

# 2024 South Dakota Legislature

## Draft 163

*Requested by: The Interim Committee on Study Committee on Sustainable Models for Long Term Care*

- 1 **An Act to amend the eligibilities for designation as a regional nursing facility and**  
2 **applicable reimbursement.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That § 34-12-35.12 be AMENDED:**

5 **34-12-35.12.** A nursing facility may submit to the Department of Human Services  
6 an application for designation as a regional nursing facility. In order to obtain the  
7 designation, a nursing facility must:

- 8 (1) Be enrolled and in good standing with South Dakota Medicaid;  
9 (2) Provide home and community-based services in the region through an affiliation or  
10 a contractual arrangement;  
11 (3) Demonstrate intent to construct a new nursing facility or ~~to~~ substantially remodel  
12 an existing nursing facility, upon merging with one or more ~~health care~~ nursing  
13 facilities within a ~~thirty~~ sixty-mile radius, unless no other nursing facilities exist  
14 within a sixty-mile radius;  
15 (4) Demonstrate that the newly constructed ~~nursing facility~~ or the substantially  
16 remodeled nursing facility will:  
17 (a) Support a homelike environment ~~with a cluster, neighborhood, or household~~  
18 ~~model layout~~;  
19 (b) ~~Contain single occupancy rooms and toilet areas~~; Support access to a  
20 continuum of care;  
21 (c) Abide by best practices regarding infection control and prevention;  
22 (d) Allow for private visitation; and  
23 (e) Support other best practices related to aging to meet current market needs;  
24 ~~(5) Meet any other criteria set forth in rules promulgated by the department for the~~  
25 ~~implementation of this section.~~

26 Upon approval of the application and completion of the construction or remodeling  
27 referenced in this section, the department shall designate the newly constructed or  
28 substantially remodeled nursing facility as a regional nursing facility. ~~Upon a determination~~  
29 ~~by the department that the proposal is budget neutral for South Dakota Medicaid, the~~

1 ~~department shall reimburse the facility in accordance with the regional nursing facility rate~~  
2 ~~methodology.~~ The department shall reimburse a regional nursing facility for allowable  
3 capital costs to construct or substantially remodel the regional nursing facility based on  
4 the number of patients whose care is paid for by medicaid.

5 The department ~~may~~ shall promulgate rules, in accordance with chapter 1-26, ~~to~~  
6 ~~implement this section.~~ establishing application procedures, defining allowable capital  
7 costs, and establishing the method for reimbursing allowable capital costs.

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