

State of South Dakota

EIGHTIETH SESSION
LEGISLATIVE ASSEMBLY, 2005

544L0717

HOUSE COMMERCE COMMITTEE ENGROSSED NO.

HB 1218 - 02/15/2005

Introduced by: Representatives Hunhoff, Glenski, Hennies, Miles, Putnam, and Rausch and
Senators Adelstein, Broderick, Dempster, and Knudson

1 FOR AN ACT ENTITLED, An Act to provide disclosure of fee schedules between health
2 carriers and participating providers.

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

4 Section 1. That § 58-17C-14 be amended to read as follows:

5 58-17C-14. A health carrier offering a managed care plan shall satisfy all the following
6 requirements:

- 7 (1) A health carrier shall establish a mechanism by which the participating provider will
8 be notified on an ongoing basis of the specific covered health services for which the
9 provider will be responsible, including any limitations or conditions on services;
- 10 (2) In no event may a participating provider collect or attempt to collect from a covered
11 person any money owed to the provider by the health carrier nor may the provider
12 have any recourse against covered persons for any covered charges in excess of the
13 copayment, coinsurance, or deductible amounts specified in the coverage, including
14 covered persons who have a health savings account;
- 15 (3) The provisions of §§ 58-17C-7 to 58-17C-26, inclusive, do not require a health



1 carrier, its intermediaries or the provider networks with which they contract, to
2 employ specific providers or types of providers that may meet their selection criteria,
3 or to contract with or retain more providers or types of providers than are necessary
4 to maintain an adequate network;

5 (4) A health carrier shall notify participating providers of the providers' responsibilities
6 with respect to the health carrier's applicable administrative policies and programs,
7 including payment terms, utilization review, quality assessment, and improvement
8 programs, grievance procedures, data reporting requirements, confidentiality
9 requirements, and any applicable federal or state programs;

10 (5) A health carrier may not prohibit or penalize a participating provider from discussing
11 treatment options with covered persons irrespective of the health carrier's position on
12 the treatment options, from advocating on behalf of covered persons within the
13 utilization review or grievance processes established by the carrier or a person
14 contracting with the carrier or from, in good faith, reporting to state or federal
15 authorities any act or practice by the health carrier that jeopardizes patient health or
16 welfare;

17 (6) A health carrier shall contractually require a provider to make health records
18 available to the carrier upon request but only those health records necessary to
19 process claims, perform necessary quality assurance or quality improvement
20 programs, or to comply with any lawful request for information from appropriate
21 state authorities. Any person that is provided records pursuant to this section shall
22 maintain the confidentiality of such records and may not make such records available
23 to any other person who is not legally entitled to the records;

24 (7) A health carrier and participating provider shall provide at least sixty days written

1 notice to each other before terminating the contract without cause. If a provider is
2 terminated without cause or chooses to leave the network, upon request by the
3 provider or the covered person and upon agreement by the provider to follow all
4 applicable network requirements, the carrier shall permit the covered person to
5 continue an ongoing course of treatment for ninety days following the effective date
6 of contract termination. In the event of a covered person that has entered a second
7 trimester of pregnancy at the time of contract termination as specified in this section,
8 the continuation of network coverage through that provider shall extend to the
9 provision of postpartum care directly related to the delivery;

10 (8) A health carrier shall notify the participating providers of their obligations, if any, to
11 collect applicable coinsurance, copayments, or deductibles from covered persons
12 pursuant to the evidence of coverage, or of the providers' obligations, if any, to notify
13 covered persons of their personal financial obligations for noncovered services;

14 (9) A health carrier shall establish a mechanism by which the participating providers may
15 determine in a timely manner whether or not a person is covered by the carrier;

16 (10) A health carrier shall make available to any participating provider, upon request, the
17 fee schedule, allowable fee, or other information that could apply to services
18 furnished by such participating provider. For purposes of this subdivision, fee
19 schedule means the total financial compensation that may be paid to the participating
20 provider for providing a health care service as determined by the participating
21 contract between the health carrier and the provider, inclusive of withholding
22 amounts and any coinsurance, copayments, and deductibles for which the patient or
23 other third party may be obligated to pay under the benefit contract. Disclosure of this
24 information does not constitute a guarantee of payment under the terms of the

1 applicable benefit contract. Any person who receives information pursuant to this
2 subdivision shall maintain the confidentiality of such information and may not make
3 such information available to any other person who is not legally entitled to the
4 information. A health carrier is only obligated to honor two such requests made
5 annually by such participating provider.