



# SOUTH DAKOTA REGISTER

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## FILINGS WITH THE LEGISLATIVE RESEARCH COUNCIL

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### Notice of Proposed Rules

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Date in parentheses indicates when rules were filed with the Legislative Research Council.  
Copies of proposed rules may be obtained for no charge at <https://rules.sd.gov> or from the agency directly.

**South Dakota Plumbing Commission (Department of Labor and Regulation):** (April 7, 2026) intends to amend a rule to clarify floor drain sloping and acceptable use of CPVC Schedule 80 pipe and fittings and provide guidance for horizontal wet venting. The general authority for these rules, as cited by the commission, is SDCL [36-25-15](#).

A public hearing at which persons may present amendments, data, opinions, and arguments for or against the proposed rules will be held via Microsoft Teams on April 28, 2026, at 10:00 a.m. (CT). Persons may access the Microsoft Teams meeting at <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting> and use meeting ID 274 774 449 857 20 with passcode f8pS3ft7 or via phone by calling 605-679-7263 and using conference ID 391 305 302#. Copies of the proposed rules may be obtained without charge from, and written comments on the proposed rules may be sent to, South Dakota Plumbing Commission, 217 West Missouri Avenue, Pierre, South Dakota 57501. Copies may also be obtained and comments sent by email to [SDPlumbing@state.sd.us](mailto:SDPlumbing@state.sd.us). The rules are also available at <https://rules.sd.gov/>. Material sent by mail or email must reach the board by 10:00 a.m. (CT) on April 25, 2026, to be considered. This hearing is being held in an electronically accessible location. Persons with special needs for whom the commission can make arrangements may call (605) 773-3429 at least 48 hours before the public hearing.

**South Dakota Board of Accountancy (Department of Labor and Regulation):** (April 7, 2026) intends to amend rules to clarify the definition for education, experience, and issuing a license to an applicant licensed by another state. The general authority for these rules, as cited by the board, is SDCL [36-20B-12](#).

A public hearing at which persons may present amendments, data, opinions, and arguments for or against the proposed rules will be held via Microsoft Teams on April 30, 2026, at 10:00 a.m. (CT). Persons may access the Microsoft Teams meeting at <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting> and use meeting ID 231 287 096 475 94 and passcode Yq3vQ222. Interested parties may also attend by calling (605) 679-7263 and using conference code 910 478 806#. Copies of the proposed rules may be obtained without charge from, and written comments may be sent to, the South Dakota Board of Accountancy, 1501 S. Highline Avenue, Suite 4A, Sioux Falls, South Dakota 57110 or by email to [accountancy@state.sd.us](mailto:accountancy@state.sd.us). Copies of the rules are also available online at <https://rules.sd.gov>. The deadline to submit any written comments for consideration is no later than 10:00 a.m. (CT) on April 27, 2026. This hearing is being held in a physically accessible location. Persons with special needs for whom the board can make arrangements may call (605) 367-5770 at least 48 hours before the public hearing.

### Notices

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The **Department of Social Services** intends to make changes to the South Dakota Medicaid State Plan regarding hospital reimbursement methodologies including inpatient and outpatient hospital services for both in-state and out-of-state hospitals. The proposed State Plan Amendment (SPA) implements updated hospital reimbursement methodologies and

incorporates an \$8.6 million hospital budgetary increase appropriated by the South Dakota Legislature during the 2026 Legislative Session.

The overall impact of the changes is anticipated to be higher aggregate reimbursement for in-state hospitals, including rural hospitals. This will occur due to more standardization of methodologies and underlying payment components which will help ensure access to high quality healthcare for Medicaid recipients.

The State conducted a comprehensive review of the Medicaid hospital methodologies in conjunction with Myers & Stauffer, LLC, and hospital stakeholders. In many cases, hospital methodologies had not been comprehensively reviewed and updated in decades. This resulted in underlying payment components that did not properly value hospital resources associated with rendering services. The proposed changes align hospital methodologies more closely with industry standards, help ensure more equitable reimbursement amongst similarly situated providers, and better align per claim payment amounts with the hospital resources associated with rendering the services.

