NORTHEND

SOUTH DAKOTA AGENCY PATH INSIGHT

How to Choose the Right South Dakota Agency Path

South Dakota does not currently issue a Department of Health license for ordinary non-medical in-home care, and it does not require a separate state license for certified Home Health Agencies. Hospice programs follow federal certification requirements, while inpatient and residential hospice facilities are state-licensed.

Non-Medical In-Home Care

South Dakota's Department of Health states that non-medical providers offering services such as bathing assistance, light-duty housekeeping, or meal preparation are not regulated by the Department as Home Health Agencies. This generally covers private-pay companion, homemaker, and personal-assistance models that do not cross into services reserved for licensed healthcare professionals.

In 2026, House Bill 1138 proposed a new non-medical home-care agency license, but the Governor vetoed it and the Legislature sustained the veto. The proposed January 1, 2027 licensing system therefore will not take effect. Owners should continue monitoring future legislation because the Governor directed the Department to work with stakeholders on a different framework.

Medicare-Certified Home Health Agency

A Home Health Agency provides skilled nursing and at least one additional therapeutic service, such as physical therapy, occupational therapy, speech-language pathology, medical social services, or home health aide services. Care is delivered in the patient's residence under a written plan of treatment established by the attending physician with agency staff and the patient.

South Dakota does not require a separate state HHA license for certified agencies. The pathway is built around federal Medicare certification and the federal Conditions of Participation, including qualified governance and leadership, clinical supervision, patient assessments and plans of care, skilled personnel, OASIS, quality assessment and performance improvement, emergency preparedness, records, and survey or accreditation readiness.

Hospice Program

A hospice program provides coordinated palliative and supportive services to terminally ill individuals and their families, emphasizing comfort rather than curative treatment. The program requires an interdisciplinary clinical structure, medical oversight, nursing, psychosocial and spiritual support, bereavement services, care planning, quality systems, emergency preparedness, records, and compliance with federal hospice requirements when Medicare certification is pursued.

For an agency providing hospice services in patients' homes, the primary approval pathway is federal certification rather than an ordinary South Dakota facility license. Medicare enrollment, certification, Medicaid enrollment, and payer contracting are separate decisions and should not be treated as one approval.

Inpatient and Residential Hospice

South Dakota separately licenses physical hospice facilities. An inpatient hospice provides all levels of hospice care to terminally ill individuals on a 24-hour basis. A residential hospice provides 24-hour custodial care to terminally ill individuals. These models are health care facilities under SDCL Chapter 34-12 and must meet the applicable building, staffing, clinical, life-safety, operational, inspection, and facility-licensure standards.

Questions to consider

- Will the business provide companionship, homemaker support, hands-on personal assistance, skilled nursing or therapy, hospice, or a residential setting?
- Will any service require a licensed nurse, therapist, physician order, clinical assessment, or delegation under professional-practice rules?
- Will the agency remain private pay, or seek Medicare, Medicaid, waiver, managed-care, or other payer reimbursement?
- Is the business an in-home service agency, a Medicare-certified provider, or a physical facility providing 24-hour accommodations?

No home-care license does not mean no rules

A non-medical agency still needs a properly established business, appropriate tax and employer registrations, insurance, truthful advertising, clear client agreements, service plans, caregiver files, training, screening, time and service records, complaint and incident processes, confidentiality protections, emergency procedures, and compliance with employment, wage, professional-scope, local, and payer requirements.

Do not cross into skilled practice

The absence of a non-medical agency license does not authorize unlicensed caregivers to perform nursing, therapy, medication administration, or other services reserved for licensed professionals. The actual task, not the business's marketing label, determines whether a professional license, physician order, delegation, or certified-provider structure is required.

Medicare enrollment is currently paused

CMS extended the nationwide moratoria on initial Medicare enrollment for HHAs and hospices for six months effective November 13, 2026. New initial applications and certain nonexempt changes in majority ownership are affected. Existing enrolled providers may continue operating, and qualifying existing providers may add locations in the same state under the modified extension. Confirm the current federal status before investing in a new certified agency.

Medicaid and waiver paths are separate

South Dakota Medicaid enrollment and waiver participation are controlled through separate program requirements. A private-pay business model, Medicare-certified HHA or hospice, Medicaid provider, and waiver service provider may have different staffing, documentation, screening, billing, and approval obligations. Do not assume one enrollment authorizes another.

Facility models require state approval

An inpatient or residential hospice is not simply an office for a home-based agency. It is a state-regulated physical care setting. The Department evaluates the facility, ownership, construction, life safety, staffing, policies, records, and operations before and after licensure. Secure the correct facility pathway before leasing, renovating, or admitting residents.

Build the agency in the right order

Define services, setting, workforce, and payers first. Then confirm whether the model is non-medical, professionally licensed, federally certified, Medicaid or waiver enrolled, or a state-licensed hospice facility. Build the entity, location, leadership, staffing, policies, documentation, survey readiness, certification, and enrollment plan around that determination.

Planning a South Dakota agency?

NorthEnd Consulting helps owners define the correct service scope and build the business, certification, or facility pathway that matches the South Dakota agency plan.

Visit northendconsultants.com to discuss your agency plan

Current as of November 2026. Laws, rules, federal moratoria, certification, survey procedures, enrollment requirements, and payer standards may change. Business registration, professional licensure, facility licensure, certification, accreditation, enrollment, and contracting are separate decisions controlled by the applicable authorities. This is a general planning resource. NorthEnd Consulting does not guarantee approval.