

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

760X0402

HOUSE BILL NO. 1122

Introduced by: Representatives Stalzer, Gibson, Harrison, Heinemann (Leslie), McCleerey, Munsterman, Werner, and Wiik and Senators Curd, Bradford, Monroe, and Shorma

1 FOR AN ACT ENTITLED, An Act to establish procedures for payment of insurance claims by
2 credit card or electronic funds transfer to health care professionals.

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

4 Section 1. That the code be amended by adding a NEW SECTION to read:

5 An insurer, as defined by § 58-12-26, may pay a claim using a credit card or electronic funds
6 transfer payment method that imposes on the health care professional a fee or similar charge to
7 process the payment only if:

8 (1) The insurer offers the health care professional, or an employee or other designee of
9 the health care professional who has the responsibility for billing claims for
10 reimbursement or receiving payments on claims of the health care professional, in
11 advance, of the fee or other charge associated with the use of the credit card or
12 electronic funds transfer payment method;

13 (2) The insurer offers the health care professional an alternative payment method that
14 does not impose a fee or similar charge on the health care professional; and



1 (3) The health care professional, or an employee or other designee of the health care
2 professional who has the responsibility for billing claims for reimbursement or
3 receiving payments on claims of the health care professional, elects to accept a
4 payment of the claim using the payment method.

5 An insurer shall establish a method of communicating to health care professionals the
6 procedures and information required pursuant to this section. The procedures and information
7 must be reasonably accessible to health care professionals.

8 For purposes of this section a health care professional has the same meaning as in
9 subdivision 58-17F-1(8).