

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

445E0642

SENATE ENGROSSED NO. **SB 231** - 02/16/2001

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Senators Reedy, Dennert, Duxbury, Ham, Hutmacher, Koetzle, McIntyre, Moore, Sutton (Dan), Symens, and Volesky and Representatives Nesselhuf, Bartling, Bradford, Burg, Davis, Elliott, Flowers, Hanson (Gary), Hargens, Lange, Monroe, Nachtigal, Olson (Mel), Peterson (Jim), Sigdestad, and Van Norman

1 FOR AN ACT ENTITLED, An Act to provide for the prompt payment of certain uncontested
2 health care claims.

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

4 Section 1. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 As used in this Act, the term, clean claim, means a claim for which there is no need for
7 additional information to determine eligibility or adjudicate the claim. The term, clean claim, does
8 not include a claim for payment of expenses incurred during a period of time for which premiums
9 are delinquent, except to the extent otherwise required by law or a claim for which fraud is
10 suspected.

11 Section 2. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as
12 follows:

13 Each clean claim shall be paid to the person entitled thereto, denied, or settled within thirty

1 calendar days after receipt by the carrier if submitted electronically and within forty-five calendar
2 days after receipt by the carrier and if the claim is payable under the plan. If the resolution of an
3 otherwise clean claim requires additional information, the carrier shall, within thirty calendar days
4 after receipt of the claim, give the provider, policyholder, insured, or patient, as appropriate, a
5 full explanation of what additional information is needed in order to determine eligibility or
6 adjudicate the claim. The person receiving a request for additional information shall submit all
7 additional information requested by the carrier within thirty calendar days after receipt of such
8 request.

9 Section 3. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as
10 follows:

11 This Act applies to any health insurer or health maintenance organization that issues health
12 insurance coverage pursuant to chapters 58-17, 58-18, 58-18B, 58-37A, 58-38, 58-39, 58-40,
13 and 58-41. Nothing in this Act applies to disability income policies or certificates, accident only,
14 credit health, workers' compensation, long-term care, medicare supplement, automobile medical
15 payment, or other types of health insurance that are not medical expense policies or certificates.
16 Nothing in this Act grants a private right of action.