### **Inpatient Hospital Changes**

The following is an overview of inpatient hospital changes:

- Transitions the following hospitals to the All Patient Refined Diagnosis-Related Groups (APR-DRG) methodology:
  - In-State Acute Care Hospitals (currently reimbursed using MS-DRG)
  - Out-of-State Acute Care Hospitals (currently paid 44.15 percent of billed charges)
  - Out-of-State Critical Access Hospitals (currently paid 44.15 percent of billed charges)
  - Specialized Surgical Hospitals (currently paid 66 percent of billed charges for ancillary services and 60 percent of billed charges for room and board)
  - Neonatal Intensive Care Units (NICU) (currently paid a per diem)
  - Psychiatric Units (currently paid using MS-DRG or a per diem)
- APR-DRG version 43 is being implemented. The APR-DRG base payment is anticipated to be \$11,430.74. Add-ons to the base payments will be applied to out-of-state hospitals that provide care not available in South Dakota and out-of-state critical access hospitals to ensure access to care for South Dakota Medicaid recipients.
- In-state critical access hospitals are held harmless or are anticipated to see an increase in reimbursement if they are currently below 100 percent of cost coverage.
- Rebases per diem rates for rehabilitation hospitals and rehabilitation hospital units to an anticipated per diem rate of \$1,743.70.
- Rebases per diem rates for long term acute care hospitals to an anticipated per diem rate of \$1,956.01.

### **Outpatient Hospitals and Dialysis Changes**

The following is an overview of outpatient hospital changes:

- Transitions out-of-state outpatient hospitals from percent of charge methodology to the Outpatient Prospective Payment System (OPPS) using Ambulatory Payment Classifications (APC) methodology. Updates the APC base rate to \$91.42. Out-of-state critical access hospitals will have a base rate add-on to ensure access to care.
- In-state critical access hospitals are held harmless or are anticipated to see an increase in reimbursement if they are currently below 100 percent of cost coverage.
- Outpatient hospital dialysis units and dialysis clinics will be reimbursed a composite rate which will bundle all dialysis related services into one payment. The composite rate is anticipated to be \$550.35. Dialysis units owned by critical access hospitals will be reimbursed at their outpatient percent of charge rate.

The SPA has an effective date of July 1, 2026, and revises pages 1-5, 11, and 12 of Attachment 4.19-A and Introduction page 1, and pages 1a-1b of Attachment 4.19-B of the Medicaid State Plan. The department estimates the fiscal impact will be \$851,980 in state funds and \$1,306,638 in federal funds, totaling \$2,158,618 in Federal Fiscal Year 2026, and \$3,407,921 in state funds and \$5,226,553 in federal funds, totaling \$8,634,472 in Federal Fiscal Year 2027.

The SPA is available to view on the department's website at <http://dss.sd.gov/medicaid/medicaidstateplan.aspx>. Copies of the proposed SPA pages are also available at the Department of Social Services, Division of Medical Services. Written requests for a copy of these changes, and corresponding comments, may be emailed to [MedicaidSPA@state.sd.us](mailto:MedicaidSPA@state.sd.us) or sent to the Division of Medical Services, Department of Social Services, 700 Governors Drive, Pierre, South Dakota 57501-2291. The public comment period will start April 13, 2026, and end May 13, 2026.

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### SCHEDULED PUBLIC HEARINGS

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| 4-23-2026 | <a href="#"><b>South Dakota Transportation Commission (Department of Transportation):</b></a> Amend a rule to reduce the fifty-five mile per hour speed limit on South Dakota Highway 115 around its intersection with South Veterans Parkway in Lincoln County; 52 SDR 90, March 30, 2026. |
| 4-28-2026 | <a href="#"><b>South Dakota Plumbing Commission (Department of Labor and Regulation):</b></a> Amend a rule to clarify floor drain sloping and acceptable use of CPVC Schedule 80 pipe and fittings and provide guidance for horizontal wet venting; 52 SDR 94, April 13, 2026.              |
| 4-30-2026 | <a href="#"><b>South Dakota Board of Accountancy (Department of Labor and Regulation):</b></a> Amend rules to clarify the definition for education, experience, and issuing a license to an applicant licensed by another state; 52 SDR 94, April 13, 2026.                                 |

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### RULES REVIEW COMMITTEE MEETINGS

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The first meeting of the Interim Rules Review Committee for the 2026 Interim is Tuesday, April 21, 2026, at 10:00 a.m. (CT) via electronic conference and in Room 414 of the State Capitol. Future meetings for the 2026 Interim are scheduled for May 5, June 9, July 14, August 18, September 8, and October 12. Notices of future committee meetings will be posted in this publication, on the [LRC website](#), and at the Capitol.

The Drafting Manual for Administrative Rules in South Dakota is available on the [Administrative Rules Manual page](#) of the LRC website and is updated regularly to reflect changes in drafting styles and procedures.