

State of South Dakota

EIGHTIETH LEGISLATIVE ASSEMBLY, 2005

400L0367

SENATE BILL NO. 58

Introduced by: The Committee on Commerce at the request of the Department of Social Services

1 FOR AN ACT ENTITLED, An Act to require insurers to cooperate with the Department of
2 Social Services in the coordination of medical benefits.

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

4 Section 1. That chapter 58-12 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 Upon request from the Department of Social Services, an insurer shall conduct a match of
7 South Dakota medicaid eligible recipients with the insurer's database of policyholders, sponsors,
8 subscribers and covered individuals for the purpose of identifying health benefits for which an
9 insurer is legally liable as a primary payer over medicaid operating in its role as payer of last
10 resort. The department shall provide the name, address, date of birth, and social security number
11 of each medicaid recipient via electronic media to be matched against the insurer's database.

12 Upon discovery of a match, the insurer shall report to the department:

13 (1) The name, address, date of birth, social security number if available, and the unique
14 health care identification number of the covered individual;

15 (2) The name, address, date of birth, social security number, policy number, and group



1 identification number of the policy holder, sponsor, or subscriber;

2 (3) The name and address of the employer if it is an employer-employee benefit plan;

3 (4) Types of covered services under the plan or policy;

4 (5) Coverage effective date and termination of coverage date for each covered
5 individual; and

6 (6) The name and address of the claim administrator for the policy or plan.

7 The insurer shall provide the results of the match in an electronic format required by the
8 department and the director within sixty days of the date of the request by the department. The
9 insurer may not be required to conduct a match with the department in excess of one match
10 every six months. The insurer may not be held liable for the release of insurance coverage
11 information to the department or the director by any party when done so under the authority of
12 this Act. The department shall guarantee payment to the insurer of the actual costs of the
13 matching and reporting process.

14 Section 2. That chapter 58-12 be amended by adding thereto a NEW SECTION as follows:

15 Notwithstanding any other provision of a health benefit plan, health insurance policy, plan,
16 contract, or certificate, an insurer shall recognize that an application for or acceptance of
17 medical assistance paid from the Department of Social Services operates as a release of any
18 information kept by the insurer that would facilitate efficient coordination of benefits between
19 the department and the insurer including:

20 (1) The name, address, date of birth, social security number, and unique health care
21 identification number of the covered individual;

22 (2) The name, address, date of birth, social security number, policy number, group
23 identification number of the policyholder, sponsor, or subscriber;

24 (3) The name and address of the employer if it is an employer-employee benefit plan;

1 types of services covered under the plan or policy; and the name and address of the
2 claims administrator for the policy or plan;

3 (4) Previously paid benefits including the name and address of the payee; and

4 (5) The name and address of claims processing or administration centers, or both.

5 Upon written request by the department, the insurer shall provide the requested information
6 in writing within ten calendar days of receipt of the request.

7 Section 3. That chapter 58-12 be amended by adding thereto a NEW SECTION as follows:

8 Notwithstanding any other provision of a health benefit plan, health insurance policy, plan,
9 contract, or certificate, no insurer or nonprofit health service plan that is issued, entered into,
10 or renewed after July 1, 2005, may refuse to reimburse the Department of Social Services
11 because of the manner, form, or date of a claim for reimbursement if, within three years after
12 the date of service for which reimbursement is sought, the department provides to the insurer
13 or nonprofit health service plan information to determine the liability of the insurer or nonprofit
14 health service plan.

15 Section 4. That chapter 58-12 be amended by adding thereto a NEW SECTION as follows:

16 If the Department of Social Services notifies an insurer or nonprofit health service plan that
17 the department has paid for or provided services to an individual who is covered under an
18 individual, group, or blanket health insurance policy or contract that the insurer or nonprofit
19 health service plan issued, delivered, entered into, or renewed in the state, to the extent that the
20 insurer or nonprofit health service plan is legally liable, it shall reimburse the department for the
21 cost of the services, regardless of any provision in the health insurance policy or contract that
22 requires payment to the policyholder, subscriber, or another payee. If the insurer, after notice
23 from the department, issues payment to any payee other than the department, the insurer remains
24 liable to the department for the amount of benefits paid to the other party.

1 Section 5. For the purpose of this Act, the term, insurer, means:

2 (1) Any commercial insurance company, employer-employee benefit plan, health
3 maintenance organization, professional association, public self-funded employer or
4 pool, union, or fraternal group selling or otherwise offering individual or group
5 health insurance coverage including self-insured and self-funded plans;

6 (2) Any profit or nonprofit prepaid plan offering either medical services of full or partial
7 payment for services included in the department's medicaid plan;

8 (3) All other entities offering health benefits for which a medicaid recipient may be
9 eligible for in addition to public medical assistance; or

10 (4) Any entity which processes claims, administers services, or otherwise manages health
11 benefits on behalf of any of the aforementioned insurers.