

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

465V0178

## HOUSE HEALTH AND HUMAN SERVICES ENGROSSED NO. **HB 1244** - 02/20/2014

Introduced by: Representatives Munsterman, Hawley, Hickey, Hunhoff (Bernie), Lust, and Wink and Senators Hunhoff (Jean), Kirkeby, Tidemann, and Vehle

1 FOR AN ACT ENTITLED, An Act to assist certain qualified employees with health insurance  
2 and to make an appropriation therefor.

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

4 Section 1. Terms used in sections 1 to 8, inclusive, of this Act mean:

5 (1) "Department," the Department of Social Services;

6 (2) "Fund," the health insurance assistance fund;

7 (3) "Program," any health insurance assistance offered to a qualified employee through  
8 the provisions of section 1 to 8, inclusive, of this Act;

9 (4) "Qualified employee," any person who is employed at least forty hours a week by an  
10 employer on a permanent basis;

11 (5) "Silver level insurance plan," an insurance plan that has an actuarial value of seventy  
12 percent.

13 Section 2. There is hereby created the caring for South Dakota fund to be administered by  
14 the Department of Social Services for the purpose of assisting in defraying the cost of health



1 insurance coverage for a qualified employee. The commissioner of finance and management  
2 shall disburse fourteen million dollars from the general fund to the caring for South Dakota fund  
3 for state fiscal year 2015 and each fiscal year thereafter. The department may accept and expend  
4 for the purposes of this Act any funds obtained from appropriations or any other source. Any  
5 money in the caring for South Dakota fund is continuously appropriated. Any money deposited  
6 into and distributed from the fund shall be set forth in an informational budget as described in  
7 § 4-7-7.2. Interest earned on money in the fund shall be deposited into the fund.

8 Section 3. The department shall:

- 9 (1) Develop program guidelines;
- 10 (2) Market the fund to eligible applicants;
- 11 (3) Receive, review, and evaluate applications;
- 12 (4) Administer annual monitoring and reporting on the fund; and
- 13 (5) Perform all other activities necessary to support the administration of the fund.

14 Section 4. The secretary of the Department of Social Services shall promulgate rules,  
15 pursuant to chapter 1-26, regarding the application process and timelines, the guidelines and  
16 criteria for approval of applications, and the distribution of funds from the caring for South  
17 Dakota fund.

18 Section 5. The caring for South Dakota fund shall be targeted to serve low to moderate  
19 income households with a maximum income at or below one hundred percent of the federal  
20 poverty level. If the demand for funds exceeds the amount of funds available, the assistance  
21 shall be shared on a pro rata basis.

22 A person is eligible to receive financial assistance to defray the cost of obtaining health  
23 insurance if the person meets the following requirements:

- 24 (1) Is a citizen of South Dakota;

- 1 (2) Is not eligible for insurance coverage under a parent or guardian's insurance policy;
- 2 (3) Is a qualified employee;
- 3 (4) Is not offered health insurance by an employer;
- 4 (5) Is not eligible for Medicaid, Medicare, or Indian Health Service; and
- 5 (6) Income level is below one hundred percent of the federal poverty level.

6 Section 6. A person may apply for financial assistance during the annual open enrollment  
7 period which begins October first and ends December thirty-first of each year on forms  
8 distributed by the department. The applicant shall provide certification of work status, income  
9 information, that the applicant is enrolled on an insurance plan or has applied for an insurance  
10 plan, and certification of the cost of the insurance plan premium.

11 A person who receives financial assistance pursuant to this Act shall provide certification  
12 that the person is enrolled in the insurance plan to the department each month. A person who  
13 receives financial assistance pursuant to this Act shall inform the department within thirty days  
14 of any change in insurance coverage or eligibility status.

15 Section 7. Each month that an applicant for financial assistance meets the eligibility  
16 requirements of this Act, the department shall provide financial assistance, on behalf of the  
17 applicant, directly to the applicant's insurer, up to the lesser of:

- 18 (1) Twenty-five dollars less than the average monthly premium of a silver level  
19 insurance plan for a non-smoker in the applicant's applicable age band that is  
20 available to the applicant on the insurance exchange operated in the state; or
- 21 (2) Twenty-five dollars less than the monthly premium of the insurance plan in which  
22 the applicant is applying or enrolled.

23 Section 8. The provisions of this Act are repealed if the state Medicaid program, pursuant  
24 to Title XIX of the federal Social Security Act, as amended to January 1, 2004, is expanded

1 pursuant to the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, 124 Stat. 119  
2 (2010), as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No.  
3 111-152, 124 Stat. 1029 (2010) or if the state enters a waiver program that otherwise provides  
4 health benefit coverage for persons eligible for health insurance assistance pursuant to the  
5 provisions of this Act.

6 Section 9. That § 10-4-9.3 be amended to read as follows:

7 10-4-9.3. Property owned by any corporation, organization, or society and used primarily  
8 for human health care and health care related purposes is exempt from taxation if the facility is  
9 a critical access healthcare facility or has fifty beds or less. Such corporation, organization or  
10 society shall be nonprofit and recognized as an exempt organization under section 501(c)(3) of  
11 the United States Internal Revenue Code, as amended and in effect on January 1, 2013, and none  
12 of its assets may be available to any private interest. The property shall be a health care facility  
13 licensed pursuant to chapter 34-12, orphanage, mental health center or community support  
14 provider regulated under chapter 27A-5, or camp. The facility shall admit all persons for  
15 treatment consistent with the facility's ability to provide health care services required by the  
16 patient until the facility is filled to its ordinary capacity and conform to all applicable regulations  
17 of and permit inspections by the state as otherwise provided by law.