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S.D. SEC. OF STATE

SENATOR BROCK L. GREENFIELD, CHAIR | REPRESENTATIVE STEVEN G. HAUGAARD, VICE CHAIR
REED HOLWEGNER, DIRECTOR | SUE CICHOS, DEPUTY DIRECTOR

500 EAST CAPITOL AVENUE, PIERRE, SD 57501 | 605-773-3251 | SDLEGISLATURE.GOV



January 28, 2021

Hon. Steve Barnett
Secretary of State
500 E Capitol Avenue
Pierre, SD 57501

Dear Secretary Barnett,

The Legislative Research Council received an initiated amendment to the South Dakota Constitution to expand Medicaid eligibility to any person over age 18 and under age 65 based on eligibility requirements and income methodology set in federal law. The initiated measure requires a fiscal note because it was determined that it may have an impact on revenues, expenditures, or fiscal liability of the state or its agencies and subdivisions. SDCL 2-9-30 requires the fiscal note be no longer than fifty words. The fiscal note examines the fiscal impacts associated with the state providing Medicaid benefits to eligible individuals.

Enclosed is a copy of the initiated amendment to the South Dakota Constitution, in final form, that was submitted to this office. In accordance with SDCL 2-9-31, I hereby submit the Legislative Research Council's fiscal note with respect to this initiated amendment.

Sincerely,

A handwritten signature in blue ink that reads "Reed Holwegner". The signature is written in a cursive style.

Reed Holwegner
Director

Enclosures

Cc: Laurie Jensen Wunder

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

FISCAL NOTE

INITIATED CONSTITUTIONAL AMENDMENT

AN INITIATED AMENDMENT TO THE SOUTH DAKOTA CONSTITUTION EXPANDING
MEDICAID ELIGIBILITY.

Based on eligibility requirements and income methodology set in federal law as of September 2020, the proposed expansion of Medicaid benefits could result in an additional 42,500 eligible individuals. The total annual estimated cost of Medicaid expansion is \$301,800,000 with the state's share of that cost being up to \$20,800,000.

Approved:

Keed Holwegner

Date:

January 28, 2021

Director, Legislative Research Council

BE IT ENACTED BY THE PEOPLE OF SOUTH DAKOTA:

That Article XXI of the Constitution of South Dakota be amended by adding a NEW SECTION to read:

§ 10 Beginning July 1, 2023, the State of South Dakota shall provide Medicaid benefits to any person over eighteen and under sixty-five whose income is at or below one hundred thirty-three percent of the federal poverty level plus five percent of the federal poverty level for the applicable family size, as authorized by federal law as of January 1, 2021. Such person shall receive coverage that meets or exceeds the benchmark or benchmark-equivalent coverage requirements, as such terms are defined by federal law as of January 1, 2021.

The State of South Dakota may not impose greater or additional burdens or restrictions on eligibility or enrollment standards, methodologies, or practices on any person eligible under this section than on any person otherwise eligible for Medicaid under South Dakota law.

No later than March 1, 2023, the Department of Social Services shall submit all state plan amendments necessary to implement this section to the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services.

The State of South Dakota shall take all actions necessary to maximize the federal financial medical assistance percentage in funding medical assistance pursuant to this section.

This section shall be broadly construed to accomplish its purposes and intents. If any provision in this section or the application thereof to any person or circumstance is held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of the section that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this section are severable.