

State of South Dakota

EIGHTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2010

400R0492

SENATE BILL NO. 69

Introduced by: The Committee on Health and Human Services at the request of the Office of
the Governor

1 FOR AN ACT ENTITLED, An Act to authorize certain exceptions to the nursing facility
2 moratorium.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 34-12 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 Notwithstanding the provisions of §§ 34-12-35.4 and 34-12-39.2, a new nursing facility as
7 defined in § 34-12-1.1 may be constructed, operated, and maintained in an area if the facility
8 is to be located in the eastern half of the state and is required to serve military veterans and their
9 spouses. No more than one new nursing facility for military veterans may be located in the
10 eastern half of the state, and the number of beds in the new nursing facility may not exceed fifty.
11 The new nursing facility shall meet the specifications of chapter 34-12 for a licensed nursing
12 facility in order to participate in the medicaid program.

13 Section 2. The provisions of section 1 of this Act are repealed on June 30, 2013.

14 Section 3. That chapter 34-12 be amended by adding thereto a NEW SECTION to read as
15 follows:



1 Notwithstanding the provisions of § 34-12-39.2, a new nursing facility as defined in § 34-12-
2 1.1 may be constructed, operated, and maintained as part of an existing nursing facility licensed
3 under chapter 34-12 if:

- 4 (1) The new nursing facility is located within fifty miles of the existing nursing facility;
- 5 (2) The combined bed capacity of both the licensed existing nursing facility and the new
6 nursing facility do not exceed the total number of beds afforded to the existing
7 nursing facility under § 34-12-35.4; and
- 8 (3) Both the existing nursing facility and the new nursing facility serve medicaid
9 residents and both facilities independently maintain an annual minimum medicaid
10 occupancy rate no less than ten percent below the state-wide average at the time rates
11 are established.

12 For the purposes of medicaid reimbursement, the facility shall submit a combined annual
13 cost report to include the combined costs for both the existing nursing facility and the new
14 nursing facility. Medicaid reimbursement rates shall be calculated using the combined cost
15 report, and rates will be subject to the ceilings and limitations set forth in rules promulgated
16 pursuant to § 28-6-1. The existing facility's medicaid reimbursement rate shall be used to
17 establish the overall ceiling as outlined in rules promulgated pursuant to § 28-6-1. The existing
18 nursing facility is limited to construction of one new facility under this section.