2026 South Dakota Legislature

House Bill 1199

ENROLLED

AN ACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) The number of prior authorizations evaluated in accordance with the review;

(2) The number of prior authorizations eliminated as a result of the review, and the reason for the elimination;

(3) The list of prior authorizations that had at least eighty percent of all requests approved, during the preceding calendar year, for a specific health care service covered by the health benefit plan, but for which the prior authorization requirement was retained due to medical or scientific evidence that justified continuation of the requirement; and

(4) The number of prior authorization requests that were submitted in the preceding calendar year for each eliminated prior authorization and the number of health care providers that had submitted a request for each eliminated prior authorization requirement.

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

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

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

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

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

I certify that the attached Act originated in the:

House as Bill No. 1199

_____
Chief Clerk of the House

Received at this Executive Office
this _____ day of _____,

2026 at _____M.

By _____
for the Governor

_____
Speaker of the House

The attached Act is hereby
approved this _____ day of
_____, A.D., 2026

Attest:

_____
Chief Clerk of the House

_____
Governor

_____
President of the Senate

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Attest:

Filed _____, 2026
at _____ o'clock __M.

_____
Secretary of the Senate

_____
Secretary of State

House Bill No. 1199
File No. ____
Chapter No. _____

By _____
Asst. Secretary of State