



Medicaid Expansion – SDCareerLink

May 30, 2025



Background

- South Dakota voters passed a constitutional amendment to add Medicaid Expansion coverage for the adult group effective July 1, 2023.
- In November 2024, South Dakota voters further clarified that the Medicaid expansion group may be subject to work requirements. This constitutional amendment takes effect July 1, 2025.
- 1115 demonstrations are subject to approval by CMS. The SDCareerLink proposal would only go into effect if approved by CMS. The release of this application has no immediate impact on Medicaid expansion eligibility criteria.

Background

- The US Congress is also actively considering adding work requirements for the Medicaid expansion population as part of the budget reconciliation bill.
 - South Dakota's waiver application was drafted prior to the release of proposed federal legislative text on May 11th.
 - It is possible that SD would not file this waiver if work requirements become law at the federal level.

Demonstration Overview

- The demonstration application incorporates a work requirement for the Medicaid expansion population.
- It empowers a path toward self-sufficiency and recognizes the benefit, dignity and fulfillment that comes with service to others.
- It is phased to encourage new applicants to leverage community resources and supports to obtain employment or educational opportunities. Initially applicants are informed of requirements and available resources.
- Verification is done at time of renewal.
- This approach recognizes that many individuals may need assistance with health care so that they can work.

Demonstration Overview

- The requirement focuses on work and education, not paperwork.
 - There are no monthly or quarterly reporting requirements.
 - This recognizes that most people want to work as much as they can to support themselves and their family.
- Data sources will be used to verify compliance with requirements where feasible.
 - Individuals will also be able to attest to meeting requirements or an exemption at renewal by submitting supporting documentation.
- A review of existing data indicates that approximately 80 percent of the expansion population appear to meet the program requirements or a stated exemption.

Requirements

Individuals meet the requirements if they:

- Are employed;
- Are enrolled in job training, vocational rehabilitation, or school;
- Meet the requirements of another work program such as SNAP, TANF, or Reemployment assistance;
- Are a parent or nonparent caretaker of a dependent child in the same residence;
- Are a primary caregiver of an elderly or disabled individual in the same residence; or
- Qualify for a stated exemption.

Exemptions

The following individuals are exempt from participation requirements:

- Individuals unable to work due to a physical or mental disability or individuals unable to work due to a medical reason.
- Pregnant or postpartum women.
- Individuals residing in an area considered exempt from SNAP's able-bodied adults without dependents (ABAWDs) work requirements which have unemployment 20% or more above the national average.

Individuals will also be able to request a good cause exemption for extraordinary circumstances that inhibit their ability to comply with the requirements such as a natural disaster.

Verification Process

- Verification will occur at the individual's annual Medicaid renewal.
- Individuals newly eligible for the expansion group are not required to satisfy engagement requirements at the time of application.
- Data will be used to verify whether individuals meet program requirements where possible. Income data will be used as a proxy for employment.
- Individuals will also be able to attest to meeting the requirements including an allowable exemption and provide supporting documentation.

Enrollment Impact

- Approximately 80% of the current expansion population appear to either meet the requirements or an exemption based on available data sources.
- It is anticipated annual enrollment will decrease due to either earned income increasing or due to individuals not meeting the eligibility requirements or an exemption.
- A 5% to 10% decrease in expansion enrollment in the initial year after implementation is estimated.

Federal Legislation Key Differences

High-level comparison between South Dakota's application and draft federal legislation:

- Timing of Requirements
 - Federal: Must meet requirements at the time of initial application. Moves renewals to every 6 months.
 - State: Allows new expansion enrollees to obtain eligibility and have up until their annual renewal period to obtain work or meet criteria.
- Tracking
 - Federal: 80 hour minimum (or wage equivalent). Allows community service to count toward work hours.
 - State: Minimize complexity rather than track specific hours - Either working/going to school or not.
- Exemptions
 - Federal: Additional exemptions include tribal members and individuals recently released from incarceration. South Dakota will evaluate and consider these exemptions.

Timeline and Process

- May/June 2025
 - Public Comment and Tribal Consultation periods
 - The comment period runs from May 19 to June 18
 - State review of comments and updates to application based on comments.
- July/August 2025
 - Decisions regarding application in light of federal legislation
 - Submission of application to CMS
 - Federal Comment Period - 30 day federal public comment period started within 15 days of submission.
- August 2025 to TBD
 - CMS application review
- Implementation TBD
 - Contingent on CMS approval
 - Once approved, anticipate an approximate 6 months pre-implementation period to educate recipients and finalize system updates

Public Forums

Two public forums will be held to take comments on the application:

- May 30, 2025 in Pierre, SD
 - 10:30 AM CST
 - In person: Kneip 1 Conference Room, 700 Governor Drive
 - Virtually: Microsoft Teams
 - Meeting Link: [Click to Join Now](#)
 - Meeting ID: 283 311 942 692 1
 - Passcode: LB7QM96p
 - Phone: 605-679-7263 / 241514796#
- June 12, 2025 in Sioux Falls, SD
 - 11:00 AM CST
 - In person: Sioux Falls One Stop, 1501 S Highline Ave
 - Virtually: Microsoft Teams
 - Meeting Link: [Click to Join Now](#)
 - Meeting ID: 212 040 446 239 1
 - Passcode: Uh6Y2Q9J
 - Phone: 605-679-7263 / 190017390#

Public Comment

- Comments may be emailed to MedicaidSPA@state.sd.us. Please include "SDCareerLink Public Comment" in the subject line.
- Comments, may also be mailed to:

DIVISION OF MEDICAL SERVICES
DEPARTMENT OF SOCIAL SERVICES
700 GOVERNORS DRIVE
PIERRE, SD 57501-2291