

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

445E0642

SENATE HEALTH AND HUMAN SERVICES

COMMITTEE ENGROSSED NO. **SB 231** - 02/14/2001

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 payment of health care expenses
7 that is submitted to a health carrier on the carrier's standard claim form with all required fields
8 completed with correct and complete information in accordance with the carrier's published filing
9 requirements. The term, clean claim, does not include a claim for payment of expenses incurred
10 during a period of time for which premiums are delinquent, except to the extent otherwise
11 required by law.

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

1 follows:

2 Every health carrier shall provide a copy of its filing requirements upon request to:

- 3 (1) Every enrollee or insured upon enrollment in the carrier's plan or upon issuance of the
4 policy if applicable;
- 5 (2) Every enrollee or insured, upon request, within fifteen calendar days;
- 6 (3) Every participating provider upon acceptance of the provider into the carrier's
7 network; and
- 8 (4) Every enrollee, insured, and participating provider within fifteen calendar days after
9 any change in the standard form or the accompanying instructions or requirements if
10 applicable.

11 Section 3. 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
14 calendar days after receipt by the carrier if submitted electronically and within forty-five calendar
15 days after receipt by the carrier. If the resolution of an otherwise clean claim requires additional
16 information, the carrier shall, within thirty calendar days after receipt of the claim, give the
17 provider, policyholder, insured, or patient, as appropriate, a full explanation of what additional
18 information is needed. The person receiving a request for additional information shall submit all
19 additional information requested by the carrier within thirty calendar days after receipt of such
20 request.

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

23 Notwithstanding any provision of any indemnity or health policy or certificate to the
24 contrary, if a provider fails to timely submit additional information requested under section 3 of

1 this Act, the health carrier may deny an otherwise clean claim or continue to process the claim
2 beyond the time frames contained in section 3 of this Act.

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

5 Absent suspected fraud, all clean claims, except those described in section 3 of this Act shall
6 be paid, denied, or settled within ninety calendar days after receipt by the carrier.

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

9 This Act applies to any health insurer or health maintenance organization that issues health
10 insurance coverage pursuant to chapters 58-17A, 58-17B, 58-17, 58-18, 58-18B, 58-19, 58-
11 37A, 58-38, 58-39, 58-40, and 58-41.