

# State of South Dakota

SEVENTY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 1999

490C0116

## HOUSE BILL NO. 1009

Introduced by: Representatives Hunt, Cerny, Fiegen, Hagen, and Peterson and Senators Lawler, Brosz, and Kloucek at the request of the Interim Health and Human Services Committee

1 FOR AN ACT ENTITLED, An Act to require a managed care plan to have a medical director  
2 or clinical peer director.

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

4 Section 1. Terms used in this Act mean:

5 (1) "Managed care contractor," a person who establishes, operates, or maintains a  
6 network of participating providers; or contracts with an insurance company, a hospital  
7 or medical service plan, an employer, an employee organization, or any other entity  
8 providing coverage for health care services to operate a managed care plan;

9 (2) "Managed care entity," a licensed insurance company, hospital or medical service  
10 plan, health maintenance organization, an employer or employee organization, or a  
11 managed care contractor that operates a managed care plan;

12 (3) "Managed care plan," a plan operated by a managed care entity that provides for the  
13 financing or delivery of health care services, or both, to persons enrolled in the plan  
14 through any of the following:

15 (a) Arrangements with selected providers to furnish health care services;

16 (b) Explicit standards for the selection of participating providers; or

1           (c)    Financial incentives for persons enrolled in the plan to use the participating  
2                    providers and procedures provided for by the plan.

3           Section 2. A managed care plan shall appoint a medical director who has an unrestricted  
4   license to practice medicine under chapter 36-4. However, a managed care plan that specializes  
5   in a specific healing art shall appoint a clinical peer, who has an unrestricted license to practice  
6   in this state, as director. The director is responsible for oversight of treatment policies, protocols,  
7   quality assurance activities, and utilization management decisions of the managed care plan.