Understanding Reimbursement Issues in South Dakota

A Guide for Health Care Providers and Practice Administration

Example EYLEA® (aflibercept) Injection Claim Issues and Applicable State Provisions

Prior Authorization

Issue: Plan delays prior authorization.

Example scenario: Patient is diagnosed and meets medical necessity criteria for EYLEA injections. Provider submits a request for prior authorization. Plan has not made a decision.

South Dakota Codified Laws Section 58-17H-28 states...

For prospective review of a nonurgent claim, Plan will issue a determination **within 15 calendar days** of receiving the request for a utilization management determination. This time period **may be extended 1 time** for up to 15 calendar days provided that Plan:

- Determines that an extension is necessary because of matters beyond Plan's control
- Notifies the patient, prior to the expiration of the initial 15-calendar-day period, of the circumstances requiring the extension and the date when Plan expects to make a decision
- If the patient fails to submit necessary information to decide the case, specifically describes in the notice of extension the required information and gives the patient **at least 45 calendar days** from receipt of notice to respond to Plan's request for more information

South Dakota Codified Laws Section 58-17H-55 states...

In the case of a nonurgent request, a health carrier, Plan, or utilization review organization shall make a determination to approve or deny a request for a step therapy override exception **within 5 calendar days** after receipt of complete, clinically relevant written documentation supporting a step therapy override exception.

In the case of an urgent care request, a health carrier, Plan, or utilization review organization shall approve or deny a request for a step therapy override exception **within 72 hours** after receipt of such documentation.

Once the information is submitted, the applicable time period for approval or denial shall begin again. If a health carrier, Plan, or utilization review organization fails to respond to the request for a step therapy override exception within the applicable time, the step therapy override exception shall be deemed granted.

Prompt Payment

Issue: Plan delays timely payment pending medical necessity determination.

Example scenario: Patient is diagnosed and meets medical necessity criteria for EYLEA injections. Provider submits a claim for EYLEA reimbursement, but 31 days later, claim is still pending medical necessity determination.

South Dakota Codified Laws Section 58-12-20 states...

Plan will pay, deny, or settle a clean claim **within 30 calendar days** after receipt if submitted electronically and **within 45 calendar days** after receipt if the claim is payable under Plan.

NOTE: There is no penalty provision for payment on delinquent claims under the South Dakota Insurance Code.

Request for Additional Information

Issue: Subsequent request for additional information.

Example scenario: Provider submits a claim for EYLEA reimbursement, but 31 days later, Plan indicates payment of claim is pending receipt of additional information.

South Dakota Codified Laws Section 58-12-20 states...

If the resolution of an otherwise clean claim requires additional information, Plan will, **within 30 calendar days** after receiving the claim, give the provider, policyholder, insured, or patient a full explanation of what additional information is needed to determine eligibility or adjudicate the claim. The person receiving a request for additional information will submit all additional information requested by Plan **within 30 calendar days** after receiving the request.

Filing Deadlines

Issue: Claim is past the filing deadline.

Example scenario: Provider timely submits an EYLEA claim. Plan denies the claim for being past the filing deadline.

South Dakota Codified Laws Section 58-17-24 states...

Written proof of loss must be furnished to the Plan **within 90 days** after the date of such loss. Failure to furnish such proof within the time required will not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity, **later than 1 year** from the time proof is otherwise required.

NOTE: This provision sets forth minimum standards. Provider should check contract for specific requirements.

Provider Appeals

Issue: Provider appeals.

Example scenario: Provider wants to challenge Plan's denial or reduction of an EYLEA claim.

South Dakota Codified Laws Section 58-17H-1 states...

Any prospective review or retrospective review determination that denies, reduces, terminates, or fails to provide or make payment, in whole or in part, for a benefit; or a rescission of coverage determination.

South Dakota Codified Laws Section 58-17I-9 states...

Prospective review internal grievance: The Plan shall notify and issue a decision within a reasonable period of time that is appropriate given the covered person's medical condition, but **no later than 30 days**.

Retrospective review internal grievance: The Plan shall notify and issue a decision within a reasonable period of time, but **no later than 60 days**.

South Dakota Codified Laws Section 58-17I-6 states...

Except as specified in this chapter, each Plan shall use written procedures for receiving and resolving grievances from covered persons, as provided in Sections 58-17I-7 to 58-17I-11, inclusive. If Plan fails to strictly adhere to the requirements of Sections 58-17I-7 to 58-17I-10, inclusive, or Sections 58-17I-12 to 58-17I-15, inclusive, with respect to receiving and resolving grievances involving an adverse determination, the covered person shall be deemed to have exhausted the provisions of this chapter, and may take action regardless of whether the Plan asserts that the Plan substantially complied with the requirements of Sections 58-17I-7 to 58-17I-10, inclusive, or Sections 58-17I-12 to 58-17I-15, inclusive, or that any error the Plan committed was de minimus.

A covered person may file a request for external review in accordance with rules promulgated by the director. In addition, a covered person is entitled to pursue any available remedies under state or federal law on the basis that the Plan failed to provide a reasonable internal claims and appeals process that would yield a decision on the merits of the claim.

South Dakota Administrative Code Rule 20:06:53:12 states...

External review: Must be requested **within 120 days** and decided **within 45 days**. A $25 fee must be paid when requesting an external review. The fee may be waived due to hardship and is to be refunded if adverse determination is reversed. All other costs of external review are paid by the Plan.

Form for requesting an external review may be downloaded from the South Dakota Department of Labor and Regulation website.

Complaints regarding these and other payer issues can be made to the South Dakota Department of Labor and Regulation website.

Visit NavigatingPayerChallenges.com for state-specific and federal legislation or contact your Reimbursement Business Manager (RBM) for more information

This material is provided for informational purposes only, is subject to change, and should not be construed as legal or medical advice. Use of this information to challenge or appeal a coverage or reimbursement delay and/or denial by a payer is the responsibility of the provider.

Reference: Data on file. Regeneron Pharmaceuticals, Inc.

REGENERON

777 Old Saw Mill River Road, Tarrytown, NY 10591
03/2023 EYL.23.02.0109