

AN ACT

ENTITLED, An Act to provide certain standards for utilization review for property and casualty insurers.

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

Section 1. Terms used in this Act mean:

- (1) "Utilization review," a review of health care services provided or to be provided to an individual to assist in the determination of the nature of the injury or condition, or the appropriateness of the treatment provided or to be provided;
- (2) "Utilization review organization," any entity that provides utilization review services as defined in this Act.

Section 2. A utilization review organization that conducts utilization reviews solely for property and casualty insurers in this state pursuant to policies issued in this state is not subject to chapter 58-17C except that any such utilization review organization shall register in the same manner as prescribed for utilization review organizations pursuant to chapter 58-17C.

Section 3. Any property and casualty insurer seeking utilization review with respect to an insurance contract issued in this state may only use a utilization review organization registered pursuant to this Act.

Section 4. Any utilization review pursuant to this Act shall be administered by a qualified licensed health care professional. Any adverse determination shall be evaluated by an appropriately licensed and clinically qualified health care professional. Any utilization review evaluation shall use generally accepted standards for treatment of the illness, injury, or condition reviewed. Any utilization review opinion shall be signed by the professional who performed the review.

Section 5. No utilization review organization may base its fees or charges on any recommendation for reduction in payment under an insurance contract or on a percentage of claim savings.

Section 6. An insurer that denies, in whole or in part, a policyholder's claim after consideration of a utilization review shall provide the policyholder with an opportunity to request reconsideration and to submit additional information relating to the claim.

Section 7. Nothing in this Act is intended to create or abrogate any cause of action as a result of a violation of the standards in this Act.

An Act to provide certain standards for utilization review for property and casualty insurers.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1141

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1141

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