

State of South Dakota

SEVENTY-SIXTH SESSION LEGISLATIVE ASSEMBLY, 2001

670E0381

SENATE BILL NO. 88

Introduced by: Senators Olson (Ed), Duxbury, and Whiting and Representatives Monroe, Davis, Garnos, Solum, and Van Etten

1 FOR AN ACT ENTITLED, An Act to prohibit certain deceptive trade practices regarding
2 prescription discount cards.

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

4 Section 1. That § 37-24-6 be amended by adding thereto a NEW SUBDIVISION to read as
5 follows:

6 Sell, market, promote, advertise, or otherwise distribute any card or other purchasing
7 mechanism or device that is not insurance that purports to offer discounts or access to discounts
8 from pharmacies for prescription drug purchases if:

9 (a) The card or other purchasing mechanism or device does not expressly state in
10 bold and prominent type, prevalently placed, that discounts are not insurance;

11 (b) The discounts are not specifically authorized by a separate contract with each
12 pharmacy listed in conjunction with the card or other purchasing mechanism
13 or device; or

14 (c) The discount or access to discounts offered, or the range of discounts or access
15 to the range of discounts, is misleading, deceptive, or fraudulent, regardless of

1 the literal wording.

2 Section 2. The provisions of section 1 of this Act do not apply to a customer discount or
3 membership card issued by a store or buying club for use in that store or buying club, or to any
4 card or other purchasing mechanism or device that is not insurance but that is administered in
5 conjunction with the medical benefit by a health insurer, nonprofit health service plan
6 corporation, or health maintenance organization.