

AN ACT

ENTITLED, An Act to revise the risk pool rate methodology, to revise the number of risk pool benefit plans offered, and to revise open enrollment for uninsurable children.

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

Section 1. That § 58-17-125 be amended to read as follows:

58-17-125. The premium rates for coverages provided by the risk pool may not be unreasonable in relation to the benefits provided, the risk experience, and the reasonable expenses of providing coverage. Case characteristics as allowed pursuant to § 58-17-74 may be used in establishing rates for those covered by the risk pool. The rates shall take into consideration the extra morbidity and administrative expenses, if any, for enrollees in the risk pool. The rates for a given classification for those that qualify for coverage pursuant to § 58-17-85 shall be one hundred fifty percent of the average actively marketed premium or payment rate for that classification charged by the carriers with the largest number of individual health benefit plans in the state during the preceding calendar year. For purposes of this section, only individual health benefit plans that are being actively marketed to the general public may be utilized in determining the largest carriers. The board shall select a sufficient number of carriers from which to calculate the average so that at least ninety percent of the market is represented and the carriers selected sequentially have the largest number of actively marketed health benefit plans. The number of carriers selected may not be less than three. In determining the average rate of the largest individual health carriers, the rates or payments charged by the carriers shall be actuarially adjusted to determine the rate or payment that would have been charged for benefits similar to those provided by the risk pool.

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

58-17-130. The risk pool shall offer at least three plan designs that provide comprehensive coverage benefits consistent with major medical coverage currently being offered in the individual

health insurance market. The coverage and benefits for plans provided pursuant to §§ 58-17-68, 58-17-70, 58-17-85, and 58-17-113 to 58-17-142, inclusive, may be established by the board, consistent with the requirements of §§ 58-17-68, 58-17-70, 58-17-85, and 58-17-113 to 58-17-142, inclusive, and may not be altered by any other state law without specific reference to §§ 58-17-68, 58-17-70, 58-17-85, and 58-17-113 to 58-17-142, inclusive, indicating a legislative intent to add or delete from the coverage provided pursuant to §§ 58-17-68, 58-17-70, 58-17-85, and 58-17-113 to 58-17-142, inclusive. All plans shall cover biologically-based mental illnesses on the same basis as other covered illnesses. The board may create plan designs to meet federal requirements for qualifying high deductible health plans for health savings accounts.

Section 3. That § 58-17-132 be amended to read as follows:

58-17-132. Each plan shall provide pharmacy benefits. The cost sharing provisions for the pharmacy benefit shall be established by the board and outlined in the plan document.

Section 4. That § 58-17-144 be amended to read as follows:

58-17-144. A person under the age of nineteen, who is not otherwise qualified for the risk pool pursuant to § 58-17-85, may enroll in the risk pool if the following conditions are met:

- (1) The person is a citizen of the United States of America and a resident of this state;
- (2) The person has been rejected, or offered coverage conditioned upon exclusionary riders, by at least one carrier in the individual market for comprehensive major medical coverage in the last six months;
- (3) The person has not had comprehensive major medical coverage or other creditable coverage within the six months preceding application for the risk pool; and
- (4) The person is not covered or eligible to be covered by any other creditable coverage.

The risk pool board may establish open enrollment periods for persons, which qualify for enrollment pursuant to this section and which have been without creditable coverage for at least

twelve months. No enrollee is subject to a preexisting waiting period as defined by § 58-17-84 during an open enrollment period. The open enrollment period shall be two months in duration.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1043

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1043
File No. _____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State