South Dakota Legislative Research Council

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April 8, 2014

Ms. Lynn Valenti, Secretary
Department of Social Services
Kneip Building
Pierre, SD 57501

Letter of Intent Regarding Legislation Approved in the 2014 Session

Dear Secretary Valenti:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2014 Legislative Session. As such, it supplements that appropriation with a specific policy guideline as approved on March 31, 2014.

While this guideline 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.

The 2014 South Dakota Legislature approved a 3% discretionary FY15 rate increase to providers. An additional 0.30% base increase to providers was also approved in amendment 187hv for community based providers and nursing homes.

It is the intent of the Interim Joint Committee on Appropriations that in FY15, providers are to realize a discretionary base rate increase in conformity with Attachment 1 of this document which was distributed by the Bureau of Finance and Management to the Joint Appropriations Committee on March 14, 2014.

Thank you for your cooperation.

/S/ Senator Deb Peters

/S/ Representative Fred Romkema

Senator Deb Peters
Co-Chair, Interim Joint Appropriations

Representative Fred Romkema
Co-Chair, Interim Joint Appropriations

cc: Marty Guindon, Auditor General
Jason Dilges, Commissioner, Bureau of Finance and Management

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Provider Inflation:

	FY15 Base Infl.	FY15 3.0% Base Infl. Gov Rec.		All Community Based Providers & Nursing Homes FY15 additional inflationary increase at 0.30% Base Infl. Estimate			
		General Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Hospitals	3.00%	2,577,238	5,481,025				
Physicians	3.00%	1,002,524	2,147,961				
Pharmacies	3.00%	440,472	956,851				
Emergency Transportation/Medical Equipment	3.00%	224,332	468,529				
Optometrists/Ophthalmologist	3.00%	23,928	49,975				
Chiropractors	3.00%	7,960	16,625				
Dentists	3.00%	263,304	581,523				
Psychiatric Residential Treatment (Medical Services)	3.00%	199,371	416,398	20,212	22,002		42,214
Long Term Care (Nursing Home, Hospice, Assisted Living)	3.00%	2,642,313	5,466,556	267,881	286,327		554,208
Elderly Nutrition Program - Senior Meals	3.00%	147,091	147,091	14,912	-		14,912
In-Home Services for the Elderly	3.00%	312,989	381,666	31,731	6,963		38,694
Group Care Providers (Child Protection)	3.00%	76,914	98,974	7,798	2,236		10,034
Psychiatric Residential Treatment (Child Protection)	3.00%	248,144	518,263	25,157	27,385		52,542
Substance Abuse Providers	3.00%	504,071	591,736	51,103	8,887		59,990
Community Mental Health Centers	3.00%	551,816	799,221	55,944	25,082		81,026
Auxiliary Placement	3.00%	253,432	253,432	25,693	-		25,693
CCHS	3.00%			2,872	3,128		6,000
Other Provider Groups	3.00%	922,932	1,137,107	90,696	14,205	4,381	109,282
DSS TOTAL		10,398,831	19,512,933	593,999	396,215	4,381	994,595
DOC							
Community Services	3.00%	357,484	530,920	40,338	19,570		59,908
Inmate Services	3.00%	40,403	40,403				
DHS							
Community Services	3.00%	1,604,565	3,617,758	162,673	204,100		366,773
UJS							
Community Services	3.00%	29,488	31,652	2,990	219		3,209
DOE							
Ed Resources	3.00%	-	-				
DOH							
Inmate Services	3.00%	-	30,713				
TOTAL		**12,430,771**	**23,764,379**	800,000	620,104	4,381	1,424,485