South Dakota
Association of Healthcare Organizations

3708 W. Brooks Place • Sioux Falls, SD 57106 • (605) 361-2281

April 28, 2026

Matt Althoff, Secretary
Department of Social Services
700 Governors Drive
Pierre, SD 57501

Re: Hospital Methodology State Plan Amendment (SD-26-0003)

Dear Secretary Althoff:

The South Dakota Association of Healthcare Organizations (SDAHO) serves as a voice for South Dakota's hospitals and healthcare organizations encompassing the full continuum of care. SDAHO members include hospitals, healthcare systems, nursing facilities, home health agencies, assisted living centers, and hospice organizations. SDAHO's mission includes advancing healthy communities across the healthcare continuum.

South Dakota hospital methodologies have not been rebased or modernized since the inception of the Critical Access Hospital designation in 1997. SDAHO would like to thank the Department for your efforts to modernize the methodologies and bring additional dollars back into the State of South Dakota. While the changes still do not bring provider rates in line with what it costs to provide the care, it does provide a much-needed boost for our hospitals. This is being done while also recognizing that even within the Critical Access Hospitals there are differences in our state, thus creating the need for separate cohorts. We appreciate the Department's willingness to listen to those providers, especially the most rural, and devise a solution that works well for all hospitals in South Dakota.

We want to thank you again for your efforts to modernize hospital methodologies in South Dakota and start to bring their rates closer to what it costs to deliver care in our state.

Sincerely,

Tim Rave

Tim Rave
President and CEO
South Dakota Association of Healthcare Organizations