

**Community
Support Providers**
OF SOUTH DAKOTA

SOUTH DAKOTA LEGISLATOR EDUCATIONAL PRIMER



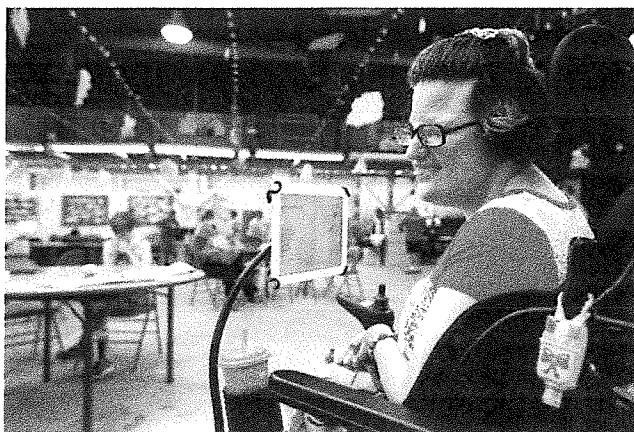
Community Support Providers of South Dakota
2025 Legislative Session

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WHAT IS A COMMUNITY SUPPORT PROVIDER & COMMUNITY SERVICES PROVIDER?

In South Dakota, a Community Support Provider (CSP) refers to an organization or entity that offers services and support to individuals with intellectual and developmental disabilities (IDD). These providers play a vital role in assisting people with various aspects of daily living, such as personal care, vocational training, behavioral support, and community integration. The aim is to enhance the quality of life for the population served by promoting independence and inclusion within their local communities. CSPs in South Dakota work closely with government agencies, healthcare professionals, and families to deliver personalized care plans that address the unique needs and goals of each individual they serve.



SDCL 27B-1-17: "Community support provider," any nonprofit facility that is certified by the department to provide prevocational or vocational training, residential training, and other supports and services as needed by persons with developmental disabilities.

SDCL 27B-1-17(3): "Community services provider," any person or entity, whether for-profit or not-for-profit, which receives compensation for providing services to persons with developmental disabilities.

POPULATION SERVED

In South Dakota, a developmentally disabled person is defined as an individual with a severe, chronic disability that is attributable to a mental or physical impairment, or a combination thereof. This disability manifests before the age of 22 and is likely to continue indefinitely, causing substantial functional limitations in three or more major life activities such as self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, or economic self-sufficiency. Developmental disabilities include conditions such as intellectual disability, cerebral palsy, autism, down syndrome and other neurological impairments that affect cognitive and adaptive functioning. Services and support are provided to promote independence, productivity, and inclusion within the community for individuals meeting the above criteria.

SDCL 27B-1-18: *A developmental disability is any severe, chronic disability of a person that:*

- (1) Is attributable to a mental or physical impairment or combination of mental and physical impairments;*
- (2) Is manifested before the person attains age twenty-two;*
- (3) Is likely to continue indefinitely;*
- (4) Results in substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and*

(5) Reflects the person's need for an array of generic services, met through a system of individualized planning and supports over an extended time, including those of a life-long duration.

SPOTLIGHT: HCBS Settings Rule (Final 2023)

The Home and Community-Based Services (HCBS) settings rule, introduced by the Centers for Medicare and Medicaid Services (CMS), sets forth guidelines aimed at enhancing the quality of care and support provided to individuals in community-based settings rather than institutional environments. This rule mandates that settings where HCBS are delivered must be integrated within the broader community, offer individuals choices in their daily lives, and ensure their rights to privacy, dignity, and autonomy are upheld. It emphasizes person-centered planning and promotes environments that foster independence and community participation, reflecting a shift towards more inclusive and individualized care options for vulnerable populations.

HOME AND COMMUNITY BASED SERVICES (HCBS)

Home and Community Based Services (HCBS) for developmentally disabled persons in the United States are programs designed to provide support and assistance in

community settings rather than institutional settings like nursing homes or hospitals. These services are designed to promote independence, inclusion, and quality of life for individuals with developmental disabilities by offering a range of supports tailored to their needs. HCBS can include personal care, respite care for caregivers, specialized therapies, assistive technology, and supported employment services. The overarching goal is to enable individuals with developmental disabilities to live as independently as possible within their communities while receiving necessary supports.

The evolution of HCBS can be traced back to various federal initiatives and legislation. One significant milestone was the passage of the Developmental Disabilities Assistance and Bill of Rights Act (DD Act) in 1963, which aimed to improve the quality of life for individuals with developmental disabilities and their families. Subsequent federal

SPOTLIGHT: Olmstead Decision 1999

The Olmstead decision, a landmark ruling by the U.S. Supreme Court in 1999, mandates that individuals with disabilities, including developmental disabilities, have the right to receive services in the community rather than being confined to institutions when professionals deem this appropriate. This decision supports the integration of people with developmental disabilities into mainstream society by promoting community-based services and ensuring their right to live independently with appropriate supports, thus affirming their dignity and autonomy. It has significantly shaped disability rights law in the United States by emphasizing the importance of individualized care and the least restrictive environment for people with developmental disabilities.

laws, such as the Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA) of 1990, further emphasized the rights of individuals with disabilities to live and participate fully in their communities. Medicaid has played a critical role in funding HCBS since the 1981 Omnibus Budget Reconciliation Act (OBRA), which allowed states to provide Medicaid services in home and community settings as an alternative to institutional care. Over the years, these legislative efforts have expanded the availability and scope of HCBS, emphasizing person-centered planning and individual choice in the delivery of services.

