

2026 South Dakota Legislature

House Bill 1199**AMENDMENT 1199B
FOR THE INTRODUCED BILL**

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

1 **An Act to address ~~preauthorization requirements for certain health care services~~**
2 **~~and utilization review requirements for certain health benefit plans prior~~**
3 **~~authorization and reporting requirements by utilization review organizations~~**
4 **~~and health carriers.~~**

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

6 **Section 1. That a NEW SECTION be added to chapter 58-17H:**

7 A utilization review organization or health carrier shall conduct an annual review
8 and submit the findings in a report to the Division of Insurance, at the time and in the
9 manner directed by the division.

10 The report must contain the following information for the previous calendar year,
11 aggregated for all health care services or items:

12 (1) The number and percentage of urgent prior authorization requests that the
13 utilization review organization or health carrier approved;

14 (2) The number and percentage of urgent prior authorization requests that the
15 utilization review organization or health carrier denied;

16 (3) The number and percentage of nonurgent prior authorization requests that the
17 utilization review organization or health carrier approved;

18 (4) The number and percentage of nonurgent prior authorization requests that the
19 utilization review organization or health carrier denied;

20 (5) The average and median time that elapsed between the submission of a prior
21 authorization request and a determination by the utilization review organization or
22 health carrier; and

23 (6) The average and median time that elapsed between the submission of an urgent
24 prior authorization request and a determination by the utilization review
25 organization or health carrier.

1 The division shall publish the report required by this section, on the division's
2 website, within sixty days after receiving the report.

3 **Section 2. That a NEW SECTION be added to chapter 58-17H:**

4 A utilization review organization or health carrier shall annually review each health
5 care service for which a health benefit plan requires prior authorization and shall eliminate
6 the prior authorization requirement for any health care service if prior authorization
7 requests are routinely approved with such frequency as to demonstrate that the prior
8 authorization requirement does not promote health care quality or reduce health care
9 spending, to a degree that justifies the plan's administrative costs associated with the
10 prior authorization requirement.

11 **Section 3. That a NEW SECTION be added to chapter 58-17H:**

12 A utilization review organization or health carrier shall submit an annual report to
13 the Division of Insurance, at the time and in the manner requested by the division,
14 regarding the review required in accordance with section 2 of this Act. The report must
15 set forth:

- 16 (1) The number of prior authorizations evaluated in accordance with the review;
17 (2) The number of prior authorizations eliminated as a result of the review, and the
18 reason for the elimination;
19 (3) The list of prior authorizations that had at least eighty percent of all requests
20 approved, during the preceding calendar year, for a specific health care service
21 covered by the health benefit plan, but for which the prior authorization
22 requirement was retained due to medical or scientific evidence that justified
23 continuation of the requirement; and
24 (4) The number of prior authorization requests that were submitted in the preceding
25 calendar year for each eliminated prior authorization and the number of health care
26 providers that had submitted a request for each eliminated prior authorization
27 requirement.

28 With respect to each health care service for which prior authorization was
29 eliminated under section 2 of this Act, the report must provide data regarding any increase
30 or decrease of ten percent or more, in the average number of claims submitted per health
31 care provider, for that service, compared to the calendar year preceding the elimination.

32 The division shall publish the report required by this section on the division's
33 website within sixty days after receiving the report.

1 **Section 4. That a NEW SECTION be added to chapter 58-17H:**

2 For purposes of sections 1 to 3 of this Act, inclusive, "health care services" do not
3 include dental services, pharmaceutical services, or the provision of prescription drug
4 products or supplies.

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AMENDED