

State of South Dakota

NINETY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2017

828Y0605

SENATE BILL NO. 147

Introduced by: Senators Peters, Greenfield (Brock), Haverly, Kennedy, Nesiba, Partridge, Soholt, and Sutton and Representatives Peterson (Sue), Ahlers, Bartels, Bartling, Clark, Hawley, Reed, Rozum, Steinhauer, and York

1 FOR AN ACT ENTITLED, An Act to establish a process for periodic review of provider rates
2 for medical assistance to the indigent and to make an appropriation therefor.

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

4 Section 1. That chapter 28-6 be amended by adding a NEW SECTION to read:

5 The Department of Social Services and the Department of Human Services shall jointly
6 establish a process and schedule for review of provider rates paid for medical assistance to the
7 indigent. The schedule shall provide that each provider rate is reviewed at least every five years.
8 The rate review information shall be used in formulating the state's general budget.

9 Section 2. That chapter 28-6 be amended by adding a NEW SECTION to read:

10 The Department of Social Services and Department of Human Services shall jointly create
11 a medical assistance provider rate review advisory committee to assist the department in the
12 review of provider rate reimbursements. The membership of the advisory committee shall
13 include representation from other departments and relevant stakeholder groups as deemed
14 appropriate by the departments. The advisory committee may also make recommendations on



1 any changes to the rate review process to the department or to the Legislature. At least once
2 every five years, the advisory committee shall provide a written report to the Legislature of the
3 committee's recommendations on all of the provider rates reviewed pursuant to this Act.

4 Section 3. That chapter 28-6 be amended by adding a NEW SECTION to read:

5 The advisory committee may examine the access, service, and quality, and utilization of
6 each service subject to a provider rate review. The committee may compare the rates paid with
7 available benchmarks, including Medicare rates and usual and customary rates by private pay
8 parties, and use qualitative tools to assess whether payments are sufficient to allow for provider
9 retention and client access and to support appropriate reimbursement of high-value services.

10 Section 4. There is hereby appropriated from the general fund the sum of one dollar (\$1),
11 or so much thereof as may be necessary, to the Department of Social Services for the purposes
12 of this Act.

13 Section 5. The secretary of the Department of Social Services shall approve vouchers and
14 the state auditor shall draw warrants to pay expenditures authorized by this Act.

15 Section 6. Any amounts appropriated in this Act not lawfully expended or obligated shall
16 revert in accordance with the procedures prescribed in chapter 4-8.