84% of South Dakota nursing facilities are over 40 years old.

66% of South Dakota nursing facilities are over 50 years old.

The average useful life of a skilled nursing facility is 40 years.

- Final Report: Evaluation of Long-Term Care Options for South Dakota
  South Dakota Department of Social Services, 2007
- South Dakota’s aged nursing facilities are not designed to support modern best practices in infection prevention that are needed to prevent infectious disease outbreaks like COVID-19. Old buildings are not designed to accommodate visitation during a pandemic.
- COVID-19 has decreased nursing facility census and increased reliance on Medicaid as a payer source. Most nursing facilities in South Dakota already relied on Medicaid rates to fund over half their resident days before COVID.
- Nursing facility residents today have more complex care needs than when most South Dakota nursing facilities were built. Old infrastructure makes it harder to care for high-need residents, increasing the pressure on an already strained workforce.
- Depreciation and Medicaid reimbursement do not cover the cost of facility renovations and redesign to support modern clinical practices and accommodate new care models.

South Dakota’s Medicaid rates are the LOWEST in the region.

Medicaid Median Skilled Nursing Facility Daily Rates, SFY 2021
South Dakota’s Medicaid Rates do not Keep Pace with Costs

Medicaid has a $51.95 per bed per day shortfall in nursing homes, forcing private pay patients to pick up the tab.

COVID-19 has strained Long Term Care Facilities

COVID-19 precautions have added 192 new regulations to nursing facilities for PPE, infection prevention, and staff testing, in addition to workforce challenges caused by COVID-19. The long-term impact of the enhanced costs and additional regulations is unknown.
Access critical nursing facilities ensure geographic access to nursing facility services in rural South Dakota.

Medicaid rates for Access Critical facilities are higher, and have a smaller cost shortfall than the regular Medicaid rate.

South Dakota Medicaid Nursing Facility Rates and Cost Shortfall Per Bed Per Day
All Nursing Facilities vs. Access Critical Nursing Facilities

<table>
<thead>
<tr>
<th>All South Dakota Nursing Facilities</th>
<th>$158.54</th>
<th>$51.95</th>
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<tbody>
<tr>
<td>Access Critical Nursing Facilities</td>
<td>$187.84</td>
<td>$13.85</td>
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