



State Employee Health Plan

Bureau of Human Resources

Overview

Governor Noem is recommending a proposal to upgrade the benefits state employees currently receive that would lead to \$12 million in savings. The current health plan will be overhauled to create options that are competitive compared to other large South Dakota employers, financially sustainable for the state, and simpler to administer.

Employee Health Plan

The employee health plan covers 27,000 employees and their families, each of whom has their own interests and needs. To accommodate these differing priorities, the new health plan will offer four choices, including low and high deductible plans, beginning July 1, 2021. One plan will remain premium-free for the employee. The three other plans will allow employees to “buy-up” to additional coverage options. As they have in the past, state employees will be able to pay for dependent coverage.

With the savings created in the revised health plan, Governor Noem’s proposal improves other benefits to allow the state to compete for and retain top talent:

- Annual eye exam included in all health plans
- Supplement the cost of dental insurance plans
- Contribute to employee HSA or HRA accounts
- Support employee wellness
- Raise minimum pay for positions significantly below the market
- Adjust salaries to lessen compression