

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

June 16, 2025

Matt Althoff
Secretary
South Dakota Department of Social Services
700 Governor's Drive
Pierre, SD 57501

RE: South Dakota Medicaid Work Requirement 1115 Waiver

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.

I am writing as a neutral party regarding the Department's proposed 1115 waiver for Medicaid work requirements. While SDAHO has opposed a work requirement in the past as it may cause thousands of South Dakotans to lose access to health insurance, we respect the fact that the Department is fulfilling its obligation to South Dakota voters who passed Amendment F. I do want to offer comments on the exemptions and an example from another state.

We appreciate the flexibility for exemptions in the proposed 1115 waiver. Specifically, we feel that the exemptions for those with a serious illness or medical condition, participating in an intensive or residential behavioral health program, and experiencing a medical emergency, hospitalization, or meet nursing facility level of care help to catch many individuals who may fall through the cracks and lose coverage when they aren't physically or mentally capable of keeping a job. We would strongly recommend including anyone with a diagnosed mental health disorder. While this population might fit into some of the exemption categories already included, they often may not be actively receiving treatment and have issues that keep them from being able to hold a stable job position. We are happy to discuss this further with the Department as it goes through the formal process.

The only state with a functional work requirement in place is Georgia, known as the Georgia Pathways program. This program began July 1, 2023, and has cost the federal government and the State of Georgia more than \$86 million as of the end of 2024, with three quarters being spent on consulting fees according to the Kaiser Family Foundation. I hope that, if the waiver is approved, the State of South Dakota has a plan to make the implementation of a work requirement at worst a budget neutral venture for the taxpayers of South Dakota.

I appreciate the ability to provide written comments on the proposed 1115 waiver regarding work requirements for the South Dakota Medicaid population. I hope that you will consider a cost-effective



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approach and include individuals diagnosed with a mental health disorder for an exemption. Please don't hesitate to reach out if you would like to discuss any of this further.

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 visible.

Tim Rave
President and CEO
South Dakota Association of Healthcare Organizations