

State of South Dakota

NINETY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2018

634Z0582

SENATE BILL NO. 143

Introduced by: Senator Nelson and Representative Pischke

1 FOR AN ACT ENTITLED, An Act to authorize any contributing member of the state
2 retirement plan to be a participating member of the state health plan.

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

4 Section 1. That chapter 3-6E be amended by adding a NEW SECTION to read:

5 For purposes of this chapter, the term, participating employee, is a contributing member to
6 the state retirement plan under § 3-12-47.7.

7 Section 2. That § 3-6E-1 be amended to read:

8 3-6E-1. The Bureau of Human Resources may establish a ~~benefits~~ state health plan; for
9 participating employees of the state. The plan may ~~either~~ be self-funded or established as a
10 group health insurance program. The plan may provide for group health coverage against the
11 financial cost of hospital, surgical, pharmacy, ~~and~~ medical treatment and care, and ~~such~~ any
12 other coverage or benefits, ~~as deemed appropriate and desirable~~ by the commissioner. The
13 commissioner may include a flexible benefit plan ~~which that~~ allows ~~an~~ a participating employee
14 to choose the participating employee's own benefits or levels of coverage.

15 Section 3. That § 3-6E-4 be amended to read:



1 3-6E-4. Each ~~state~~ participating employee eligible for membership in the state health plan
2 shall be enrolled in the plan unless the participating employee is covered by another group
3 health plan ~~either~~ as a dependent or spouse, and the participating employee provides notice to
4 the plan administrator.

5 Section 4. That § 3-6E-5 be amended to read:

6 3-6E-5. ~~All eligible employees~~ A participating employee shall be enrolled in the ~~benefit~~ state
7 health plan on ~~such~~ the effective ~~dates as~~ date the commissioner ~~may establish~~ establishes.

8 Section 5. That § 3-6E-6 be amended to read:

9 3-6E-6. Any ~~eligible~~ participating employee may elect to have any of the participating
10 employee's eligible dependents covered by the state health plan. The election shall be made at
11 the time the participating employee becomes enrolled in the state health plan, or ~~such~~ at any
12 other time as the commissioner allows.

13 Section 6. That § 3-6E-7 be amended to read:

14 3-6E-7. The Bureau of Human Resources may provide a health plan for retiring participating
15 employees and their spouses and dependents as defined by rules of the Bureau of Human
16 Resources, promulgated pursuant to chapter 1-26, and on ~~such~~ terms as deemed appropriate by
17 the commissioner ~~deems appropriate~~.

18 Section 7. That § 3-6E-8 be amended to read:

19 3-6E-8. ~~The State of South Dakota~~ employer of the participating employee shall either make
20 a monthly contribution to the ~~system~~ state health plan or otherwise provide for the amount
21 necessary to make payment to the ~~system~~ state health plan for the full single rate monthly health
22 insurance premium or contribution for each participating employee. ~~This amount~~ The employer's
23 contribution under this section shall be transmitted to the account of the state ~~employees benefits~~
24 health plan in the Office of the State Treasurer. The state treasurer, after making a record of the

1 receipts, shall credit the ~~benefits~~ state health plan with an amount equal to that remitted or
2 otherwise provided under this section. After the state's contribution has been assigned to the
3 ~~benefits~~ state health plan, the Bureau of Human Resources shall disburse the contribution in
4 accordance with the provisions of this chapter and the rules promulgated pursuant to chapter 1-
5 26 by the commissioner of the Bureau of Human Resources.

6 Section 8. That § 3-6E-9 be amended to read:

7 3-6E-9. The employer of a participating employee shall deduct ~~on each~~ from the payroll of
8 ~~a member for each participating member in~~ each payroll period the amount of the contribution
9 or premium, including any administrative expense. ~~The~~ Each month, the employer shall make
10 ~~deductions a deduction from salaries of employees the salary of each participating employee and~~
11 shall transmit ~~monthly~~ the amount specified ~~to be deducted~~ for deduction to the state treasurer.
12 The state treasurer, after making a record of receipts, shall credit the ~~benefits~~ state health plan
13 with an amount equal to that remitted by the employer. After the credit has been assigned to the
14 ~~benefits~~ state health plan, the commissioner shall disburse credit in accordance with the
15 provisions of this chapter and the rules promulgated pursuant to chapter 1-26 by the
16 commissioner of the Bureau of Human Resources.

17 Section 9. That § 3-6E-11 be amended to read:

18 3-6E-11. The Bureau of Human Resources shall make available upon request; to each
19 participating employee who is covered under the plan, a certificate setting forth the benefits to
20 which the participating employee and the participating employee's dependents are entitled under
21 this chapter, to whom the benefits are payable, to whom claims shall be submitted, and a
22 summary of the provisions of the state health plan's benefits as they affect the participating
23 employee and the participating employee's dependents.

24 Section 10. That § 3-6E-12 be amended to read:

1 3-6E-12. Any benefits payable under the ~~benefit state health~~ plan may be paid ~~either~~ directly
2 to the attending physician, dentist, hospital, medical; or dental group, or other person,
3 corporation, limited liability company, association, or firm furnishing the service upon which
4 the claim is based, or to the ~~insured~~ participating employee upon presentation of receipted bills
5 for such service.

6 Section 11. That § 3-6E-13 be amended to read:

7 3-6E-13. The commissioner of the Bureau of Human Resources is responsible for the
8 administration of this chapter and shall promulgate ~~such rules as are required~~ for the effective
9 administration of the provisions of this chapter in accordance with chapter 1-26. The rules may
10 be promulgated in the following areas:

- 11 (1) To establish what benefits will be offered pursuant to this chapter;
- 12 (2) Participation in the plan by participating employees, retired participating employees,
13 and dependents;
- 14 (3) Procedures for election of coverage;
- 15 (4) Effective dates of coverage if not specified by statute;
- 16 (5) Termination of coverage;
- 17 (6) Changes in dependent coverage;
- 18 (7) Collection of premiums and contributions;
- 19 (8) To coordinate the benefits plan with the health insurance plan authorized in this
20 chapter; and
- 21 (9) Other provisions as required to meet federal law.