

## 2023 South Dakota Legislature

**Senate Bill 105****AMENDMENT 105B  
FOR THE HOUSE APPROPRIATIONS ENGROSSED BILL**

1 **An Act to ~~require updated cost report information~~ revise provisions related to the**  
2 **review of reimbursement rates for certain community-based health and**  
3 **human services providers.**

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 **Section 1. That § 28-22-1 be AMENDED:**

6 **28-22-1.** The Department of Social Services and the Department of Human  
7 Services shall ~~jointly, as applicable,~~ establish a rate-setting methodology for services  
8 delivered by community-based health and human services providers listed in § 28-22-6.  
9 Each category of service shall undergo a comprehensive rate modeling analysis at least  
10 every five years. ~~Any rate models determined by the comprehensive rate model analysis~~  
11 ~~must be reviewed and reported annually to include cost report information, rate model~~  
12 ~~components utilizing the most relevant inflation factor respective of the analysis, and other~~  
13 ~~market factors as warranted pursuant to §§ 28-22-2 and 28-22-3.~~ In each intervening  
14 year, the department shall review the reimbursement rates for each provider service  
15 category using the established rate model to determine whether the allowable costs for  
16 each category accurately reflect the provider's current costs as reported to the department  
17 in the provider's annual cost report. The department shall report its findings from the  
18 annual reimbursement rate review in the annual report required by § 28-22-5. The report  
19 must include the costs considered and the calculations used by the department in reaching  
20 its findings. The report must also show any year-over-year difference between the then-  
21 authorized reimbursement rate for each provider service category and the reimbursement  
22 rate necessary to cover the current costs for that category based on the information  
23 contained in the providers' annual cost reports. The departments may ~~elect to~~ conduct the  
24 comprehensive rate modeling analysis ~~earlier or~~ on a more frequent basis than every five  
25 years if warranted by cost report information or other market conditions. Any new service  
26 model shall undergo comprehensive rate modeling analysis prior to implementation.