

# Gov. Daugaard Might Pursue Work Requirement As Component Of Medicaid Expansion

BY BOB MERCER

State Capitol Bureau

FORT PIERRE — Gov. Dennis Daugaard wants definite proof that the \$46 million cost by 2020 for Medicaid expansion can be covered by saving current spending on Medicaid services in South Dakota, a member of his senior management team said Thursday.

State Health Secretary Kim Malsam-Rysdon told members of the governor's Health Care Solutions Coalition they would need to listen to the governor's budget speech next week for an answer whether he intends to recommend Medicaid expansion to the Legislature.

Malsam-Rysdon said the governor remains interested in requiring work for new Medicaid recipients who would start receiving services under the expansion. The matter is in discussion with the federal Centers for Medicare and Medicaid Services, she said.

"We want people to work," she explained. "I would expect us to look at that further." She explained it was a value statement on the part of the governor. "We need workforce across our state," she said.

The coalition is working with the federal Medicaid agency on the potential for South Dakota to receive relief from being billed by the federal Indian Health Service when a tribal member is sent to a non-HIS medical provider.

State government frequently pays approximately half of the costs in those



Daugaard

instances.

The bottom-line question for the governor is whether eliminating that IHS requirement in turn would provide enough savings to pay for Medicaid expansion.

At the same time tribal members don't want to lose existing

services.

"My concern is for the tribes running their own program," said Jerilyn Church of Rapid City. She and Malsam-Rysdon are the co-chairwomen of the coalition.

Church, a member of the Cheyenne River Sioux Tribe, is chief executive officer for the Great Plains Tribal Chairmen's Health Board. She said there aren't enough primary-care doctors to go around in the state of South Dakota.

"We don't want to limit access and we're going to look for every means possible to address it," Church said. The federal trust responsibility to provide American Indian people with health care isn't based on income, she said. The challenge is finding ways to leverage federal IHS funding to provide more services to more people, she said.

The coalition is looking at services that could be added for tribal members as part of the arrangement.

The coalition members are considering use of tele-health hubs to connect doctors and clinics, offering broader

pre-natal care and behavioral health services, making community health representatives available to help people navigate within the health systems and adding partnership projects involving several tribal governments.

Rep. Don Haggard, R-Sioux Falls, expressed doubt that the swap will work out financially. "We're underestimating the cost. That's my concern," said Haggard, who serves on the coalition.

The coalition hasn't made its formal recommendations. A final meeting of the main group is set for Dec. 16. That comes one week after the governor's speech and four weeks before the opening day of the 2016 session of the Legislature.

Malsam-Rysdon said the coalition isn't interested in paying for subsidies to enroll people in insurance policies or providing co-pay assistance.

An estimated 49,000 people could be covered by the Medicaid expansion, according to state officials. People could receive Medicaid services if their incomes didn't exceed 133 percent of the federal poverty level. For a one-person household that amount is \$15,889.50 this year.

Thirty states have approved Medicaid expansion as part of the federal Affordable Care Act. South Dakota is among the 20 states that haven't yet. Daugaard's concern is the federal government could require states at some later date to pay more than the 10 percent match that is scheduled to start in 2020.

## \$1M Bond Set For Community Activist

OMAHA, Neb. (AP) — A judge has set bond at \$1 million for a former Omaha gang leader-turned community activist arrested earlier this week on a gun charge.

Police say Terry Barfield met with an undercover federal agent on Tuesday to buy a handgun. It's illegal for convicted felons to have a gun.

Barfield was released from prison in June after serving more than 10 years for the 2003 shooting death of a man outside a south Omaha housing development.

Upon his release, Barfield worked with an Omaha city councilman to speak out against gang violence.

Barfield's attorney, Glenn Shapiro of Omaha, says he has not yet asked Barfield for his version of what happened Tuesday. Shapiro says he wants to first see what evidence prosecutors have at a Dec. 16 preliminary hearing.

## Man Claims \$215K Wild Card 2 Jackpot

PIERRE (AP) — A Sisseton man has claimed a \$215,000 Wild Card 2 jackpot from the South Dakota Lottery office.

Everett "Butch" Felix Sr. is the sole jackpot winner in the Nov. 24 drawing.

Felix says his wife already has a list put together for some things she'd like to do, and he has his own bucket list of things he's wanted to do all his life. He says some of the money will also be going to his church and he'll be paying it forward in other ways.

Wild Card 2 is played in Idaho, Montana, North Dakota and South Dakota. The odds of winning the jackpot are 1 in just under 1.9 million.

The jackpot is at \$215,000 for the next drawing on Saturday.

