FEDERAL POLICY CHANGE & MEDICAID EXPANSION

Prior to a recent federal policy change, 100% federal funds were restricted to facility services provided in Indian Health Service (IHS) clinics or hospitals. Services provided outside IHS were not eligible for 100% federal funds and were paid using roughly 50% state funds. ¹

New federal guidance allows 100% federal funds for Medicaid services for American Indians if certain requirements are met. States may claim 100% federal funds for care referred by IHS that is provided by non-IHS providers and meets certain care coordination criteria. Non-IHS providers must sign care coordination agreements and share medical records with IHS.

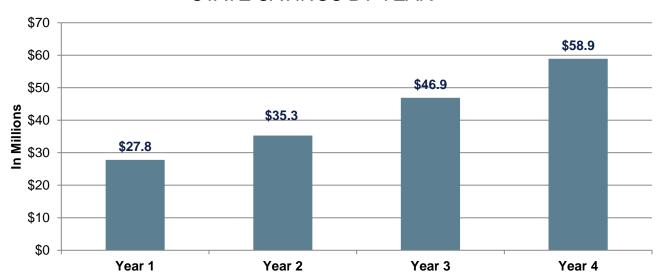
HOW WILL SOUTH DAKOTA IMPLEMENT THE POLICY?

- Implement care coordination agreements between IHS and non-IHS providers.
- Share medical records between IHS and non-IHS providers.
- Implement tools to assist providers in identifying individuals eligible for Medicaid and IHS.
- Provider and recipient participation is voluntary.

Using conservative estimates, the projected state cost of Medicaid Expansion is \$57 million in 2021. Governor Daugaard's plan has identified \$58.9 million in state savings by Year 4 of Medicaid Expansion.

YEAR 1	 Implement care coordination agreements with larger hospitals, clinics and nursing homes. Expand IHS telehealth for specialty physician, behavioral health and emergency departments at IHS hospitals. Pilot IHS satellite clinics at largest Federally Qualified Health Center (FQHC) sites.
YEAR 2	 Expand care coordination to include more hospitals, nursing homes, and community support providers. Continue to increase IHS telehealth capacity. Continue expanding IHS satellite clinics to additional FQHC sites.
YEAR 3 & 4	South Dakota will continue to ramp up with full implementation in Year 4.

STATE SAVINGS BY YEAR



¹ South Dakota FFY2017 Federal Medical Assistance Percentage as published in the Federal Register https://www.federalregister.gov/articles/2015/11/25/2015-30050/federal-financial-participation-in-state-assistance-expenditures-federal-matching-shares-for
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