



**Joint Committee on Appropriations**  
SENATOR JOHN WIIK, CO-CHAIR  
REPRESENTATIVE CHRIS KARR, CO-CHAIR

May 22, 2019

Ms. Amy Iversen-Pollreis, Interim Secretary  
Department of Social Services  
Kneip Building  
Pierre, SD 57501

Mr. Mike Leidholt, Secretary  
Department of Corrections  
Solem Building  
Pierre, SD 57501

Ms. Shawnie Rechtenbaugh, Secretary  
Department of Human Services  
Hillsview Plaza  
Pierre, SD 57501

Mr. Greg Sattizahn, State Court Administrator  
Unified Judicial System  
State Capitol Building  
Pierre, SD 57501

Ms. Kim Malsam-Rysdon, Secretary  
Department of Health  
Robert Hayes Building  
Pierre, SD 57501

Mr. Craig Price, Secretary  
Department of Public Safety  
Sutherland Building  
Pierre, SD 57501

### **Letter of Intent Regarding Provider Inflation Approved in the 2019 Legislative Session**

Dear Agency Head:

This Letter of Intent sets forth a particular view held by the Joint Committee on Appropriations (JCA) in approving your appropriation in the 2019 Legislative session. As such, this Letter of Intent seeks to supplement that legislation with specific policy guidance as approved on May 22, 2019.

While the guidance 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 2019 South Dakota Legislature, through the FY2020 General Appropriations Act (Senate Bill 191), approved a base funding increase for all provider groups as outlined in Attachment One. It is the intent of the Interim Joint Committee on Appropriations that in FY2020 these providers receive a base rate increase in conformity with Attachment One of this document.

The 2019 Legislature also approved one-time provider funding enhancements for FY2019 through Senate Bill 180, including increases for all provider groups for the final three months of FY2019 as outlined in Attachment Two. It is the intent of the Interim Joint Committee on Appropriations that providers receive these appropriations in conformity with Attachment Two of this document.

2019 Legislative Session Letter of Intent

March 29, 2019

Page 2

Thank you for your cooperation.

/s/ Senator Wiik  
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Senator John Wiik  
Lead Co-Chair, Joint Committee on Appropriations

/s/ Representative Karr  
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Representative Chris Karr  
Co-Chair, Joint Committee on Appropriations

cc: Marty Guindon, Auditor General  
Liza Clark, Commissioner, Bureau of Finance and Management

## FY2020 Discretionary Provider Inflation Increases

Provider Group	Inflationary Increase	General Funds	Federal Funds	Other Funds	Total Funds
DSS Hospitals	1.50%	1,406,130	2,178,070	-	3,584,200
DSS Physicians	1.50%	459,971	619,519	-	1,079,490
DSS Dentists	1.50%	144,701	194,894	-	339,596
DSS Optometrists/Ophthalmologist	1.50%	12,262	16,516	-	28,778
DSS Chiropractors	1.50%	4,413	5,944	-	10,357
DSS Other Health Care (DME/EPSTDT)	1.50%	143,379	193,115	-	336,494
DSS Psychiatric Residential Treatment	Varies	1,452,358	1,956,515	-	3,408,874
DSS Group Care	4.00%	148,972	-	-	148,972
DSS In-Home Services (RN, Homemaker, LPN)	4.00%	103,149	138,928	-	242,077
DSS Emergency Transportation (Targeted Services)	4.00%	79,600	107,205	-	186,805
DSS Community Behavioral Health	4.00%	1,921,105	608,146	-	2,529,251
DSS Outpatient Psychiatric	4.00%	81,216	109,395	-	190,611
DSS Other Provider Groups	3.00%	861,417	165,137	13,080	1,039,635
DHS Nursing Homes	10.00%	7,701,672	10,374,061	-	18,075,733
DHS Community Support Providers	6.50%	3,634,309	4,996,883	42,475	8,673,667
DHS Private Intermediate Care Facility (ICF)*	6.50%	-	362,781	203,768	566,549
DHS In-Home Services (RN, Homemaker, LPN)	4.00%	619,269	382,418	-	1,001,687
DHS Assisted Living	4.00%	229,871	228,902	-	458,773
DHS Senior Meals	4.00%	205,102	5,206	-	210,307
DHS Other Provider Groups	3.00%	134,906	83,231	-	218,137
DOC Group Care	4.00%	121,841	-	-	121,841
DOC Psychiatric Residential Treatment	8.00%	148,947	200,614	-	349,561
DOC Community Services	3.00%	78,028	-	-	78,028
UJS Community Services	3.00%	58,499	-	-	58,499
DOH Inmate Services	1.50%	-	-	15,971	15,971
DPS Victim's Services	3.00%	15,623	-	-	15,623
<b>Total Discretionary Provider Inflation</b>		<b>\$ 19,766,740</b>	<b>\$ 22,927,479</b>	<b>\$ 275,294</b>	<b>\$ 42,969,513</b>

\*The agency did not receive additional funding for the increase from 3% to 6.5% for Private ICFs

## FY2019 Discretionary Provider Inflation Increases

Provider Group	Inflationary Increase	General Funds	Federal Funds	Other Funds	Total Funds
DSS Hospitals	1.50%	351,623	544,517	-	896,140
DSS Physicians	1.50%	114,993	154,880	-	269,873
DSS Dentists	1.50%	36,176	48,723	-	84,899
DSS Optometrists/Ophthalmologist	1.50%	3,066	4,129	-	7,195
DSS Chiropractors	1.50%	1,103	1,486	-	2,589
DSS Other Health Care (DME/EPSTDT)	1.50%	35,845	48,278	-	84,123
DSS Psychiatric Residential Treatment	Varies	363,089	524,464	-	887,553
DSS Group Care	4.00%	34,444	-	-	34,444
DSS In-Home Services (RN, Homemaker, LPN)	4.00%	23,854	32,697	-	56,551
DSS Emergency Transportation (Targeted Services)	4.00%	18,408	25,231	-	43,639
DSS Community Behavioral Health	4.00%	430,898	142,383	-	573,281
DSS Outpatient Psychiatric	4.00%	18,781	25,747	-	44,528
DSS Other Provider Groups	3.00%	158,990	41,287	3,269	203,546
DHS Nursing Homes	10.00%	1,867,653	2,840,053	-	4,707,706
DHS Community Support Providers	6.50%	858,258	1,252,646	34,131	2,145,035
DHS Private Intermediate Care Facility (ICF)*	6.50%	-	90,695	50,942	141,637
DHS In-Home Services (RN, Homemaker, LPN)	4.00%	145,800	90,819	-	236,619
DHS Assisted Living	4.00%	53,162	53,868	-	107,030
DHS Senior Meals	4.00%	47,332	1,302	-	48,634
DHS Other Provider Groups	3.00%	33,770	20,808	-	54,578
DOC Group Care	4.00%	28,468	-	-	28,468
DOC Psychiatric Residential Treatment	8.00%	37,237	52,700	-	89,937
DOC Community Services	3.00%	19,507	-	-	19,507
UJS Community Services	3.00%	14,625	-	-	14,625
DOH Inmate Services	1.50%	-	-	3,993	3,993
DPS Victim's Services	3.00%	3,906	-	-	3,906
<b>Total Discretionary Provider Inflation</b>		<b>\$ 4,700,988</b>	<b>\$ 5,996,713</b>	<b>\$ 92,335</b>	<b>\$ 10,790,036</b>

\*The agency did not receive additional funding for the increase from 3% to 6.5% for Private ICFs