



**Joint Committee on Appropriations**  
REPRESENTATIVE CHRIS KARR, CO-CHAIR  
SENATOR JEAN HUNHOFF, CO-CHAIR

March 23, 2022  
Shawnie Rechtenbaugh, Secretary  
Department of Human Services  
Address  
Pierre, SD 57501

**Letter of Intent Regarding One-Time increase to Provider Inflation within Nursing Homes**

Dear Secretary Rechtenbaugh,

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2022 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on March 23, 2022.

While the guidance does not have the direct force of statutory law, it rests solidly on a long-standing tradition of Legislative-Executive relationships in South Dakota, and it will be used by the Joint Committee as one basis for the fiscal oversight of your agency and its continued funding.

It is the understanding of the Joint Committee on Appropriations that this funding is to be allocated according to current methodology with federal matching funds to nursing homes across the state. This funding will represent a 20.3% increase in payment rates for all facilities for nursing homes within the state of South Dakota to an average rate for a case-mix of 1 to \$212.10 per night. This rate will be applied to service dates 07/01/2021-06/30/2022. The rate will then return to the average rate for a case-mix of 1 to \$186.89 beginning on 07/01/2022. Below is a table of our expectations:

| Average Rate        | Amount    | Service Dates          | Notes                                       |
|---------------------|-----------|------------------------|---|
| FY2022 Base Rate    | \$ 176.31 | 07/01/2021 to 06/30/22 | Base Rate                                   |
| FY2022 Revised Rate | \$ 212.10 | 07/01/2021 to 06/30/22 | Temporary 20.3% increase on FY22 base rate. |
| FY2023              | \$ 186.89 | 07/01/2022 to 06/30/23 | Ongoing increase of 6.0% on FY22 base rate. |

Because these are one-time funds; it is the suggestion of the Joint Committee on Appropriations that these funds be expended to improve the sustainability of business continuation efforts. While you may use them for personnel services, we encourage you to use them for one-time expenses such as construction, debt payment, or retention bonuses if the facility so chooses to do so.

2020 Legislative Session Letter of Intent

March 10, 2022

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Thank you for your cooperation.

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Representative Chris Karr  
Lead Co-Chair, Joint Committee on Appropriations

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Senator Jean Hunhoff  
Co-Chair, Joint Committee on Appropriations

cc: Russell Olson, Auditor General  
Jim Terwilliger, Commissioner, Bureau of Finance and Management