

Spotlight on State: South Dakota

This is part of a [series of summaries](#) that highlight notable legislation and initiatives in health policy and reform of all 50 states. Check back on The Source as we roll out additional states each week.

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South Dakota has been active in regulating prescription drug pricing and transparency. The state enacted a law to prohibit pharmacy benefit managers from prohibiting or penalizing a pharmacist for providing cost-sharing information on the amount a covered individual may pay for a particular prescription drug. The legislature also passed legislation that requires health carriers to provide prospective enrollees with drug formularies and detailed plan descriptions that explain plan coverage limitations and their financial impact on enrollees (e.g., co-insurances, out-of-pocket expenses, etc.).

In healthcare markets, the state's antitrust legislation provides that nonprofit hospitals must provide notice to the state attorney general for any mergers, acquisitions, or related transactions. The state also limits the duration of noncompete clauses in physician employment contracts to two years after the date of termination and within a specified geographic area. South Dakota also promotes telemedicine with mandated coverage parity and cost-sharing parity for telehealth services.