

# State of South Dakota

EIGHTY-FIFTH SESSION  
LEGISLATIVE ASSEMBLY, 2010

400R0492

SENATE HEALTH AND HUMAN SERVICES

ENGROSSED NO. **SB 69** - 2/12/2010

Introduced by: The Committee on Health and Human Services at the request of the Office of the Governor

1 FOR AN ACT ENTITLED, An Act to authorize certain exceptions to the nursing facility  
2 moratorium.

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

4 Section 1. That chapter 34-12 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 Notwithstanding the provisions of §§ 34-12-35.4 and 34-12-39.2, a new nursing facility as  
7 defined in § 34-12-1.1 may be constructed, operated, and maintained in an area if the facility  
8 is to be located in the eastern half of the state and is required to serve military veterans and their  
9 spouses. No more than one new nursing facility for military veterans may be located in the  
10 eastern half of the state, and the number of beds in the new nursing facility may not exceed fifty.  
11 The new nursing facility shall meet the specifications of chapter 34-12 for a licensed nursing  
12 facility in order to participate in the medicaid program. Any solicitation for a provider for the  
13 new facility shall be conducted pursuant to the provisions of §§ 5-18-57 to 5-18-62, inclusive.

14 Section 2. The provisions of section 1 of this Act are repealed on June 30, 2013.



1 Section 3. That chapter 34-12 be amended by adding thereto a NEW SECTION to read as  
2 follows:

3 Notwithstanding the provisions of § 34-12-39.2, a new nursing facility as defined in § 34-12-  
4 1.1 may be constructed, operated, and maintained as part of an existing nursing facility licensed  
5 under chapter 34-12 if:

- 6 (1) The new nursing facility is located within fifteen miles of the existing nursing  
7 facility;
- 8 (2) The combined bed capacity of both the licensed existing nursing facility and the new  
9 nursing facility do not exceed the total number of beds afforded to the existing  
10 nursing facility under § 34-12-35.4; and
- 11 (3) Both the existing nursing facility and the new nursing facility serve medicaid  
12 residents and both facilities independently maintain an annual minimum medicaid  
13 occupancy rate no less than ten percent below the state-wide average at the time rates  
14 are established.

15 For the purposes of medicaid reimbursement, the facility shall submit a combined annual  
16 cost report to include the combined costs for both the existing nursing facility and the new  
17 nursing facility. Medicaid reimbursement rates shall be calculated using the combined cost  
18 report, and rates will be subject to the ceilings and limitations set forth in rules promulgated  
19 pursuant to § 28-6-1. The existing facility's medicaid reimbursement rate shall be used to  
20 establish the overall ceiling as outlined in rules promulgated pursuant to § 28-6-1. The existing  
21 nursing facility is limited to construction of one new facility under this section.