

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

990X0341

HOUSE BILL NO. 1067

Introduced by: Representatives Rounds, Beal, Conzet, Cronin, Dryden, Hawks, Hawley, Jensen (Alex), Otten (Herman), Partridge, Peterson (Kent), and Willadsen and Senators Peters, Buhl O'Donnell, Haverly, Rusch, Shorma, Solano, Sutton, and Tidemann

1 FOR AN ACT ENTITLED, An Act to promote quality, competition, and freedom of choice in
2 the health insurance market place.

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

4 Section 1. That § 58-17J-1 be amended to read:

5 58-17J-1. Terms used in this chapter mean:

6 (1) "Health benefit plan," any hospital or medical expense policy or certificate, hospital
7 or medical service plan, nonprofit hospital, medical-surgical health service
8 corporation contract or certificate, provider sponsored integrated health delivery
9 network, self-insured plan or plan provided by multiple employer welfare
10 arrangements, health maintenance organization subscriber contract of more than six-
11 month duration, or any health benefit plan that affects the rights of a South Dakota
12 insured and bears a reasonable relation to South Dakota, whether delivered or issued
13 for delivery in South Dakota. The term does not include specified disease, hospital
14 indemnity, fixed indemnity, accident only, credit, dental, vision, Medicare



1 supplement, long-term care or disability income insurance, coverage issued as a
2 supplement to liability insurance, workers' compensation or similar insurance,
3 automobile medical payment insurance, or any plan or coverage exempted from state
4 regulation by the Employee Retirement Income Security Act of 1974 (ERISA), 29
5 U.S.C. 18;

6 (2) "Health insurer," any entity within the definitions set forth in subdivisions 58-17F-
7 1(11), (12), and (15), any entity offering a health benefit plan as defined by § 58-17F-
8 2, all self-insurers or multiple employer welfare arrangements, and self-insured
9 employer-organized associations. The term does not include any entity exempted
10 from state regulation by the Employee Retirement Income Security Act of 1974
11 (ERISA), 29 U.S.C. 18;

12 (3) "Health care provider," any individual or entity within the scope of the definition of
13 health care provider as defined by subdivision 58-17F-1(9); and

14 (4) "Panel of providers," a list of all health care providers under contract with a health
15 insurer for inclusion in one or more of the health insurer's health benefit plans.

16 Section 2. That § 58-17J-2 be amended to read:

17 58-17J-2. No health insurer, including the South Dakota Medicaid program, may obstruct
18 patient choice by excluding a health care provider licensed under the laws of this state from
19 participating on the health insurer's panel of providers if the provider is located within the
20 geographic coverage area of the health benefit plan and is willing and fully qualified to meet the
21 terms and conditions of participation as established by the health insurer. All health insurers
22 shall offer for sale at least one health benefit plan approved by the division that contains all of
23 the health care providers which are in its panel of providers. However, nothing in this chapter
24 limits a consumer's ability to purchase, or a health insurer's ability to offer for sale, health

- 1 benefit plans that contain less than all of the health care providers which are in a health insurer's
- 2 panel of providers.