



2025 South Dakota Legislature

House Bill 1102

Introduced by: **Representative Aylward**

1 **An Act to require the submission of medical, dental, and pharmaceutical claims data**
 2 **to the Division of Insurance and to establish a health care data system.**

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

4 **Section 1. That a NEW SECTION be added to chapter 58-17K:**

5 For the purposes of sections 2 to 4, inclusive, of this Act, the following terms mean:

6 (1) "Insurer," any person that provides health or dental insurance in this state and is
 7 subject to the insurance laws of this state; and

8 (2) "Third-party administrator," any person required to be licensed or registered in
 9 accordance with chapter 58-29D.

10 **Section 2. That a NEW SECTION be added to chapter 58-17K:**

11 The division shall coordinate the establishment and maintain oversight of a health
 12 care data system that stores medical, dental, and pharmaceutical claims data for the
 13 purposes of:

14 (1) Health care planning, policy development, policy evaluation, and research by
 15 federal, state, and local governments;

16 (2) Monitoring payments for health services by the federal and state governments;

17 (3) Assessing and improving the quality of health care;

18 (4) Measuring and optimizing access to health care;

19 (5) Supporting public health functions and objectives;

20 (6) Improving the ability of insurers, health care providers, and consumers to
 21 coordinate, improve, and make choices about health care;

22 (7) Monitoring costs at provider and plan levels; and

23 (8) Providing transparency for health care utilization, expenditures, and performance.

24 **Section 3. That a NEW SECTION be added to chapter 58-17K:**

1 An insurer or a third-party administrator shall submit medical, dental, and
2 pharmaceutical claims data to the division, at the time and in the manner determined by
3 the division, for all individuals covered by:

- 4 (1) A fully insured health or dental plan in any market in this state;
- 5 (2) A self-funded health or dental plan for state or municipal employees; or
- 6 (3) A health plan offered or administered by or on behalf of the federal government.

7 **Section 4. That a NEW SECTION be added to chapter 58-17K:**

8 Claims data from a self-funded, employer-sponsored plan must be included in the
9 health data system, if the employer has agreed, on a form prescribed by the division, to
10 the submission of data.

11 An insurer or third-party administrator of a self-funded, employer-sponsored plan
12 shall notify the employer of the option to authorize the submission of the claims data to
13 the division for inclusion in the health care data system.

14 Nothing in this section otherwise imposes any reporting obligation on any self-
15 funded, employer sponsored plan, or any requirement as to administration of the
16 sponsored plan.

17 This section does not apply to a self-funded health or dental plan for state or
18 municipal employees.

19 **Section 5. That a NEW SECTION be added to chapter 58-17K:**

20 The division and the Department of Social Services shall enter a contract for the
21 inclusion of medical, dental, and pharmaceutical claims data from the state medicaid
22 program in the health care data system.

23 **Section 6. That a NEW SECTION be added to chapter 58-17K:**

24 The division may impose a civil penalty against any person who fails to submit
25 claims data in accordance with sections 3, 4, and 8 of this Act . The penalty may not
26 exceed one thousand dollars per occurrence. The division shall forward any civil penalty
27 collected under this section to the state treasurer, for deposit in the state general fund.

28 **Section 7. That a NEW SECTION be added to chapter 58-17K:**

29 The division may contract with any person for the establishment and maintenance
30 of the health care data system.

1 **Section 8. That a NEW SECTION be added to chapter 58-17K:**

2 The division shall promulgate rules pursuant to chapter 1-26 to provide for the
3 establishment, maintenance, and use of the health care data system. The rules must
4 establish:

- 5 (1) Specific data elements to be reported;
- 6 (2) Criteria for authorizing persons to undertake claims data collection;
- 7 (3) Criteria and procedures for maintaining confidentiality;
- 8 (4) Procedures and requirements governing the structure of the health care data
9 system and the reporting, collections, analysis, and quality assurance of claims
10 data and information related to the health care data system;
- 11 (5) Procedures and requirements for the dissemination of claims data from the health
12 care data system through limited and public use data sets; and
- 13 (6) The form and procedure for an employer to authorize the submission of data in
14 accordance with section 4 of this Act.

15 **Section 9. That a NEW SECTION be added to chapter 58-17K:**

16 To the extent allowed under the Health Insurance Portability and Accountability
17 Act, 42. U.S.C. § 1320 et seq., (January 1, 2025), the division shall make claims data in
18 the health care data system available to the public through limited and public use data
19 sets.