## Flight Diverted Due To Medical Emergency

SIoux FALLS (AP) — A cross-country United Airlines flight made a stop in South Dakota because of a medical emergency.

Sioux Falls Regional Airport Executive Director Dan Letellier tells the *Argus Leader* that United Airlines Flight 260 was headed from Seattle to Washington, D.C., when it stopped in Sioux Falls just after 6 p.m. Wednesday.

The sick person was transported by ambulance to a hospital. The person's condition was not known.

The plane continued to Washington after about two hours.

## Group Urges Prisons To Improve Education

LINCOLN, Neb. (AP) — A Nebraska advocacy group has called on the state prison system to bulk up its inmate educational programs to better prepare inmates for jobs and prevent further crimes.

The *Omaha World-Herald* reports that Lincoln-based Nebraska Appleseed released a report Wednesday urging the state to increase funding for the corrections department's vocational and life skills training program. The report did applaud the department for reviving the vocational program.

James Goddard, a co-author of the report, said that it makes sense to better prepare inmates with job skills because more than 90 percent of them will return to society and Nebraska has a worker shortage.

The report says that of the 5,348 inmates in Nebraska's correctional system, nearly 2,100 do not have a high school degree. It also says that the State Penitentiary in Lincoln has a waiting list of 80 inmates for educational classes and that 30 inmates are on waiting lists at correctional centers in Omaha and Lincoln.

"We have some good programming in place, but the need outstrips the resources," Goddard said.

The group made recommendations, including better use of federal funds to finance education programs, eliminating waiting lists for Adult Basic Education and GED classes, making college courses more accessible. The report noted that female inmates cannot take college courses and offerings for male inmates are limited.

Dawn-Renee Smith with the corrections department said that it has not fully reviewed the report, but the agency is already moving forward on some suggestions.

She said that the department is launching a partnership with York College to provide more courses for female inmates, and to increase access to computers for inmates without risking security.

## Woman Pleads Not Guilty In Tiger Case

OMAHA, Neb. (AP) — A woman accused of trespassing into a Nebraska zoo to pet a tiger has pleaded not guilty to charges.

An attorney for Jacqueline Eide entered the plea Tuesday on her behalf. Eide faces charges including trespassing and criminal mischief.

The 33-year-old Eide is accused of trespassing at Omaha's Henry Doorly Zoo following a social function on Halloween at the facility. Authorities say she was bitten by a tiger when she reached into an exhibit.

Omaha television station WOWT reports Eide went to a hospital for treatment to a severe hand wound. Police say she acted aggressively and appeared to be intoxicated.

# State Investment Officer Wants A Lower Rate Of Return

BY BOB MERCER

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PIERRE — The South Dakota Retirement System is out of financial balance again.

The market value for the system's investments fell about 2.5 percent since July 1, the state investment officer told SDRS trustees and staff Thursday.

The system needs an average annual gain of 7.25 percent to meet its long-term obligations. The assumed rate of return is scheduled to increase to 7.50 percent for 2018.

Those numbers aren't realistic any more, Matt Clark said. He and his staff at the State Investment Office oversee the SDRS portfolio.

They receive advice from the State Investment Council, a panel of people selected by the Legislature's Executive Board for their financial expertise.

Stocks have been overpriced to the point that Clark and the council reduced their holdings from a normal 70 percent to 63.9 percent currently.

They could drop all the

way down to 50 percent if stocks rise as high as 125 percent of their fair market value, he said. Right now 18 percent of the SDRS portfolio is in cash.

Trustee Jim Hansen of Pierre, who represents retirees, asked Clark how they could justify granting a 3.1 percent increase in retirement benefits on July 1, 2016, when the SDRS portfolio's market value is 10 percent below where it needs to be.

"How do we defend that?" Hansen asked.

"We have a lot more work to do," Clark replied. "I do believe we need to lower that assumed rate of return." He continued, "We've made steps. We were at 8 percent."

State law sets a range for the annual cost of living adjustment for SDRS benefits.

The minimum is 2.1 percent while the maximum is 3.1 percent. The percentage depends on the system's financial health.

A market value equal to at least 100 percent of liabilities triggers the 3.1 percent maximum.

SDRS as of the June 30

end of the 2015 fiscal was at 104 percent, with nearly \$10.8 billion in assets.

But the black ink quickly turned red again.

SDRS actuary Doug Fiddler said Thursday that a negative 2.5 percent return for fiscal 2016 would leave the system only 95 percent funded and short by \$575 million.

Fiddler said a positive return of 3 percent wouldn't be sufficient because the COLA is increasing 3.1 percent.

