



2026 South Dakota Legislature

House Bill 1292

HOUSE COMMERCE AND ENERGY ENGROSSED

Introduced by: **Representative** Heermann

1 **An Act to limit the ability of a health carrier to recoup, recover, or retroactively deny**
2 **previously paid claims.**

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 Except as otherwise provided in this section, a previously paid claim may be
6 recouped, recovered, or retroactively denied by the health carrier only within eighteen
7 months from the date the claim payment was made, if the health carrier has provided
8 written notice of the reason to the provider. This limitation does not apply to a previously
9 paid claim that:

10 (1) Was determined by the health carrier to have been submitted fraudulently or to
11 involve waste or abuse;

12 (2) Is the subject of an adjustment with a different health carrier, administrator, or
13 payor, and the adjustment is not affected by a contractual relationship, association,
14 or affiliation involving claims payment, processing, or pricing;

15 (3) Was for medical services covered by casualty insurance, as defined by §§ 58-9-11
16 to 58-9-27, inclusive;

17 (4) Was for medical services covered by a self-insured health plan governed by the
18 Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. §§ 1001 to
19 1461, inclusive (July 6, 2012);

20 (5) Was for medical services covered under medicare, 42 U.S.C. §§ 1395-1395III,
21 inclusive (March 15, 2025), medicaid, 42 U.S.C. §§ 1396 to 1396w-6, inclusive
22 (July 4, 2025), or any other federal law;

23 (6) Was for medical services covered by workers' compensation, as provided for in title
24 62; or

25 (7) Was incorrect because the provider or the member was already paid for the medical
26 services identified in the claim.

1 A violation of this section is subject to enforcement by the Division of Insurance
2 under title 58.

3 For purposes of this section, "medical services," do not include dental services,
4 pharmaceutical services, or the provision of prescription drug products or supplies.

5 For purposes of this section, "retroactively deny a previously paid claim" means to
6 retroactively collect claim payments made to a provider by requiring repayment of the
7 payments, reducing other payments currently owed to the provider, withholding or setting
8 off against future payments, or reducing or affecting the future claim payments to the
9 provider in any other manner.

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

11 A payment remitted by the provider to the health carrier, as provided for in section
12 1 of this Act, must be in the amount originally paid by the carrier and may not include any
13 additional fees, penalties, or interest.

14 **Section 3.** This Act is applicable to claims for medical services provided on or after July 1,
15 2026.