

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

400C0805

SENATE BILL NO. 235

Introduced by: The Committee on State Affairs at the request of the Governor

1 FOR AN ACT ENTITLED, An Act to require the disclosure of information to prospective
2 enrollees of managed care plans.

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

4 Section 1. This Act applies to any managed care entity as defined in §§ 58-17-91 and 58-18-
5 64.

6 Section 2. Any managed care plan shall provide to any prospective enrollee written
7 information describing the terms and conditions of the plan. If the plan is described orally, easily
8 understood, truthful, objective terms shall be used. All written plan descriptions shall be readable,
9 easily understood, truthful, and in an objective format. The format shall be standardized among
10 each plan that a managed care entity offers so that comparison of the attributes of the plans is
11 facilitated. The following specific information shall be communicated:

12 (1) Coverage provisions, benefits, and any exclusions by category of service, provider,
13 and if applicable, by specific service;

14 (2) Any and all authorization or other review requirements, including preauthorization
15 review, and any procedures that may lead the patient to be denied coverage for or not
16 be provided a particular service;

17 (3) The existence of any financial arrangements or contractual provisions with review

1 companies or providers of health care services that would directly or indirectly limit
2 the services offered, restrict referral, or treatment options;

3 (4) Explanation of how plan limitations impact enrollees, including information on
4 enrollee financial responsibility for payment of coinsurance or other non-covered or
5 out-of-plan services;

6 (5) A description of the accessibility and availability of services, including a list of
7 providers participating in the managed care network and of the providers in the
8 network who are accepting new patients, the addresses of primary care physicians and
9 participating hospitals, and the specialty of each provider in the network; and

10 (6) A description of any drug formulary provisions in the plan and the process for
11 obtaining a copy of the current formulary upon request. There shall be a process for
12 requesting an exception to the formulary and instructions as to how to request an
13 exception to the formulary.

14 Section 3. Nothing in this Act applies to dental only, vision only, accident only, school
15 accident, travel, or specified disease plans or plans that primarily provide a fixed daily, fixed
16 occurrence, or fixed per procedure benefit without regard to expenses incurred. The provisions
17 of this Act only apply to oral or written communications specifically designed to elicit an
18 application for insurance.