



Senate Bill 87: Serious Risks for South Dakotans with Pre-Existing Conditions

Our nonpartisan, nonprofit organizations are committed to helping South Dakotans get the comprehensive health coverage we need to live healthy, productive lives. Together, representing millions of Americans who live with serious or chronic disease, we support policies and legislation that improve the lives of the 126,000 South Dakotans who live with pre-existing conditions.¹

Senate Bill 87 poses a threat not just to people with pre-existing conditions, but to the stability of the South Dakota insurance market itself. This bill, if passed, could expose consumers to medical and financial harm, and raise costs for others who buy individual coverage.

We urge lawmakers to reject SB 87 to protect people with pre-existing conditions.

SB 87 plans will drive up costs, including for people with pre-existing conditions

- SB 87 plans may cherry-pick healthy customers and reject people with histories of illness (something that other South Dakota insurers can't do). This drives up costs for other privately insured consumers.²
- An SB 87-style plan hurt the individual market in Tennessee, a state which has the worst risk score and the sickest and most expensive enrollees in the nation.³

SB 87 plans aren't a bargain for most consumers, and offer reduced benefits and protections

- SB 87 plans will not have to comply with requirements that limit out-of-pocket costs for patients, could impose caps on coverage, or could exclude coverage of certain benefits, leaving South Dakotans with potentially catastrophic costs if they get sick.
- In Iowa, SB 87-style plans have a lifetime benefit cap on coverage, and exclude coverage for some categories of benefits.⁴
- In Kansas and Tennessee, some SB 87-style family plans cap prescription drug benefits at \$7,500 per year per person. If you get seriously ill, one month of medications could exhaust that benefit.

SB 87 plans won't be regulated as insurance, even though they operate like insurance

- SB 87 plans won't have to obey the consumer-protection laws that other insurers have to follow.
- SB 87 plans may look into your medical history when you get ill and cancel your coverage.
- When consumers have complaints, the state Division of Insurance has no power to help them.

American Cancer Society
Cancer Action Network
Leukemia & Lymphoma Society
American Heart Association

American Lung Association
Hemophilia Federation of America
Epilepsy Foundation South Dakota
Arthritis Foundation

Hemophilia Foundation of
Minnesota/Dakotas
The AIDS Institute
National Multiple Sclerosis Society

¹ <http://files.kff.org/attachment/Issue-Brief-Pre-existing-Conditions-and-Medical-Underwriting-in-the-Individual-Insurance-Market-Prior-to-the-ACA>

² <https://www.healthaffairs.org/doi/10.1377/hblog20180420.803263/full/>

³ <https://www.healthaffairs.org/doi/10.1377/hblog20180420.803263/full/>

⁴ https://www.iowafbhealthplan.com/page/file?path=Files%2Fwebsite%2FFiles%2FM9319667_07_20.pdf

National Hemophilia Foundation

American Kidney Fund

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