

# Targeted Provider Increases

## Various Departments

### Overview

Governor Noem's recommended budget includes funding to raise reimbursement rates for targeted community-based health and human service providers to 90% of their target for Medicaid Services. This will require \$22,235,400 in ongoing general fund dollars.

### Project Description

The legislature created a process to set target reimbursement rates for certain community-based health and human service providers. High inflation and rising wages have caused some of these providers to fall too far behind this target. Currently, state reimbursement rates for these professions are only 81% of the target, on average. Some particular provider groups, such as nursing homes, are further behind. The Governor's recommendation would raise the below provider groups' reimbursement rate to 90% of the target by making the following increases to various provider groups:

Provider Group/Service	% of Current Methodology	General Funds	Total Funds	% Rate Increase
Developmental Disabilities CHOICES - Adults	76.9%	6,729,509	17,002,297	17.0%
Family Treatment Foster Care	85.1%	18,558	25,671	5.7%
Group Care	78.9%	907,553	907,553	14.1%
In Home Services (Adult Companion, Chore, Respite)	74.1%	182,640	461,123	21.4%
In Home Services (Homemaker/Personal Care Aide)	83.1%	399,065	743,798	8.3%
In Home Services (Licensed Practical Nurse)	72.4%	141,452	357,383	24.2%
Independent Living	73.0%	141,126	141,126	23.2%
Intensive Residential Treatment (IRT)	75.4%	281,641	711,574	19.4%
Nursing Homes	74.5%	10,461,272	26,430,702	20.8%
Psychiatric Residential Treatment Facilities (PRTF)	71.5%	2,776,653	7,015,293	25.8%
Therapeutic Foster Care	81.3%	195,931	271,035	10.7%
<b>Total Targeted Provider Increases</b>		<b>\$ 22,235,400</b>	<b>\$ 54,067,555</b>	

*Note: The percent rate increase is inclusive of the 5% recommended provider inflation.*

### Funding

The Governor is recommending ongoing funding of \$22,235,400 in general funds and \$31,832,155 in federal fund expenditure authority to raise provider reimbursement rates to 90% of their target.