AN ACT

ENTITLED, An Act to require insurers to cooperate with the Department of Social Services in the coordination of medical benefits.

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

Section 1. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as follows:

Within sixty days of a request from the Department of Social Services, the department and an insurer shall negotiate an acceptable format for the transmission of information from the insurer's database of policy holders, sponsors, subscribers, covered individuals in South Dakota, and coverage dates. The format shall include the data elements, medium, frequency of reporting, any costs of the insurer to be reimbursed, and procedures that will be followed when a data match is found. The Department of Social Services shall match the name, address, date of birth, and social security number if available, of the insured's policyholders, sponsors, subscribers, and covered individuals against the medicaid eligible recipients and recipients of support enforcement services as defined in subdivision 25-7A-1(19).

Upon discovery of a match, the department may incorporate the following information into its recipient database:

(1) The name, address, date of birth, social security number if available, and the unique health care identification number of the covered individual;

(2) The name, address, date of birth, social security number if available, policy number, and group identification number of the policyholder, sponsor, or subscriber;

(3) The name and address of the employer if it is an employer-employee benefit plan;

(4) Types of covered services under the plan or policy;

(5) Coverage effective date and termination of coverage date for each covered individual; and

(6) The name and address of the claim administrator for the policy or plan.

The department may not use or disclose any information provided by the insurer other than as permitted or required by law. The insurer may not be held liable for the release of insurance coverage information to the department or the director by any party when done so under the authority of this Act.

Section 2. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as follows:

Notwithstanding any other provision of a health benefit plan, health insurance policy, plan, contract, or certificate, an insurer shall recognize that an application for medical assistance or acceptance of medical assistance, paid by the Department of Social Services operates as a release of any information kept by the insurer and readily available, that would facilitate efficient coordination of benefits between the department and the insurer, which may include:

(1) The name, address, date of birth, social security number if available, and unique health care identification number of the covered individual;

(2) The name, address, date of birth, social security number if available, policy number, group identification number of the policyholder, sponsor, or subscriber;

(3) The name and address of the employer if it is an employer-employee benefit plan; types of services covered under the plan or policy; and the name and address of the claims administrator for the policy or plan;

(4) Previously paid benefits including the name and address of the payee; and

(5) The name and address of claims processing or administration centers, or both.

Upon written request by the department, the insurer shall provide the requested information in writing within thirty calendar days of receipt of the request.

Section 3. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as

follows:

Notwithstanding any other provision of a health benefit plan, health insurance policy, plan, contract, or certificate, that is issued, entered into, or renewed after July 1, 2005, no insurer may refuse to reimburse the Department of Social Services because of the manner, form, or date of a claim for reimbursement, if within one year after the date the claim has been paid by medicaid, for which reimbursement is sought, the department provides the insurer evidence of the insurer's liability.

Section 4. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as follows:

If the Department of Social Services notifies an insurer that the department has paid for services on behalf of an individual who is covered under an individual, group, or blanket health insurance policy or contract that the insurer issued, delivered, entered into, or renewed in the state, to the extent that the insurer is legally liable, it shall reimburse the department for the cost of the services, regardless of any provision in the health insurance policy or contract that requires payment to the policy holder, subscriber, or another payee. If the insurer, after notice from the department, issues payment to any payee other than the department, the insurer remains liable to the department for the amount of benefits paid to the other party.

Section 5. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as follows:

For the purposes of this Act, the term, insurer, means:

(1) Any commercial insurance company, employer-employee benefit plan, health maintenance organization, professional association, public self-funded employer or pool, union, or fraternal group selling or otherwise offering individual or group health insurance coverage including self-insured and self-funded plans;

(2) Any profit or nonprofit prepaid plan offering either medical services of full or partial payment for services included in the department's medicaid plan;

(3) Any other entity offering health benefits for which a medicaid recipient may be eligible in addition to public medical assistance; or

(4) Any entity which processes claims, administers services, or otherwise manages health benefits on behalf of any of the aforementioned insurers.

Section 6. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as follows:

For the purposes of this Act, the term, department, means the Department of Social Services, or an entity under contract with the Department of Social Services to carry out the functions of this Act.

Section 7. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as follows:

The provisions of chapter 1-27 do not apply to any records the insurer is required to provide to the department.

Section 8. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as follows:

This Act does not apply to any coverages under a personal lines property and casualty policy.

An Act to require insurers to cooperate with the Department of Social Services in the coordination of medical benefits.

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I certify that the attached Act originated in the

SENATE as Bill No. 58

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Secretary of the Senate

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President of the Senate

Attest:

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Secretary of the Senate

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Speaker of the House

Attest:

_____
Chief Clerk

Senate Bill No. 58
File No. ____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20___

_____
Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____ , 20___
at _____ o'clock __ M.

_____
Secretary of State

By _____
Asst. Secretary of State