

2024 South Dakota Legislature

House Bill 1014**AMENDMENT 1014A
FOR THE INTRODUCED BILL**

1 **An Act to amend the criteria 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. The Department of Human
7 Services may designate up to one regional nursing facility per fiscal year. ~~In order to~~ To
8 obtain the designation, a nursing facility must:

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

1 Upon approval of the application and completion of the construction or remodeling
2 referenced in this section, the department ~~shall~~ must designate the newly constructed or
3 substantially remodeled nursing facility as a regional nursing facility. ~~Upon a determination~~
4 ~~by the department that the proposal is budget neutral for South Dakota Medicaid, the~~
5 department shall reimburse the facility in accordance with the regional nursing facility rate
6 methodology. The department shall reimburse a regional nursing facility for allowable
7 capital costs to construct or substantially remodel the regional nursing facility based on
8 the number of patients whose care is paid for by Medicaid. To receive reimbursement, the
9 regional nursing facility must submit invoices to the department specifying the allowable
10 capital costs sought to be reimbursed. The department shall reimburse allowable capital
11 costs over ~~thirty ten~~ years based on the annual depreciation of the capital.

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