

PUBLIC NOTICE

South Dakota Medicaid Program

Notice is hereby given that the South Dakota Department of Social Services (DSS) intends to submit an 1115 demonstration application to the Center for Medicare & Medicaid Services (CMS) to implement the SDCareerLink demonstration. The demonstration adds a work requirement as a component of eligibility for the adult Medicaid expansion population. This change aligns with the will of South Dakota voters as expressed by the passage of Constitutional Amendment F.

Program Goals

The SDCareerLink program goals and objectives are to 1) Improve participant's health and wellbeing due to employment or education activities and 2) Increase the expansion population's rate of employment.

Eligibility Requirements

Individuals will be considered as satisfying the work requirement or community engagement requirement if they meet one or more of the following:

- Are employed;
- Are enrolled in job training, vocational rehabilitation, or school;
- Meet the requirements of another work program such as SNAP, TANF, or unemployment insurance;
- Are a parent and nonparent caretaker of a dependent child in the same residence;
- Are a primary caregiver of an elderly or disabled individual in the same residence; or
- Qualify for a stated exemption.

Compliance with the requirements is not based on a monthly minimum number of hours and is not tied to monthly or quarterly reporting. Compliance will be verified at the time of the individual's normal annual Medicaid renewal.

Exemptions

The following individuals are exempt from participation requirements for SDCareerLink:

- Physically and mentally disabled individuals or individuals unable to work due to a medical reason including:
 - Individuals whose eligibility has been determined on the basis of disability or who have been determined blind or disabled by the Social Security Administration;

- Individuals unable to work due to cancer or other serious or terminal illness as determined by a physician;
- Individuals participating in an intensive or residential behavioral health treatment program for alcohol or drug addiction; or
- Individuals experiencing a medical emergency, hospitalization, or who meet a nursing facility level of care.
- Pregnant or postpartum women.
- Individuals residing in an area considered exempt from SNAP's able-bodied adults without dependents (ABAWDs) requirements which have unemployment 20% or more above the national average.

Individuals will also be able to request a good cause exemption for extraordinary circumstances that inhibit their ability to comply with the requirements such as a natural disaster.

Verification

The department will verify compliance at the individual's annual Medicaid renewal. Individuals newly eligible for the expansion group are not required to meet requirements at the time of application.

The department will use data to verify whether individuals meet program requirements where possible. At renewal, if the individuals did not appear to meet requirements based on available data, the individual will be offered the opportunity to self-attest to meeting the requirements including an allowable exemption and provide supporting documentation.

Individuals who do not self-attest to meeting requirements or who self-attested and are unable to provide supporting documentation will be noticed for loss of Medicaid eligibility. Individuals will be unable to become eligible again until they meet the program requirements or a qualifying exemption.

Supports

The department will promote existing publicly available supports to the Medicaid expansion population such as the DLR job services, technical colleges, 211 Helpline Center, and economic assistance programs administered by the department to assist recipients who may need additional supports to obtain a job or advance their career.

Demonstration Hypotheses and Evaluation

The department will conduct analysis on no less than an annual basis to determine the outcomes associated with this demonstration. This analysis will test the following hypotheses using claims data and administrative data:

- The demonstration population will experience improved health outcomes compared to the pre-implementation period.
 - The department will evaluate this by tracking and comparing various health measures pre-waiver and post-waiver.
- The demonstration population will encourage participants to obtain meaningful employment or meet other program requirements.
 - The department will evaluate this by tracking participants that obtain employment and tracking the number of participants that meet a participation requirement through a route other than employment.

Historical Enrollment and Expenditures

As of April 2025, 30,542 individuals were enrolled in the Medicaid adult expansion group. The State estimates approximately 30,000 individuals in the expansion eligibility group will be enrolled in SDCareerLink annually. Based on year to date expenditures, annual aggregate expenditures for the expansion group are anticipated to be approximately \$364,468,768 in SFY25.

Enrollment and Expenditures Impact Estimate

The department estimates that approximately 80% of the expansion population currently either meets the requirements or an exemption. This estimate is based on existing available data sources. It is anticipated annual enrollment will decrease due to either earned income increasing or due to not meeting the eligibility requirements or an exemption. Without the waiver, the department estimates an increase of 2% in expansion enrollment each year of the proposed demonstration period. With the waiver, the State estimates a decrease in enrollment of 5% to 10% in demonstration year 1. In future years of the demonstration, the department estimates enrollment will remain flat instead of increasing by 2%.

Decreases in annual enrollment would also result in decreases in annual expenditures. Average annual decreases are estimated to be \$48,871,767 if the initial demonstration year coverage loss is 5% or an average of \$71,075,235 if the initial demonstration year coverage loss is 10%.

Waiver Authorities Requested

The demonstration application requests 1115(a)(1) authority to require individuals meet program requirements as a condition of eligibility at renewal and subsequent

applications for the Medicaid expansion adult group; restrict the program to certain geographical areas of the state, specifically, to exclude geographic regions of South Dakota that are excluded in SNAP's able-bodied adults without dependents (ABAWDs) requirements; and enable the State to obtain information as part of the application process to verify compliance with demonstration program requirements.

- Provision of medical assistance, Section 1902(a)(8) and 1902(a)(10)
- Statewideness/uniformity, Section 1902(a)(l)
- Application information and renewal processing, 1902(a)(17), 42 CFR 435.907, 42 CFR 435.916

Delivery System, Eligibility, Benefits, and Cost Sharing

The demonstration is not proposing any delivery system, covered benefits, or cost sharing changes. No additional eligibility change are being proposed besides those described above.

Public Comment

The State will conduct two public hearings at the following times and locations:

May 30, 2025
10:30 AM CST
Department of Social Services
Kneip 1 Conference Room
700 Governors Drive
Pierre, SD 57501-2291

Microsoft Teams [Need help?](#)
Meeting Link: [Click to Join Now](#)
Meeting ID: 283 311 942 692 1
Passcode: LB7QM96p
Ph: 605-679-7263 / 241514796#

June 12, 2025
11:00 AM CST
Room D209
Department of Social Services
1501 S Highline Ave
Sioux Falls, SD 57110

Microsoft Teams [Need help?](#)
Meeting Link: [Click to Join Now](#)
Meeting ID: 212 040 446 239 1
Passcode: Uh6Y2Q9J
Ph: 605-679-7263 / 190017390#

The proposed demonstration application is available for review and comment on the Department's website at <https://dss.sd.gov/medicaid/1115waiver.aspx>. Comments may be emailed to MedicaidSPA@state.sd.us. Please include "SDCareerLink Public Comment" in the subject line. Written requests for a copy of the demonstration application, and corresponding comments, may also be sent to:

DIVISION OF MEDICAL SERVICES
DEPARTMENT OF SOCIAL SERVICES
700 GOVERNORS DRIVE

PIERRE, SD 57501-2291

A copy of the proposed demonstration application is available for public review and comment at the above-referenced address. A 30-day comment period will be held from May 19, 2025 through June 18, 2025. All comments should be submitted during this time period.