Managers for the main retirement system for public employees in California recently cut their assumed rate of return to 6.5 percent, according to Rob Wylie, the administrator for SDRS.

Wylie said the California system previously was at 7.5 percent.

Clark has urged the South Dakota trustees for years to reduce their assumed rate of return. He said Thursday he'd recently spoken with one of the California system officials.

"They're losing faith in exotic vehicles such as hedge funds," Clark said. "There's no free lunch."

He added, "The market

earnings and dividends aren't growing that much."

Reducing the assumed rate of return would push the South Dakota system deeper into the red in terms of financial balance long-term.

Just recovering from a negative 2.5 percent return for fiscal 2016 would take five years averaging 8.5 percent gains, according to Fiddler.

Fiddler said the COLA for South Dakota during the past seven years has averaged 2.7 percent.

He said that happened to be what was projected when the Legislature passed the current COLA law.

Jason Dilges, a trustee and the governor's budget director, reminded the SDRS board about conversations that he and a few other trustees tried to initiate in 2008.

Dilges said they had called for the COLA to be based on a broader variety of factors rather than just market value. That was just before the Great Recession crashed the market and triggered the current approach to the COLA.

# Census: Nebraska Immigrants Among Youngest In Nation

LINCOLN, Neb. (AP) — A report from the U.S. Census Bureau says Nebraska's foreign-born population ranks among the youngest in the nation.

The *Lincoln Journal Star* reports that the bureau released the American Community Survey Thursday, listing the median age of people living in Nebraska but born in another country as 36.5. That makes the state's immigrant population the sixth-youngest in the country. The national average age is 42.6.

Seven percent of Nebraska residents born in another country are under age 15.

The survey includes statistics from 2010 to 2014.

David Drozd, research coordinator for the Center

for Public Affairs Research at the University of Nebraska at Omaha, evaluated the data and says that Iowa has the third-lowest average age of foreign-born residents, trailing North Dakota and South Dakota.

Drozd says that the state's low unemployment rate during the Great Recession attracted people for work.

"A lot of those might have been second moves of people from states like California, Arizona or Texas, places a little bit harder hit economically," he said.

Drozd says having a higher concentration of younger residents keeps the state's birth rates strong.

"These concentrations of younger ages would be at

life stages where people are more likely to have birth, so that kind of keeps our birth numbers strong," Drozd said.

Nebraska ranks 46th for its foreign-born retirees who are baby boomers, and second to last for those years 65 and older.

The research coordinator speculated that the reason for the lower numbers of older immigrants in the state may be due to them leaving the state for retirement in warmer climates or moving closer to family.

"Whenever we lose population they're going to take their income and their spending and the taxes they pay with them," he said.

# Audit Released For GEAR UP Program

PIERRE (AP) — An educational cooperative that oversaw a federal college-readiness grant under investigation in South Dakota is touting what it calls positive findings from an audit of its involvement in the program.

Mid-Central Educational Cooperative released the examination of its use of GEAR UP funds on Thursday. An audit firm the cooperative hired said that it had accounted for both reimbursements paid to the organization and spending for the program over the roughly two year period reviewed.

Mid-Central board Chairwoman Pamela Haukaas said in a statement that the cooperative is pleased with what she called "positive findings" and said the organization is "committed to

doing everything possible to earn and keep the trust of those school districts."

But Mid-Central did say the audit found a "limited number" of issues with some spending items submitted for reimbursement. Eide Bailly LLP, the firm that conducted the audit, said there were about 140 expenditures totaling more than \$90,000 that were potentially "problematic" because of issues such as missing documentation or signatures.

An attorney for Mid-Central referred comment to Eide Bailly, which declined to comment. The company is set to brief the cooperative's governing board on the inquiry next week.

# "America's Distress and God's Course of Action"

Redeeming Grace Bible Church is holding a forum free of charge to the public

Six Sunday Evenings Beginning December 6th 5:30 PM

708 E. 19th Street, Yankton, SD

The forum, entitled "America's Distress and God's Course of Action", will survey the state of America and examine God's comprehensive plan for the world.

It will include videos from "Understanding the Times" Bible Conference

which was held in October 2015.

Featured speakers include:

Pastor Robert Jeffress, First Baptist Church Dallas, TX; Pastor Jack Hibbs, Calvary Chapel, Chino Hills, CA; and Amir Tsarfati of Behold Israel, an International Bible Teacher and Law Enforcement and Homeland Security consultant.

Discussion time will follow the video.



REDEEMING GRACE BIBLE CHURCH

708 East 19th Street, Yankton, SD

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