

State of South Dakota

EIGHTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2014

706V0536

HOUSE HEALTH AND HUMAN SERVICES ENGROSSED NO. **HB 1157** - 02/11/2014

Introduced by: Representatives Ecklund, Cammack, Campbell, Carson, Cronin, Duvall, Erickson, Hawley, Heinemann (Leslie), Hickey, Langer, Latterell, Magstadt, Novstrup (David), Olson (Betty), Parsley, Rozum, Steele, and Tulson and Senators Curd, Brown, Frerichs, Hunhoff (Jean), Kirkeby, Krebs, Maher, Rampelberg, and Soholt

1 FOR AN ACT ENTITLED, An Act to provide for the retrospective payment of clean claims for
2 covered services provided by a health care professional during the credentialing period.

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

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

6 Terms used in this Act mean:

- 7 (1) "Application date," the date on which a health insurer or other entity responsible for
8 the credentialing of health care professionals on behalf of the health insurer receives
9 the health care professional's completed application for credentialing or change
10 request;
- 11 (2) "Clean claim," as defined in § 58-12-19;
- 12 (3) "Health care professional," as defined in subdivision 58-17F-1(8);
- 13 (4) "Health insurer," as defined in subdivision 58-17-100(2);



1 (5) "Special Review," a supplemental review of a health care professional's completed
2 application for credentialing or change request by a health insurer or other entity
3 responsible for credentialing of health care professionals necessitated by credible
4 evidence received by a health insurer or other entity responsible for credentialing of
5 health care professionals as it relates to investigation of the following: action taken
6 against the applicant's licensure status, action taken against the applicant's
7 professional society status, verified complaints to facilities, or licensing agency
8 regarding the applicant; the applicant's non-completion of training programs; a
9 criminal proceeding brought against the applicant a malpractice claim brought against
10 the applicant; loss of a Drug Enforcement Administration certificate or state-
11 controlled substance certificate; loss of a Medicare or Medicaid certification status;
12 or involuntary termination of credentialing by a different health insurer.

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

15 A health insurer shall make retrospective payment for all clean claims submitted by a health
16 care professional after the credentialing period for covered services provided by the health care
17 professional during the credentialing period subject to all of the following:

18 (1) The credentialing period begins on the application date and ends on the date that the
19 health insurer or other entity responsible for credentialing health care professionals
20 on behalf of the health insurer has made a final determination approving the health
21 care professional's application to be credentialed and notice has been sent;

22 (2) The health insurer or other entity responsible for credentialing health care
23 professionals on behalf of the health insurer shall, electronically or in writing, notify
24 an applicant of its determination regarding a properly completed application for

1 credentiaing within ninety days of receipt of an application containing all
2 information required by the health insurer's credentialing form:

3 (a) If an incomplete application is received, the health insurer or other entity
4 responsible for credentialing of health care professionals on behalf of the
5 insurer shall notify the health care professional of the incomplete application
6 as soon as possible, but no more than thirty days after receipt of the
7 application. The notification shall itemize all documentation or other
8 information that the insurer or entity must receive to complete the application.

9 The health insurer or other entity responsible for credentialing of health care
10 professionals on behalf of the insurer may request additional information if the
11 information provided by the health care professional to the insurer or other
12 entity responsible for credentialing of health care professionals on behalf of
13 the insurer pursuant to this subsection is inaccurate, incomplete, or unclear;

14 (b) A health insurer or other entity responsible for credentialing of health care
15 professionals may take additional time beyond the ninety days if a special
16 review is required;

17 (3) The health care professional may not submit any claim to the health insurer during
18 the credentialing period;

19 (4) A health insurer may not be required to pay any claim submitted by a health care
20 professional during the credentialing period;

21 (5) The health insurer's time period for timely submission of claims may not begin until
22 the credentialing period has ended. The health insurer's rules pertaining to timely
23 submission may not be used to deny payment of any clean claim for medical services
24 provided by a health care professional during the credentialing period, so long as the

1 health care professional submits all such claims within the time period required by
2 the health insurer's rules beginning on the date the health care professional receives
3 notice that the healthcare professional is credentialed;

4 (6) Unless otherwise prohibited by law, after the health care professional is credentialed,
5 the health care professional shall submit all claims to the health insurer for covered
6 services provided by the health care professional during the credentialing period;

7 (7) After the health care professional is credentialed, a health insurer shall pay or deny
8 all clean claims submitted by the health care professional for covered services
9 provided by the health care professional during the credentialing period.

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

12 Within ten business days of receiving a request for an application to be credentialed by a
13 health care professional, a health insurer or other entity responsible for the credentialing of
14 health care professionals on behalf of the health insurer shall send an application form to the
15 professional, unless the application to be credentialed is available electronically on a public
16 website. The application form shall identify and itemize all documentation and other
17 information that the insurer or entity must receive in order for an application to be complete.

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

20 Nothing in this Act applies to services provided by a health care professional that are
21 covered by Medicaid, Medicare, TRICARE, or other health care benefit program subject to
22 federal regulations regarding eligibility and provider payments. Nothing in this Act requires a
23 health insurer or other entity responsible for credentialing health care professionals on behalf
24 of the health insurer to take any action in violation of the requirements of the National

1 Committee for Quality Assurance (NCQA) or Utilization Review Accreditation Commission
2 (URAC).

3 Nothing in this Act requires a health insurer or other entity responsible for credentialing
4 health care professionals on behalf of the health insurer to credential a health care professional
5 or to permit a non-credentialed health care professional to participate in the health insurer's
6 provider network.