20 The public use data sets must be available on the division's website and must
21 contain comparative data sets based on:

- 22 (1) Geography; and
- 23 (2) Demographics.

24 Any claims data released must be presented in a manner that no individual may
25 be identified.

26 **Section 10. That a NEW SECTION be added to chapter 58-17K:**

27 Nothing in sections 2 to 9, inclusive, of this Act, or in any rules promulgated
28 thereunder, requires any health care facility, as defined in § 34-12-1.1, to provide any
29 information that would violate the provisions of § 36-4-26.1.

30 **Section 11. That a NEW SECTION be added to chapter 58-17K:**

- 1 The data submission requirements in sections 3, 4, and 8 of this Act do not apply
 2 to:
 3 (1) Accident insurance;
 4 (2) Coverage issued as a supplement to liability insurance;
 5 (3) Credit insurance;
 6 (4) Disability income insurance;
 7 (5) Hospital income or indemnity insurance;
 8 (6) Liability insurance;
 9 (7) Long-term care insurance;
 10 (8) A medical payment under automobile or homeowner's insurance;
 11 (9) A short-term limited duration plan;
 12 (10) Workers compensation or similar insurance; or
 13 (11) Vision insurance.

14 **Section 12. That § 1-43-19 be REPEALED.**

- 15 ~~The Department of Health shall coordinate the establishment and maintain~~
 16 ~~oversight of a comprehensive health data system for the purposes of:~~
 17 ~~(1) Health care planning, policy development, policy evaluation, and research by~~
 18 ~~federal, state, and local governments;~~
 19 ~~(2) Monitoring payments for health services by the federal and state governments;~~
 20 ~~(3) Assessing and improving the quality of health care;~~
 21 ~~(4) Measuring and optimizing access to health care;~~
 22 ~~(5) Supporting public health functions and objectives;~~
 23 ~~(6) Improving the ability of health plans, health care providers, and consumers to~~
 24 ~~coordinate, improve, and make choices about health care; and~~
 25 ~~(7) Monitoring costs at provider and plan levels.~~

26 **Section 13. That § 1-43-20 be REPEALED.**

- 27 ~~In establishing a health care data system pursuant to § 1-43-19, the Department~~
 28 ~~of Health may by contract or agreement authorize any person or any public or private~~
 29 ~~entity or any combination of persons or entities to implement and maintain any portion of~~
 30 ~~the health care data system.~~

31 **Section 14. That § 1-43-21 be REPEALED.**

1 ~~The Department of Health shall promulgate rules pursuant to chapter 1-26 to~~
2 ~~provide for the establishment, maintenance, and use of a health care data system~~
3 ~~pursuant to §§ 1-43-19 and 1-43-20. The rules shall include:~~

- 4 ~~(1) A listing of specific data elements to be reported;~~
- 5 ~~(2) Criteria for authorizing persons or entities to undertake health care data collection;~~
- 6 ~~(3) Criteria and procedures for maintaining confidentiality; and~~
- 7 ~~(4) Procedures and requirements governing the structure and objectives of the health~~
8 ~~care data system and the reporting, collections, analysis, quality assurance, and~~
9 ~~dissemination of data and information related to the health care data system.~~

10 **Section 15. That § 1-43-24 be REPEALED.**

11 ~~Annual reports of data collected pursuant to §§ 1-43-19 to 1-43-21, inclusive, shall~~
12 ~~be available to the public. Any data released shall be presented in a manner such that no~~
13 ~~person may be identified.~~

14 **Section 16. That § 1-43-31 be REPEALED.**

15 ~~Nothing established in §§ 1-43-19 and 1-43-33, or in any rules promulgated~~
16 ~~pursuant thereto requires any health facility as defined in chapter 34-12 to provide any~~
17 ~~information which would violate the provisions of § 36-4-26.1.~~

18 **Section 17. That § 1-43-32 be REPEALED.**

19 ~~Implementation of the comprehensive health data system shall be contingent upon~~
20 ~~the receipt of federal or other funds by the Department of Health or other relevant state~~
21 ~~agencies to the extent necessary to carry out the provisions of §§ 1-43-19 and 1-43-33.~~

22 **Section 18. That § 1-43-33 be REPEALED.**

23 ~~The Department of Health shall promulgate rules, pursuant to chapter 1-26, to~~
24 ~~specify criteria, procedures, and forms for submitting health related data and to establish~~
25 ~~standards for information collection.~~