBS services providing benefits under the State plan as well as through 1915(c) waivers. Through consideration of the requests of internal and external stakeholders gathered throughout the pandemic we have elected to make some targeted expansions to HCBS. These expansions are designed to fill some of the identified gaps in care, increase availability of services and improve existing services.

The State gathered stakeholder input regarding the initiatives below in the limited time available. We intend to continue our stakeholder engagement efforts to further refine the Spending Plan to meet the needs of all South Dakotans. Plan refinements will be shared with the Centers for Medicare and Medicaid Services (CMS) via the required quarterly updates. Should any of the initiatives below require formal approval from CMS, DSS will submit state plan amendments (SPAs) or waiver amendments, as required.

Priority 1: Enhancement of HCBS infrastructure	
Description	<ol style="list-style-type: none"> 1. South Dakota will support Medicaid providers recovery from challenges associated with the COVID-19 public health emergency (PHE) through specialized payments for in-state providers. The State will place limits on specialized payments which will be available to providers through March 2024. Payments could support: <ol style="list-style-type: none"> a. Workforce development activities b. Vaccination support efforts c. Infection control measures d. Telehealth access 2. Enhance critical incident management with thorough evaluation of current process and implementation of enhancements to improve communication and coordination of incidents. <ol style="list-style-type: none"> a. Evaluate current process b. Develop standardized tools and templates, including dashboards c. Enhance cross-agency communication and partnerships d. Identify training needs e. Investigate technology solutions 3. Enhance and standardize HCBS Training <ol style="list-style-type: none"> a. Develop effective training programs for providers to reduce DSP turnover and improve the quality of service delivery
Responsible Agency	Department of Social Services, Division of Medical Services Department of Human Services, Divisions of: Rehabilitation Services, Developmental Disabilities, Long-Term Services and Supports
Anticipated Reinvestment	\$32.9 million

Priority 2: Enhance and Expand Current HCBS Services	
Description	<ol style="list-style-type: none"> 1. Enhance South Dakota's No Wrong Door initiative through investment in the ADRC infrastructure to: <ol style="list-style-type: none"> a. Expand information and referral (I&R) to all ages and disability types b. Provide comprehensive I&R and Options Counseling to all ages and disability types

	<ul style="list-style-type: none"> c. Consider pilot programs to expand the above services to address: <ul style="list-style-type: none"> i. Social determinants of health ii. Institutional diversion and delay iii. Support community integration 2. Assess the need for an acquired brain injury and spinal cord injury (ABI/SCI) waiver through operational assessment and stakeholder engagement 3. Support Centers for Independent Living to accomplish core initiatives, including institutional transition 4. Support HCBS recipients transition through the federal PHE wind down with 'return to normal' activities that could include: <ul style="list-style-type: none"> a. Options counseling for those no longer eligible for Medicaid services after FFCRA moratorium expires b. Housing support for those who may experience eviction or housing disruption after expiration of CDC moratorium c. Referral to mental health services for mental / behavioral health challenges related to the PHE d. Provide SDOH (social deficit of health) support for individuals financially impacted by the PHE 5. Expand and enhance current use of technology to delivery HCBS and increase independence of older adults and people with disabilities 6. Educate clinical professionals, first responders, caregivers, and other lay persons on the availability and benefits of HCBS to reduce systematic institutional bias
Responsible Agency	Department of Human Services, Divisions of: Rehabilitation Services, Developmental Disabilities, Long-Term Services and Supports
Anticipated Reinvestment	\$26.35 million

Priority 3 Implement targeted evaluations and studies to support regulatory compliance and rate setting activities	
Description:	<ul style="list-style-type: none"> 1. Conduct a rate study to evaluate the feasibility of the expansion of participant directed service models to state plan HCBS as well as all 1915(c) waivers 2. Examine level of care assessment tool(s) and develop training to enhance quality of service delivery and decrease variability in results 3. HCBS settings rule compliance assessment 4. Assess the infrastructure for residential HCBS services, including housing and day activities, to develop effective rural and frontier service delivery and address workforce challenges
Responsible Agency	Department of Human Services, Divisions of: Rehabilitation Services, Developmental Disabilities, Long-Term Services and Supports
Anticipated Reinvestment	\$11.55 million