

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>