

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

400J0358

HOUSE ENGROSSED NO. **SB 34** - 02/24/2004

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

Introduced by: The Committee on Commerce at the request of the Department of Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to require health carriers to offer certain deductible options
2 for certain health benefit plans.

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

4 Section 1. That chapter 58-17 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 Any health carrier with any in force individual health benefit plan issued in accordance with
7 § 58-17-85 prior to August 1, 2003, shall offer, at the option of the insured, additional
8 deductible options of the following:

- 9 (1) One thousand dollars with a four thousand dollar out-of-pocket coinsurance
10 maximum;
- 11 (2) Three thousand dollars with a two thousand dollar out-of-pocket coinsurance
12 maximum;
- 13 (3) Five thousand dollars with no more than a twenty-five percent coinsurance; and
- 14 (4) Ten thousand dollars with a twelve thousand two hundred fifty dollar out-of-pocket
15 maximum, including the deductible.



1 Any additional deductible option, with the exception of the five thousand dollar option, may
2 not require that the insured be responsible for more than a fifty percent coinsurance. If the policy
3 is a family policy, the health carrier may satisfy the options listed above by offering amounts
4 that are twice the amounts provided in subdivisions (1) to (4), inclusive. The premium rates for
5 these benefit plans shall be adjusted based upon the actuarial difference in benefits. A health
6 carrier is not required to offer a deductible option if that option would decrease the insured's
7 deductible or out-of-pocket maximum. The director may approve alternatives to those
8 deductible options specified in this Act if the alternatives are consistent with the offering of
9 increased deductible options to insureds and at least one of the alternatives is consistent with
10 the formation of a health savings account as provided for by 26 U.S.C. § 223.