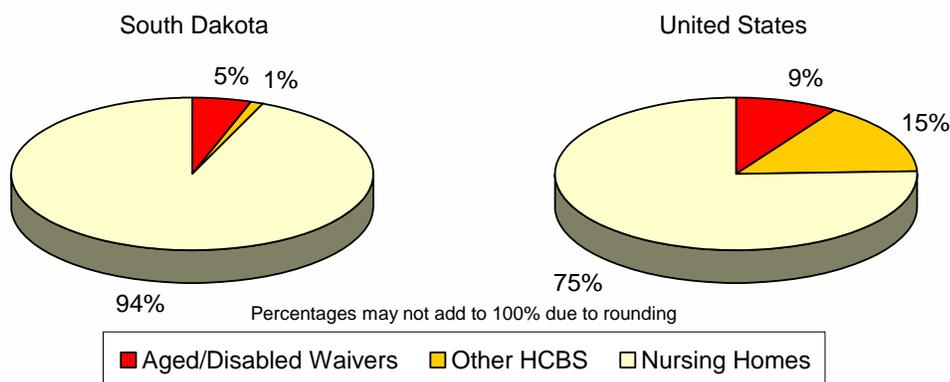


State Long-Term Care Reform in
SOUTH DAKOTA

Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in South Dakota and the U.S., 2006



Compared to the U.S. average, South Dakota allocates a much greater percentage (94 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to nursing homes, even though most people prefer to remain in their own homes and communities. In FY 2006, South Dakota spent 5 percent on waiver services and 1 percent on personal care services (PCS).

Type of Service	Medicaid Participants ¹			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	1,729	2,327	+598	\$4	\$9	+\$5
Nursing Homes	5,950	5,694	-256	\$103*	\$134	+\$30

Although South Dakota still has an unbalanced LTC system for older people and adults with physical disabilities, Medicaid trends indicate an increase in the number of Medicaid participants receiving home and community-based services (HCBS) in recent years. Specifically, the number of waiver beneficiaries increased, while the number of participants in nursing homes decreased slightly. From FY 2001 to FY 2006, however, the increase in Medicaid spending on nursing homes was six times the increase in spending on HCBS.

¹ This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants' type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.

* Expenditures for nursing homes were used from FY 2000—instead of FY 2001—because of state reporting irregularities.

Major Initiative

The 2006 legislature requested a comprehensive review of the state's LTC system (House Bill 1156). In response, the South Dakota Department of Social Services hired Abt Associates to conduct an assessment and evaluation of the system. In a November 2007 report, the consultants noted that HCBS "are limited in South Dakota, due to the difficulty of providing community-based services in very sparsely populated areas where there are few communities and a limited workforce."

The consultants recommended that the state "set goals and adopt policies" to expand HCBS across the state. Their recommendations included developing single points of entry to provide information, assessment, and referral to services; continuing expansion of the Long-Term Care Partnership Program; and implementing other initiatives to improve consumers' financial planning.

Long-Term Care System Review

The South Dakota legislature called for a comprehensive review of the state's LTC system in 2006. A consultant evaluation of the system recommended expanding HCBS across the state and developing a single point of entry to help consumers with information and referral to services.

Other Developments

2010 Initiative. In 2003, Governor Michael Rounds launched a 2010 Initiative to stimulate economic growth and promote quality of life. One of the goals of the Initiative is to address shortages of health care professionals and direct-care workers. In its 2006 report, the South Dakota Department of Health, which conducts an annual survey of the direct-care workforce, identified the position of certified nursing assistant as having the highest percentage of turnover (37 percent), followed by case manager (33 percent).

Own Your Future. In November 2006, South Dakota joined the campaign to raise awareness about LTC planning, promote a range of planning options, and inform the general public about state resources that are available to help residents and family members better navigate the LTC system. In addition to mailing pamphlets, state and local officials ran public service announcements on both radio and television stations and hosted public education events and activities.

Long-Term Care Partnership Program. South Dakota's State Plan amendment to create a LTC Partnership Program was approved in July 18, 2007. This partnership provides consumers with LTC insurance that will allow them to receive services and support without having to deplete all of their assets.