

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

166C0012

HOUSE BILL NO. 1011

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

1 FOR AN ACT ENTITLED, An Act to provide covered persons in managed care plans with
2 reasonable access to providers.

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 (4) "Provider," any person who furnishes health services and is licensed or otherwise
4 authorized to render such services in the state.

5 Section 2. A managed care plan shall maintain a network that is sufficient in numbers and
6 types of providers to assure that all services to covered persons are accessible within a
7 reasonable distance or travel time. Sufficiency shall be determined in accordance with the
8 requirements of this section. The director shall establish sufficiency standards, in rules
9 promulgated pursuant to chapter 1-26, by reference to any reasonable criteria, including:
10 provider-covered person ratios by specialty; primary care provider-covered person ratios;
11 geographic accessibility; waiting times for appointments with participating providers; hours of
12 operation; and the volume of technological and specialty services available to serve the needs of
13 covered persons requiring technologically advanced or specialty care. In determining whether
14 a plan has complied with this provision, the director shall give due consideration to the relative
15 availability of health care providers in the service area under consideration. If the managed care
16 plan has an insufficient number or type of participating providers to provide a covered benefit
17 within a reasonable distance or travel time, the managed care plan shall ensure that the covered
18 person obtains the covered benefit at no greater cost than if the benefit were obtained from
19 participating providers.