

# State of South Dakota

EIGHTIETH  
LEGISLATIVE ASSEMBLY, 2005

400L0231

## SENATE BILL NO. 29

Introduced by: The Committee on Health and Human Services at the request of the Bureau  
of Personnel

1 FOR AN ACT ENTITLED, An Act to provide the South Dakota risk pool with the ability to  
2 enter into certain provider contracts and to declare an emergency.

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

4 Section 1. That chapter 58-17 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 The board may, directly or indirectly, enter into preferred provider contracts to obtain  
7 discounts on goods or services from out-of-state providers. If health care goods or services are  
8 provided pursuant to a preferred provider contract and the goods or services are either not  
9 readily available in this state or are emergency services as defined by § 58-17C-27, the  
10 provisions of that contract shall govern the reimbursement rate. The payment by the risk pool  
11 for any services received from out-of-network providers in other states, other than emergency  
12 treatment as defined in § 58-17C-27, is limited to one hundred fifteen percent of South Dakota's  
13 medicaid reimbursement. Emergency treatment, as defined in § 58-17C-27, that is from an out-  
14 of-state provider that is an out-of-network provider, to the extent that such services are payable  
15 under the plan, may be reimbursed by the risk pool at an amount that does not exceed the



1 amount determined to be reasonable by the plan administrator.

2 Section 2. That § 58-17-130 be amended to read as follows:

3 58-17-130. The risk pool shall offer three plan designs that provide comprehensive coverage  
4 benefits consistent with major medical coverage currently being offered in the individual health  
5 insurance market and that include a disease management program. The coverage and benefits  
6 for plans provided pursuant to §§ 58-17-68, 58-17-70, 58-17-85, and 58-17-113 to 58-17-142,  
7 inclusive, may be established by the board, consistent with the requirements of §§ 58-17-68, 58-  
8 17-70, 58-17-85, and 58-17-113 to 58-17-142, inclusive, and may not be altered by any other  
9 state law without specific reference to §§ 58-17-68, 58-17-70, 58-17-85, and 58-17-113 to 58-  
10 17-142, inclusive, indicating a legislative intent to add or delete from the coverage provided  
11 pursuant to §§ 58-17-68, 58-17-70, 58-17-85, and 58-17-113 to 58-17-142, inclusive. The three  
12 plan designs, henceforth known as Plan A, Plan B, and Plan C, shall have annual deductibles  
13 of one thousand dollars, three thousand dollars, and ten thousand dollars, respectively. After the  
14 deductible has been met, the plan shall pay seventy-five percent of the eligible expenses and the  
15 enrollee is responsible for the balance of the coinsurance amount. The enrollee is responsible  
16 for a maximum out-of-pocket coinsurance amount of two thousand two hundred fifty dollars  
17 in addition to the deductible amount. All three plans shall cover biologically-based mental  
18 illnesses on the same basis as other covered illnesses. The board may create additional plan  
19 designs to meet federal requirements for qualifying high deductible health plans for health  
20 savings accounts.

21 Section 3. Whereas, this Act is necessary for the immediate preservation of the public peace,  
22 health, or safety, an emergency is hereby declared to exist, and this Act shall be in full force and  
23 effect from and after its passage and approval.