HCBS MEDICAID WAIVERS

An HCBS Medicaid waiver for developmentally disabled individuals refers to a program that allows states to provide services not typically covered by Medicaid for this specific population. These waivers are important because they enable states to customize support services beyond what traditional Medicaid covers. This can include residential support, day programs, transportation assistance, personal care services, behavioral therapies, and more.

These programs are important for several reasons. Firstly, they promote independence and inclusion by offering tailored services that help individuals with IDD to live and thrive in their communities rather than in institutional settings. Secondly, HCBS Medicaid waivers enhance quality of life by addressing specific challenges faced by this population, such as communication barriers, mobility issues, and social integration. By funding these waivers, states invest in the potential of individuals with IDD to lead fulfilling lives and contribute to society. Moreover, they are more cost-effective alternatives to institutional care. **For example, the estimated FY2026 average cost per day at SDDC (State Institution) is \$886.00 per day compared to the estimated FY2026 average cost per day of \$236.65 for**



the CHOICES waiver. Overall, Medicaid waivers play a crucial role in serving this highly vulnerable population. There are two HCBS Medicaid waivers in South Dakota: Community, Hope, Opportunity, Independence, Careers, Empowerment, and Success (CHOICES) waiver and the Family Support 360 waiver.

The CHOICES Medicaid waiver is considered a comprehensive waiver, and services are delivered by a CSP provider organization. Services may include residential services, day services, career exploration, supported employment, assistive technology, and behavioral support.

Family Support 360 is considered a self-directed HCBS waiver. This is where the person or their legally appointed guardian chooses their support staff and schedule that best meets their needs. Services may include adaptive equipment/home modifications, environmental accessibility, vehicle modifications, companion services, supported employment, personal care, medical equipment and supplies, specialized therapies, and nutritional supplements.

REGULATORY AUTHORITY

HCBS Medicaid waiver programs are regulated federally under the Centers for Medicare and Medicaid services (CMS) and through the South Dakota Department of Human Services Division of Developmental Disabilities. Waiver applications are submitted by the state for approval to CMS which ensures that all federal regulations pertaining to waiver programs are met. Other functions CMS provides include monitoring and evaluation of waiver services and ensuring cost neutrality (i.e. ensuring costs of waiver services do not exceed costs in institutional settings). South Dakota Administrative Rules governing CSP services can be found under ARSD 46:11.

SPOTLIGHT: Federal Medical Assistance Percentage (FMAP)

The Federal Medical Assistance Percentage (FMAP) is a formula used in determining the amount of federal funding that states receive for their Medicaid programs. This percentage is calculated based on a state's average per capita income relative to the national average. Higher FMAP rates indicate greater federal funding contributions, while lower rates require states to cover a larger share of Medicaid costs. FMAP plays a pivotal role in shaping the financial dynamics of Medicaid, influencing state budgets and policies regarding healthcare coverage for low-income individuals and families. Adjustments to FMAP can occur based on economic conditions and changes in federal law, impacting the allocation of resources between state and federal governments in supporting Medicaid beneficiaries. South Dakota's projected FY2026 FMAP is 48.47%

FUNDING FOR WAIVER SERVICES

Funding for HCBS Medicaid waivers consists of a mix of federal and state resources. HCBS waivers are designed to provide an alternative to institutional care by funding services that allow individuals to remain in their homes or communities while receiving necessary supports. The funding

structure begins with the federal government, which provides matching funds to states based on a percentage of their Medicaid expenditures. This federal financial participation ensures that states can offer a broad range of services under HCBS waivers.

States have a large amount of flexibility in designing their HCBS waiver programs within federal guidelines, which include ensuring services are cost-effective compared to institutional care. Each state must submit a waiver application to CMS, outlining the

specific services provided, eligibility criteria, and the projected budget. Once approved, states receive federal funds matching their state Medicaid expenditures for services covered under the waiver. The exact matching percentage varies depending on the state's financial situation and Medicaid program structure. This funding structure allows states to tailor HCBS waivers to local needs while leveraging federal resources to expand access to essential supports.

