

AN ACT

ENTITLED, An Act to revise certain provisions regarding creditable health insurance coverage.

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

Section 1. That § 58-17-69 be amended to read as follows:

58-17-69. For purposes of §§ 58-17-66 to 58-17-87, inclusive, the term, creditable coverage, means benefits or coverage provided under:

- (1) An employer-based health insurance or health benefit arrangement that provides benefits similar to or exceeding benefits provided under the basic health benefit plan or an employee welfare benefit plan as defined in section 3(1) of the Employee Retirement Income Security Act of 1974 as adopted by the director pursuant to chapter 1-26, to the extent that the plan provides directly or through insurance, reimbursement or otherwise to employees or their dependents medical care for the diagnosis, cure, mitigation, treatment, or prevention of disease, or amounts paid for the purpose of affecting any structure or function of the body and amounts paid for the transportation primarily for and essential to medical care;
- (2) An individual health benefit plan, including coverage issued by any health maintenance organization or pre-paid hospital or medical services plan that provides benefits similar to or exceeding the benefits provided under the basic health benefit plan as approved pursuant to chapter 1-26, but excluding limited benefit plans and dread disease plans;
- (3) Medicare or medicaid;
- (4) Chapter 55 of Title 10, United States Code;
- (5) A medical care program of the Indian Health Service or of a tribal organization;
- (6) A state health benefits risk pool;
- (7) A health plan offered under Chapter 89 of Title 5, United States Code;

- (8) A public health plan;
- (9) A health benefit plan under section 5(e) of the Peace Corps Act (22 U.S.C. 2504(e));
- (10) A church plan;
- (11) A college plan;
- (12) A short term or limited duration plan; or
- (13) An individual health benefit plan, including coverage issued by any health maintenance organization or pre-paid hospital or medical services plan that provided benefits less than the benefits provided under the basic health benefit plan as approved pursuant to chapter 1-26, but excluding the following excepted benefits:
  - (a) Coverage only for accident including accidental death and dismemberment;
  - (b) Disability income insurance;
  - (c) Liability insurance including general liability insurance and automobile liability insurance;
  - (d) Coverage issued as a supplement to liability insurance;
  - (e) Workers' compensation or similar insurance;
  - (f) Automobile medical payment insurance;
  - (g) Credit only insurance including mortgage insurance;
  - (h) Coverage for on-site medical clinics; and
  - (i) Limited scope dental and long-term care insurance, if provided under a separate policy, certificate, or contract of insurance, or not otherwise an integral part of a plan.

Section 2. That § 58-17-85 be amended to read as follows:

58-17-85. If a person has an aggregate of at least twelve months of creditable coverage, is a resident of this state, and applies within sixty-three days of the date of losing prior creditable

coverage and is no longer eligible for that creditable coverage, the person is eligible for coverage as provided for in §§ 58-17-68, 58-17-70, 58-17-85, and 58-17-113 to 58-17-142, inclusive, if none of the following apply:

- (1) The applicant is eligible for continuation of coverage under an employer plan;
- (2) The applicant's creditable coverage is a conversion plan from an employer group plan;
- (3) The person is covered or eligible to be covered under creditable coverage or lost creditable coverage due to nonpayment of premiums;
- (4) The person loses coverage under a short term or limited duration plan; or
- (5) The person's last coverage was creditable coverage as defined in subdivision 58-17-69(13).

Any person who has exhausted continuation rights and who is eligible for conversion or other individual or association coverage has the option of obtaining coverage pursuant to this section or the conversion plan or other coverage. A person who is otherwise eligible for the issuance of coverage pursuant to this section may not be required to show proof that coverage was denied by another carrier.

For purposes of this section, reasonable evidence that the prospective enrollee is a resident of this state shall be required. Factors that may be considered include a driver's license, voter registration, and where the prospective enrollee resides.

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I certify that the attached Act
originated in the
HOUSE as Bill No. 1047

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

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

Attest:

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

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

Attest:

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

House Bill No. 1047  
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