



Division of Insurance

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Merle Scheiber, Director

dlr south dakota department of
labor and
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State Insurance Director Resigns; Interim Director Named

State Labor and Regulation Secretary Marcia Hultman announced the resignation of Division of Insurance Director Merle Scheiber effective Dec. 29. Scheiber has served in this role since 2005.

“The insurance marketplace is a complex and challenging field to regulate, and I thank Merle for his public service to consumers and the industry,” said Secretary Hultman. “I wish him all the best in the future.”

Larry Deiter has been named interim director. Deiter is currently the division’s assistant director of property and casualty insurance.

The mission of the Division of Insurance is to protect the public and make insurance available and affordable by efficiently providing quality assistance, providing fair regulation for industry and promoting a healthy, competitive insurance market.

Company Address Service Web Portal Launched

The South Dakota Division of Insurance has launched a Web portal allowing companies to update company addresses on file with the division. A company will access the portal by entering the company’s NAIC ID and assigned PIN. The “Company Address Service” portal link is available on the division’s website at www.dlr.sd.gov/insurance. Addresses that can be altered through the portal include:

- o Complaints
- o External Review
- o Mailing Location
- o Market Survey
- o Contact PIN
- o Producer Licensing
- o Risk Pool
- o Taxes

If the company contact does not know the PIN, or needs a PIN, the “Need PIN” hyperlink available on the portal’s main page will provide the company’s PIN contact. If no PIN contact is on file with the division, the link will show the instructions for establishing a PIN contact. Any questions on the Company Address Service portal can be directed to the division at 605.773.3563 or by email to insurance@state.sd.us.

2015 Open Enrollment is in Progress

Open Enrollment for 2015 coverage on the Federally Facilitated Marketplace is currently in progress. The enrollment period started Nov. 15, 2014 and runs through Feb. 15, 2015. Other important dates to remember include:

- Dec. 15, 2014: The last date to enroll for coverage that starts Jan. 1, 2015
- Dec. 31, 2014: Date when all 2014 Marketplace coverage ends, no matter when a person enrolled
- Jan. 1, 2015: The date 2015 coverage can start if the coverage application was completed by Dec. 15, 2014, or if automatic enrollment in the 2014 plan or a similar plan was accepted
- Feb. 15, 2015: The last day to enroll in 2015 coverage. After this date, signing up for a health plan can only be completed if the insured qualifies for a special enrollment

Enrollment can be completed through the online marketplace at www.healthcare.gov, with an agent/broker, with a navigator, or by calling the federal call center.

The Small Business Marketplace is Open

New for 2015, businesses with 50 full-time equivalent (FTE) employees or fewer can offer the Small Business Health Options Program (SHOP) plans. The SHOP Marketplace helps small businesses provide quality, affordable health insurance to their employees. Employers with fewer than 25 FTE may even qualify for small business health care tax credits.

For 2015 coverage and beyond, employers can establish the specifics of the coverage options they want to make available to their employees. SHOP is available for enrollment any month, any time of the year. There is no restricted enrollment period when an employer can offer a SHOP plan. Additional information on SHOP is available on www.healthcare.gov.

Autism Study Released

The state Departments of Labor and Regulation (DLR) and Human Services (DHS) issued the final report on the study of the treatment of autism spectrum disorders for children in South Dakota on Nov. 17.

The study analyzed the availability and certification of providers, accepted treatments and outcomes, as well as costs and benefits of autism services for children. It was conducted by Health Management Associates of Lansing, Mich.

The study is available at http://dlr.sd.gov/autism/documents/autism_report_final.pdf.

Initiated Measure 17 Passes into Law

On Nov. 5, 2014, voters in South Dakota passed Initiated Measure 17 (IM17) into law. Under existing law, a health insurance company has the authority to contract with providers in order to provide the best availability and rates for its members. This measure allows all willing, qualified health care providers who meet the conditions for participation and are within the geographic coverage area of the health benefit plan to join a health insurer's provider list. Plan members should use the network of providers in order to obtain the maximum plan coverage.

The State's Code Counsel has codified IM17 into state law in a new chapter under Title 58, SDCL 58-17J, thus placing it under the regulatory oversight of the Division of Insurance. The measure does not apply to all health insurers or to certain kinds of insurance and plans including those involving specified disease, indemnity, accident only, dental, vision, Medicare supplement, long-term care or disability income, workers' compensation or any plan or coverage exempted from state regulation by the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. 18, such as large employers who have chosen to self-insure.

2015 Legislative Session

The division is currently preparing for the 2015 Legislative Session officially slated to begin at noon on Jan. 13, 2015. During the 39-day session, the division may be called upon by legislators to identify the potential impact of any bills proposing changes to the state's insurance laws. If you wish to discuss potential legislative changes with the division prior to the session, please contact our office at 605.773.3563 or by email at insurance@state.sd.us.

Legislative daily happenings, including committee meeting and floor debate agendas, minutes and audio, are available through the Legislative Research Council and can be accessed in the Legislative Session 2015 section of <http://legis.sd.gov/>.

Recent Administrative Rule Changes & Bulletins

Administrative Rule Changes (effective date – Dec. 3, 2014)

Updated rules to follow NAIC Model language and Federal Guidelines



A Few Minutes Can Make All the Difference

The minutes after a major medical emergency are critical. During that time, the patient's and family's thoughts are focused on the need for response, not on what will be covered by a health insurance policy.

The South Dakota Division of Insurance reminds all agents that a few minutes of your time can help your clients avoid the shock of a substantial emergency care bill. By reviewing their current health insurance coverage with them, you are providing your clients with a better understanding of a policy's benefits and/or limitations.

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A Few Minutes Can Make All the Difference, continued

The use of air ambulance services* is becoming more prevalent in emergency response, especially for patients with traumatic injuries, pregnancy complications, heart attacks, strokes and respiratory diseases – instances when a ground ambulance cannot reach a patient or transport the patient fast enough. Many consumers do not know if their health insurance plans provide coverage for air ambulance transport.

While the National Association of Insurance Commissioners (NAIC) reports the average air ambulance trip is 52 miles and costs between \$12,000 and \$25,000, a flight from rural South Dakota to a suitable emergency facility can be much farther and cost a lot more. Generally, the emergency response time does not allow for the negotiation of air ambulance prices or refusal of service that has been deemed a medical necessity when a patient requires urgent medical care. Gaps in coverage may leave patients facing larger than expected bills.

Encourage your clients to think of the response that might be necessary in the case of a medical emergency. Help identify what their plan covers and areas where their current coverage may not meet their needs, especially in an emergency. Explore the possibility of additional insurance if coverage gaps exist.

While no one wants or expects an emergency to occur, the extra time you take will better prepare your client to handle the situation and may gain you a loyal customer for a lifetime.

*See NAIC Consumer Alert Understanding Air Ambulance Insurance: http://www.naic.org/documents/consumer_alert_understanding_air_ambulance_insurance.htm.

The entire staff of the South Dakota Division of Insurance wishes everyone a safe and joyous holiday season!

