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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 measure 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 measure, 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 measure.

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 MEASURE

AN INITIATED MEASURE 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: Reed Hwegner Date: January 28, 2021

Director, Legislative Research Council

BE IT ENACTED BY THE PEOPLE OF SOUTH DAKOTA:

Section 1. That chapter 28-6 be amended by adding a NEW SECTION to read:

Notwithstanding any provision of law to the contrary, beginning July 1, 2023, the state shall provide medical assistance to any person nineteen years of age or older and under sixty-five years of age who qualifies for medical assistance under 42 U.S.C. § 1396a(a)(10)(A)(i)(VIII) and federal regulations as of January 1, 2021, and who has income 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 provided for by 42 U.S.C. § 1396a(e)(14) and federal regulations as of January 1, 2021.

Any person eligible for medical assistance under this section shall receive coverage that meets the benchmark or benchmark-equivalent coverage requirements, as such terms are defined under 42 U.S.C. § 1396a(k)(1) and any federal regulations as of January 1, 2021.

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 Department of Social Services shall take all actions necessary to maximize the federal financial medical assistance percentage in funding medical assistance pursuant to this section.

The state 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 medical assistance under this chapter.

The Department of Social Services shall promulgate rules pursuant to chapter 1-26 to authorize any person eligible under this section for medical assistance, and any other rule as authorized by §28-6-1 that is necessary to implement this section.

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.