

State of South Dakota

EIGHTIETH
LEGISLATIVE ASSEMBLY, 2005

400L0343

SENATE BILL NO. 53

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

1 FOR AN ACT ENTITLED, An Act to provide for adequate access to health care provider
2 networks.

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

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

6 Any person offering a plan or program providing a discount on the fees of any provider of
7 health care goods or services, that is not offered directly by a health carrier as provided by this
8 chapter, shall register in a format as prescribed by the director and shall file reports and conduct
9 business under the same standards as required of utilization review organizations in accordance
10 with provisions of §§ 58-17C-65 to 58-17C-67, inclusive. No health carrier may offer or provide
11 coverage through a person not registered but required to be registered pursuant to this Act. Any
12 plan or program that is registered pursuant to § 58-17C-20 is not required to maintain a separate
13 registration pursuant to this Act. A plan or program of discounted goods or services that is
14 offered by a health carrier in conjunction with a health benefit plan, as defined in §§ 58-18-42
15 and 58-17-66(9), is not required to be registered pursuant to this Act.



1 Section 2. That chapter 58-17C be amended by adding thereto a NEW SECTION as follows:

2 Any person subject to registration pursuant to section 1 of this Act is subject to the same
3 standards and requirements as for health carriers with respect to the network adequacy
4 requirements of §§ 58-17C-8 to 58-17C-19, inclusive.

5 Section 3. That chapter 58-17C be amended by adding thereto a NEW SECTION as follows:

6 Any person subject to registration pursuant to section 1 of this Act shall prominently and
7 boldly disclose that the product is not insurance. Any insurance benefits provided in conjunction
8 with purchasing such a plan or program shall be filed by the insurer and approved by the director
9 pursuant to § 58-11-12 regardless of the state where the policy was issued or whether any
10 certificates are issued in this state. Any advertisements or solicitations made by such a person
11 are subject to the provisions of chapter 58-33A. If any such person fails to comply with the
12 applicable provisions of chapter 58-33A or the provisions of this Act, the director may take
13 action in the same manner as provided for by § 58-17C-67 and may revoke the registration. Any
14 such action by the director is subject to notice and hearing as provided by chapter 1-26 and § 58-
15 4-7. A person acting as an agent as defined in chapter 58-30 who sells, solicits, or negotiates a
16 plan or program containing insurance benefits shall meet the licensing and appointment
17 requirements of that chapter.

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

20 No person subject to registration pursuant to section 1 of this Act may request or receive
21 money or other consideration for enrollment in a plan or program until the consumer has signed
22 a contract or agreement with the person and no later than at the time the contract is signed
23 provides, at a minimum, the following information, disclosed in a clear and conspicuous
24 manner:

- 1 (1) The name, true address, telephone number, and e-mail address of the registered
2 person and, if applicable, of the marketer;
- 3 (2) A detailed description of the plan or program, including the goods and services
4 covered and all exemptions and discounts that apply to each category thereof;
- 5 (3) All costs associated with the plan or program, including any sign-up fee and any
6 recurring costs;
- 7 (4) The date of the transaction;
- 8 (5) An internet website or a paper copy where the consumer can access the names and
9 addresses of all participating providers in the consumer's area;
- 10 (6) A statement of the consumer's right to return the plan or program within thirty days
11 of its delivery to the person or agent through whom it was purchased and to have all
12 costs of the plan or program, including any sign-up fee or recurring costs refunded
13 if, after examination of the plan or program, the purchaser is not satisfied with it for
14 any reason;
- 15 (7) A statement of the consumer's right to terminate the plan or program at any time by
16 providing written notice or other notice as provided for in the plan or program to the
17 person subject to registration pursuant to section 1 of this Act and notice that the
18 consumer is not obligated to make any further payments under the plan or program,
19 nor is the consumer entitled to any benefits under the plan or program for any period
20 of time after the last month for which payment has been made;
- 21 (8) A statement that the plan or program benefits may duplicate existing insurance or
22 government health benefits; and
- 23 (9) A statement explaining the right of the consumer to contact the Division of Insurance
24 at any time for assistance, including the telephone number and address of the

1 division.

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

4 Any plan or program offered by a person subject to registration pursuant to section 1 of this
5 Act shall provide a thirty-day free look period from the date of the signed consumer contract or
6 agreement in which the consumer may return the plan or program to the person or agent through
7 whom it was purchased and to have all costs of the plan or program, including any sign-up fee
8 or recurring costs refunded in full. The consumer shall be left in the same position as if no plan
9 or program had been issued.