



2026 South Dakota Legislature

House Bill 1199

HOUSE HEALTH AND HUMAN SERVICES ENGROSSED

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

Introduced by: **Representative** Rehfeldt

1 **An Act to address prior authorization and reporting requirements by utilization**
 2 **review organizations and health carriers.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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