



Sen. Ryan Maher, Chair
Rep. Lance Carson, Vice Chair

Fred Schoenfeld, Interim Director
Doug Decker, Code Counsel
April 8, 2014

Mr. Denny Kaemingk, Secretary
Department of Corrections
Solem Building
Pierre, SD 57501

Letter of Intent Regarding Legislation Approved in the 2014 Session

Dear Secretary Kaemingk:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations in approving your appropriation in the 2014 Legislative Session. As such, it supplements that appropriation with a specific policy guideline as approved on March 31, 2014.

While this guideline does not have the direct force of statutory law, it rests solidly on a long-standing tradition of Legislative-Executive relationships in South Dakota and it will be used by the Joint Committee as one basis for the fiscal oversight of your agency and its continued funding.

The 2014 South Dakota Legislature approved a 3% discretionary FY15 rate increase to providers. An additional 0.30% base increase to providers was also approved in amendment 187hv for community based providers and nursing homes.

It is the intent of the Interim Joint Committee on Appropriations that in FY15, providers are to realize a discretionary base rate increase in conformity with Attachment 1 of this document which was distributed by the Bureau of Finance and Management to the Joint Appropriations Committee on March 14, 2014.

Thank you for your cooperation.

/S/ Senator Deb Peters

/S/ Representative Fred Romkema

Senator Deb Peters
Co-Chair, Interim Joint Appropriations

Representative Fred Romkema
Co-Chair, Interim Joint Appropriations

cc: Marty Guindon, Auditor General
Jason Dilges, Commissioner, Bureau of Finance and Management

Provider Inflation:

	FY15 Base Infl.	FY15 3.0% Base Infl. Gov Rec.	
		General Funds	Total Funds
Hospitals	3.00%	2,577,238	5,481,025
Physicians	3.00%	1,002,524	2,147,961
Pharmacies	3.00%	440,472	956,851
Emergency Transportation/Medical Equipment	3.00%	224,332	468,529
Optometrists/Ophthalmologist	3.00%	23,928	49,975
Chiropractors	3.00%	7,960	16,625
Dentists	3.00%	263,304	581,523
Psychiatric Residential Treatment (Medical Services)	3.00%	199,371	416,398
Long Term Care (Nursing Home, Hospice, Assisted Living)	3.00%	2,642,313	5,466,556
Elderly Nutrition Program - Senior Meals	3.00%	147,091	147,091
In-Home Services for the Elderly	3.00%	312,989	381,666
Group Care Providers (Child Protection)	3.00%	76,914	98,974
Psychiatric Residential Treatment (Child Protection)	3.00%	248,144	518,263
Substance Abuse Providers	3.00%	504,071	591,736
Community Mental Health Centers	3.00%	551,816	799,221
Auxiliary Placement	3.00%	253,432	253,432
CCHS	3.00%		
Other Provider Groups	3.00%	922,932	1,137,107
DSS TOTAL		10,398,831	19,512,933
DOC			
Community Services	3.00%	357,484	530,920
Inmate Services	3.00%	40,403	40,403
DHS			
Community Services	3.00%	1,604,565	3,617,758
UJS			
Community Services	3.00%	29,488	31,652
DOE			
Ed Resources	3.00%	-	-
DOH			
Inmate Services	3.00%	-	30,713
TOTAL		12,430,771	23,764,379

All Community Based Providers & Nursing Homes FY15 additional inflationary increase at 0.30% Base Infl. Estimate			
General Funds	Federal Funds	Other Funds	Total Funds
20,212	22,002		42,214
267,881	286,327		554,208
14,912	-		14,912
31,731	6,963		38,694
7,798	2,236		10,034
25,157	27,385		52,542
51,103	8,887		59,990
55,944	25,082		81,026
25,693	-		25,693
2,872	3,128		6,000
90,696	14,205	4,381	109,282
593,999	396,215	4,381	994,595
40,338	19,570		59,908
162,673	204,100		366,773
2,990	219		3,209
800,000	620,104	4,381	1,424,485