

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

January 20, 2021

Laurie R. Gill, Secretary
Department of Social Services
Division of Medical Services
700 Governors Drive
Pierre, SD 57501-2291

Re: South Dakota State Plan Amendment # SD-21-002

Dear Ms. Gill:

The South Dakota Association of Healthcare Organization (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.

SDAHO supports the South Dakota Department of Social Services (DSS) proposed state plan amendment (SPA) that seeks to extend the existing Medicaid Recovery Audit Contractor (RAC) Program exemption that is scheduled to end June 1, 2021.

The state of South Dakota already utilizes multiple contractors and approaches to maintaining program integrity to prevent fraud, waste, and abuse. South Dakota's approach includes both internal controls such as the Surveillance and Utilization Review Unit, South Dakota Foundation for Medical Care Quality Improvement Organization, Office of Recoveries and Fraud Investigations, and Drug Utilization Review as well as external approaches through Medicaid Integrity Contractors, the Medicaid Fraud Control Unit, and the Payment Error Rate Measurement (PERM) Program. South Dakota Medicaid continues to maintain a low error rate in Medicaid payments due to provider medical record errors within the PERM review. In addition, estimated recovery amounts from South Dakota providers will not be sufficient to provide a competitive bidding environment. SDAHO agrees that the Medicaid RAC program does not make sense in South Dakota.

SDAHO further commends the South Dakota Medicaid program for developing a strong working relationship with providers across the state. South Dakota Medicaid regularly engages the provider community on program integrity issues. Our organization shares this commitment and provides regular education to our members on regulatory issues, even partnering with the Medicaid Fraud Control Unit to education on Medicaid program integrity issues. Our members support the South Dakota Medicaid program and work to ensure its integrity through internal

review and attention to Medicaid policies and procedures. South Dakota Medicaid and all South Dakota providers strive to be good stewards of state and federal tax dollars. We encourage the Centers for Medicare and Medicaid Services to swiftly approve South Dakota's RAC exemption request for a period of three years.

Sincerely,

A handwritten signature in blue ink that reads "Tim Rave". The signature is fluid and cursive, with the first name "Tim" and last name "Rave" clearly legible.

Tim Rave
President and Chief Executive Officer
South Dakota Association of Healthcare Organizations