CSP REIMBURSEMENT STRUCTURE: FEE-FOR-SERVICE

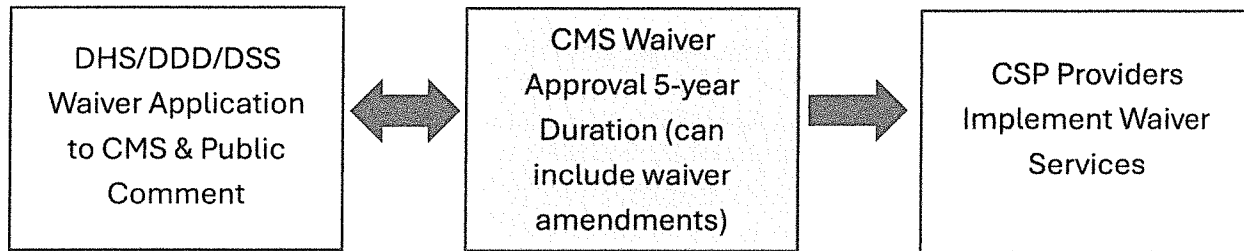
Fee-for-service reimbursement structures in Medicaid waiver programs for people with IDD typically involve payment to service providers based on the specific services rendered to eligible individuals. CSP providers bill Medicaid for each service provided, and reimbursement rates are predetermined by Medicaid authorities. In South Dakota, the state Medicaid agency is the Department of Social Services. Providers must adhere to Medicaid guidelines and submit detailed documentation to receive reimbursement, ensuring that services are necessary, properly documented, and meet quality standards.

South Dakota’s most recent reimbursement rate methodology review was completed in 2023 and fully implemented in June 2023. Prior to 2023, the last methodology review was completed in 2001. The most recent reimbursement methodology review is the most significant change in reimbursement structure in well over 20 years with the primary change being the move from a bundled rate system to a fee-for-service system. There continue to be challenges with this transition, but essentially the new system breaks down all services into varying rates and time units according to fee schedules. The methodology was also updated in December 2024 identifying the costs of funding 100% of the methodology for FY2026. This document is available at <https://dhs.sd.gov/content/dam/digital/united-states/south-dakota/sdo/pdf/division-of-developmental-disabilities/provider-portal/rate-reviews/2024-CHOICES-Rate-Review.pdf> .

SPOTLIGHT: SDCL 28-22
Rate-setting methodology for services. The Department of Social Services and the Department of Human Services shall jointly establish a rate-setting methodology for services delivered by community-based health and human services providers. Each category of service shall undergo a comprehensive rate modeling analysis at least every five years. The departments may elect to conduct the analysis earlier or on a more frequent basis if warranted by cost report information or other market conditions. Any new service model shall undergo comprehensive rate modeling analysis prior to implementation.

WAIVER SYSTEM OVERVIEW

While the overall system has a lot of moving parts, funding mechanisms, rules and regulations et cetera. It is not as intimidating as it appears. The following figure is designed to show how the waiver system works in a process fashion. Please note that this is a general illustration.



As noted above, the South Dakota Department of Social Services is the state’s official Medicaid agency and has final approval over the state’s Medicaid waivers and reimbursement rates. Additionally, CMS does allow amendments to waivers based on state needs and priorities. These follow the same approval and public input processes as the original waiver. **Most importantly, states have flexibility when it comes to designing their waiver programs including reimbursement rates, billing guidelines, documentation requirements, and other regulatory requirements as long as they meet federal requirements.**

CSP PROVIDERS IN SOUTH DAKOTA

CSP providers cover the whole state in a regional sense and some providers offer additional service lines and specialized programs. The following tables provide a list of CSP providers across South Dakota and the waiver services they provide by region.

Black Hills and Western South Dakota	
Black Hills Works	Rapid City (CHOICES)
Black Hills Special Services Cooperative	Sturgis (CHOICES & Family Support)
Live Inc.	Lemmon (CHOICES)
Northern Hills Training Center	Spearfish (CHOICES)

Central & North Central South Dakota	
Aspire	Aberdeen (CHOICES)
Community Connections Inc.	Winner (CHOICES)
Dakota Milestones	Chamberlain (CHOICES & Family Support)
Vista Care	Pierre (CHOICES)

Northeast & Southeast South Dakota	
New Horizons	Watertown (CHOICES)
Ability Building Services	Yankton (CHOICES)
SESDAC	Vermillion (CHOICES & Family Support)

Eastern & Sioux Falls South Dakota	
ADVANCE	Brookings (CHOICES)
Center for Independence	Huron (CHOICES & Family Support)
LifeQuest	Mitchell (CHOICES & Family Support)
Valiant Living	Madison (CHOICES)
DakotAbilities	Sioux Falls (CHOICES)
LifeScape	Sioux Falls (CHOICES & Family Support)
Southeastern Directions for Life	Sioux Falls (CHOICES)
Resources for Human Development	Sioux Falls (CHOICES)
Volunteers of America – Dakotas	Sioux Falls (CHOICES & Family Support)

COMMUNITY SUPPORT PROVIDERS OF SOUTH DAKOTA (ASSOCIATION)

Community Support Providers of South Dakota is a 501(c)3 non-profit association. All 20 CSP providers that serve people with developmental disabilities under the CHOICES waiver are members. Six of our members also provide services under the Family Support 360 waiver.

Contact Information:

Dan Cross, Executive Director
P.O. Box 936
Spearfish, SD 57783
Phone: 605-999-6661
Email: exec@cspofsd.com
Website: www.cspofsd.com