

AN ACT

ENTITLED, An Act to provide for the prompt payment of certain uncontested health care claims.

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

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

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

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

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

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

This Act applies to any health insurer or health maintenance organization that issues health insurance coverage pursuant to chapters 58-17, 58-18, 58-18B, 58-37A, 58-38, 58-39, 58-40, and 58-41. Nothing in this Act applies to disability income policies or certificates, accident only, credit

health, workers' compensation, long-term care, medicare supplement, automobile medical payment, or other types of health insurance that are not medical expense policies or certificates. Nothing in this Act grants a private right of action.

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I certify that the attached Act
originated in the

SENATE as Bill No. 231

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 231
File No. _____
Chapter No. _____

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Received at this Executive Office
this ____ day of _____ ,

20__ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20__

Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State