South Dakota Department of Social Services

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To: Care Connect Clinics

From: South Dakota Medicaid

Date: September 15, 2026

RE: Calendar Year (CY) 2025 Quality Incentive Payment (QIP)

The State Fiscal Year (SFY) 2027 Care Connect Quality Incentive payment was made on the evening August 26, 2026. The payment was calculated using the same methodology as last year and is calculated using CY 2025 data. The total amount received 1.4% provider inflation this year which brings the total amount to $594,199. The total amount was inflated, and the inflated amount was placed in the Clinical Outcome Measure Payment.

To receive a Care Connect Quality Incentive payment, providers must have participated in the Care Connect program during the outcome measurement year, be in good standing with the program by providing a core service to at least 50% of their caseload and reporting outcome measures for each recipient that was provided a core service.

The small caseload clinic payment pool is $75,000 and it was divided equally to those who qualify. To receive the small caseload payment, in addition to the requirements stated above, a clinic must have provided a monthly average of 15 or fewer recipients with a core service throughout the performance year.

The remaining $519,119 was used to fund the clinical outcome measure payment, based on the clinical outcome measures submitted by each clinic to South Dakota Medicaid. These measures help demonstrate the successful provision of core services to Care Connect recipients and demonstrates the provider's successful implementation of the Care Connect model. Targets for each measure are set each year at the statewide average. The outcome measure payment recognizes quality of care by rewarding providers who either improved from the previous calendar year on a specified measure or met/exceeded the established target for each measure.

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South Dakota Medicaid uses two types of measures for the methodology:

1. Measures that showed a successful implementation of the Care Connect Model, where the clinic had complete control over the outcome.
2. Measures requiring recipient compliance.

South Dakota worked with our stakeholder group to weigh each measure appropriately. The weights of the 7 measures totaled 100 and are outlined in the table below. The target for each measure is also included below.

Measure	Weight	Target
Depression Follow-Up Plan Doc	15	88.30%
Active Care Plan	25	89.10%
BMI in Control	12	20.60%
Mammogram up to date	12	60.19%
Colonoscopy up to date	12	57.30%
Blood Pressure in Control	12	76.50%
Face to face visits missed	12	10.90%

Once measure weights were assigned, the past years and the current year's outcomes were compared for improvement or attainment. Each measure is reviewed and awarded 0.0 points for no improvement/attainment, 0.5 points for improvement, or 1.0 point for attaining and/or exceeding the target.

A Caseload Severity Score was calculated for each clinic based on the number of recipients in each Tier whom they provide a core service and applied to each measure. Scores were assigned to each Tier as follows:

- Tier 1 - 0.25
- Tier 2 - 0.50
- Tier 3 - 0.75
- Tier 4 - 1.00

The Caseload Severity Score was calculated as follows [number of recipients in Tier 1*0.25] + [number of recipients in Tier 2 * 0.50] + [number of recipients in Tier 3 * 0.75] + [number of recipients in Tier 4 * 1.00].

Each measure's total score was calculated using the following equation: (Improvement or attainment score * weight) * caseload severity score.

The Clinic Composite Score is the sum of each measure's total. Dollars per point were assigned by taking the Clinical Outcome Payment Dollars ($519,199) divided by the sum of all Clinic Composite Scores. The Clinical Outcome Payment is calculated by multiplying the dollar per point by the individual clinic's Clinic Composite Score.

A Care Connect clinic's total payment is the sum of the Small Caseload Incentive Payment and the Clinical Outcome Measure Payments.