



2020 South Dakota Legislature

Senate Bill 181

Introduced by: **Senator Blare**

1 **An Act to revise provisions regarding health benefit plans.**

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

3 **Section 1.** That § 58-17-66 be AMENDED:

4 **58-17-66. Definitions for 58-17-66 to 58-17-87.**

5 Terms used in §§ 58-17-66 to 58-17-87, inclusive, mean:

- 6 (1) "Actuarial certification," any written statement by a member of the American
7 Academy of Actuaries or other person approved by the director that a carrier is in
8 compliance with the provisions of §§ 58-17-66 to 58-17-87, inclusive, based upon
9 the person's examination and a review of the appropriate records and the actuarial
10 assumptions and methods used by the carrier in establishing premium rates for
11 applicable individual health benefit plans;
- 12 (2) "Affiliate" or "affiliated," any person who, directly or indirectly, through one or more
13 intermediaries, controls or is controlled by, or is under common control with, any
14 other specified person;
- 15 (3) "Base premium rate," the lowest premium rate charged or which could have been
16 charged for each class of business for a rating period under a rating system for that
17 class of business, by the carrier to individuals with similar case characteristics for
18 health benefit plans with the same or similar coverage;
- 19 (4) "Carrier," any person that provides individual health insurance in the state, includes
20 an insurance company, a prepaid hospital or medical service plan, a health
21 maintenance organization, a multiple employer welfare arrangement, and any other
22 entity providing a plan of health insurance or health benefits subject to state
23 insurance regulation;
- 24 (5) "Church plan," a church plan as defined in section 3(33) of the Employee Retirement
25 Income Security Act of 1974 as adopted by the director pursuant to chapter 1-26;

- 1 (6) "Class of business," all or a separate grouping of persons established pursuant to
2 §§ 58-17-66 to 58-17-87, inclusive;
- 3 (7) "Dependent," any spouse, an unmarried child under the age of nineteen years, an
4 unmarried child who is a full-time student under the age of twenty-three and who
5 is financially dependent upon the parent, and any other person who qualifies as a
6 dependent under this title;
- 7 (8) "Director," the director of the Division of Insurance;
- 8 (9) "Health benefit plan," any hospital or medical policy or certificate, hospital or
9 medical service plan, or health maintenance organization subscriber contract of
10 more than ~~six-month~~ twelve-month duration. The term does not include, unless
11 otherwise provided, specified disease, hospital indemnity, fixed indemnity,
12 accident-only, credit, dental, vision, medicare supplement, long-term care, or
13 disability income insurance; coverage issued as a supplement to liability insurance,
14 worker's compensation or similar insurance; or automobile medical payment
15 insurance;
- 16 (10) "Index rate," the arithmetic average of the applicable base premium rate and the
17 corresponding highest premium rate for each class of business for persons with
18 similar case characteristics;
- 19 (11) "New business premium rate," the premium rate charged or offered by an individual
20 carrier to persons with similar case characteristics for newly issued health benefit
21 plans with the same or similar coverage for each class of business for a rating
22 period;
- 23 (12) "Rating characteristics," the demographic characteristics of individuals which are
24 considered by the carrier in the determination of premium rates for the individuals;
25 and
- 26 (13) "Rating period," the calendar period for which premium rates established by a
27 carrier are assumed to be in effect.

28 **Section 2.** That § 58-17J-1 be AMENDED:

29 **58-17J-1. Definitions.**

30 Terms used in this chapter mean:

- 31 (1) "Health benefit plan," any hospital or medical expense policy or certificate, hospital
32 or medical service plan, nonprofit hospital, medical-surgical health service
33 corporation contract or certificate, provider sponsored integrated health delivery
34 network, self-insured plan or plan provided by multiple employer welfare

- 1 arrangements, health maintenance organization subscriber contract of more than
2 ~~six-month~~ twelve-month duration, or any health benefit plan that affects the rights
3 of a South Dakota insured and bears a reasonable relation to South Dakota, whether
4 delivered or issued for delivery in South Dakota. The term does not include specified
5 disease, hospital indemnity, fixed indemnity, accident only, credit, dental, vision,
6 Medicare supplement, long-term care or disability income insurance, coverage
7 issued as a supplement to liability insurance, workers' compensation or similar
8 insurance, automobile medical payment insurance, or any plan or coverage
9 exempted from state regulation by the Employee Retirement Income Security Act
10 of 1974 (ERISA), 29 U.S.C. 18;
- 11 (2) "Health insurer," any entity within the definitions set forth in subdivisions 58-17F-
12 1(11), (12), and (15), any entity offering a health benefit plan as defined by § 58-
13 17F-2, all self-insurers or multiple employer welfare arrangements, and self-insured
14 employer-organized associations. The term does not include any entity exempted
15 from state regulation by the Employee Retirement Income Security Act of 1974
16 (ERISA), 29 U.S.C. 18;
- 17 (3) "Health care provider," any individual or entity within the scope of the definition of
18 health care provider as defined by subdivision 58-17F-1(9).