

# Division of Insurance

445 East Capitol Avenue | Pierre, SD 57501  
Phone: 605-773-3563 | Fax: 605-773-5369  
[insurance@state.sd.us](mailto:insurance@state.sd.us)



Merle Scheiber, Director

## In this Issue

Page 1

South Dakota  
Risk Pool

Page 2

Ask the Division

Medicare  
Second Payer  
Coordination of  
Benefits

Pre-Legislative  
Meeting

Page 3

Long-Term Care  
Partnership

Calendar of  
Events

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## South Dakota Risk Pool Changes for Fiscal Year 2009

The South Dakota Risk Pool has received \$725,000 in federal grant dollars to offer risk pool enrollees preventative care services and assist in covering operational losses.

Certain eligible preventative care will now be covered at 100%. The immunization schedule can be viewed online in the Risk Pool Plan Document on page 7.

The Plan is also covering one cancer screening colonoscopy every 10 years at 100% of eligible expenses, beginning at age 50, when services are provided by a South Dakota provider. Normal physician, facility, and anesthesia charges will also be covered at 100%. Laboratory, pathology, and additional procedures will be subject to deductible and coinsurance requirements.

In addition to the added benefits, plan members will now be required to obtain pre-authorization for any health care services received outside of the state of South Dakota, except in the case of a medical emergency. The plan will require all out-of-state care for inpatient and outpatient services to be prior authorized. Requests for out-of-state care will be declined if the patient care can be provided safely and cost effectively in South Dakota. The enrollee must request out of state referrals prior to receiving care from the provider to ensure the highest level of benefits.

Risk Pool eligibility requirements:

- Be a resident of South Dakota
- Apply within 63 days of losing your prior coverage.
- Have at least 12 months of continuous creditable coverage.
- Have used up COBRA or state continuation coverage.
- Have not had your most recent coverage terminated due to nonpayment of premiums or fraud.
- Not be covered under a group health plan, Medicare, Medicaid, or any other form of health insurance

Individuals may enroll through the following means:

- Contacting Local Insurance Agent
- Visiting the website at <http://riskpool.sd.gov/>
- Calling and requesting an application

**South Dakota Risk Pool**  
Capitol Building  
500 East Capitol Avenue  
Pierre, SD 57501-5070  
(605) 773.3148  
(605) 773.6840 (fax)



## Ask The Division...

The Division of Insurance will be including a question and answer segment in each newsletter. The division encourages individuals to include the information within their local papers. If there is information you would like to see posted, please advise.

**Q.** What happens to my life insurance policy if my insurance company goes bankrupt?

**A.** There is a South Dakota Guaranty Fund that will pay claims if an insurance company were to become insolvent. Generally most life insurance policies are covered but there are limits to the amount of coverage under the Guaranty Fund. Life insurance death benefits would be covered up to \$300,000 and any net cash surrender of the policy would be limited to \$100,000 regardless of the number of policies with that company. For those reasons it is a good idea to have multiple policies with different insurance companies if your need for life insurance is higher than the \$300,000 covered under the Guaranty Fund.

South Dakota is now accepting EFT's. Please remember when making a filing this is the preferred choice of payment.

### Medicare Second Payer - Coordination of Benefits

Recently Congress passed the Medicare, Medicaid, and SCHIP Extension Act of 2007 expanding information requirements for group health plans, liability insurance (including self-insurance), no fault insurance, and workers' compensation laws and plans. These entities must submit information to the Secretary of HHS to enhance efforts for coordination of benefits and for any applicable recovery claims. The report can be viewed in its entirety at [http://assets.opencrs.com/rpts/RL33587\\_20080710.pdf](http://assets.opencrs.com/rpts/RL33587_20080710.pdf)

The Division of Insurance will not be having the annual pre-legislative meeting that has taken place in November in the past. There simply has not been sufficient feedback to justify continuing these meetings. If you would like to meet with the Division regarding your potential legislative items please contact Melissa Klemann at 605.773.3563 or by email [Melissa.klemann@state.sd.us](mailto:Melissa.klemann@state.sd.us)

Non-Resident Producer Renewal

November 1, 2008 - December 31, 2008

## Supporters try to use AIG to promote their Bill- Optional Federal Charter

Supporters have attempted to take advantage of the AIG fiasco and use its financial predicament as an argument for their legislation to establish an optional federal charter. Here is a link to that release: <http://online.wsj.com/article/SB122212967854565511.html?mod=article-outset-box>

Naturally this evoked an immediate response from NAIC given that it was the federally regulated holding company rather

than the state regulated insurance companies that caused the problem. Here is a link to the NAIC letter to the Wall Street Journal:

<http://online.wsj.com/article/SB122238888691077339.html>

Director Scheiber firmly believes that insurance should continue to be regulated by the states and not some far away faceless inflexible federal bureaucrat.

## Message For Long Term Care Agents: Do you want State participation at your partnership presentations to groups?

**Here's how:** Both the Division of Insurance and the Department of Social Services are actively promoting the Long Term Care Partnership Program. Staff members are ready and willing to attend group functions to give a presentation on the partnership program, subject to availability. There are a couple of ground rules that we would need to follow in participating jointly with you in presenting to groups. One is that we need to clearly advise the groups that we are not endorsing the particular agents, products or insurers that may be involved. Another is that our presentation will need to be separate from any presentation or sales pitch that the agent(s) may make to the group. If you are interested you can contact: [Melissa.klemann@state.sd.us](mailto:Melissa.klemann@state.sd.us) 605.773.3564 or [Kathleen.skoglund@state.sd.us](mailto:Kathleen.skoglund@state.sd.us) 605.367.5444

### Long-Term Care Partnership Education Sessions

**RAPID CITY :** October 6, 2008

**Location:** Rapid City Public Library, 610 Quincey Street

**Time:** Sessions will be held at **noon, 3 p.m., 5:30 p.m.**

**SPEARFISH :** October 7, 2008

**Location:** Spearfish Regional Hospital, 1440 N Mail

**Time:** Sessions will be held at **3 p.m. and 5:30 p.m.**

**HOT SPRINGS :** October 8, 2008

**Location:** Hot Springs Public Library, 1543 Baltimore

**Time:** Sessions will be held at **3 p.m. and 5:30 p.m.**

**PIERRE :** October 21, 2008

**Location:** Capital Building Room #468, 700 Governors Drive

**Time:** Sessions will be held at **noon, 3 p.m., 5:30 p.m.**

### Calendar of Events

**October 2**  
Rules Review  
Committee

**October 13**  
Holiday  
Office Closed

**November 1 -  
December 31**  
Non-resident  
producer renewal  
period

**December 11**  
Risk Pool  
Governing Board  
and Advisory  
Panel

**December 31**  
Last Day of Non-  
resident producer  
renewal

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