

Amend CSHB 2752 (Senate committee printing) with the following appropriately numbered new sections into the bill and renumbering remaining sections accordingly:

SECTION __. Title 8, Insurance Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. NONINSURANCE HEALTH COVERAGES

CHAPTER 1680. HEALTH CARE SHARING ORGANIZATIONS.

Sec. 1680.001. SHORT TITLE. This subchapter may be cited as the Health Care Sharing Organizations Freedom to Share Act.

Sec. 1680.002. TREATMENT AS HEALTH CARE SHARING ORGANIZATION. An organization that administers a health care sharing arrangement among individuals of the same religion based on the individuals' sincerely held religious belief qualifies for treatment as a health care sharing organization under this subchapter if:

(1) the organization is a bona fide religious organization, the primary purpose and function of which is religious, that is entitled to tax exempt status under Section 501(c)(3) Internal Revenue Code of 1986; and

(2) in operating the health care sharing arrangement, the organization:

(A) does not bear risk but facilitates payments to participants who have financial or medical-related needs from participants with the present ability to assist those with financial or medical-related needs, all in accordance with the organization's criteria;

(B) notifies a participant of sharing amounts;

(C) provides a written monthly statement to all participants listing the total dollar amount of qualified needs submitted to the organization as well as the total dollar amount actually assigned to participants for sharing;

(D) maintains a complaint log to track complaints by participants and retains information regarding each complaint until the third anniversary of the date the complaint is made;

(E) provides, on each application for participation in a health care sharing arrangement distributed directly or on behalf of the organization, a notice that complies

with Section 1680.003; and

(F) requires each adult member to sign on behalf of the participant or, in the case of a minor or dependent child, on behalf of the minor or dependent child an acknowledgment that the member has read and understands the notice described by Section 1680.003 and retains the signed acknowledgment until the second anniversary of the last date of the member's participation in the health care sharing arrangement.

Sec. 1680.003. NOTICE. The notice described by Section 1680.002(2)(E) must be printed in no smaller than 12-point font and must read substantially as follows:

"This health care sharing organization is not offering an insurance product, and the health care sharing arrangement is not being offered by or through an insurance company. Participation in the health care sharing organization may limit your future options to purchase insurance if your health condition changes. Participation in the health care sharing organization does not provide creditable coverage, and, therefore, future insurance coverage you obtain may limit or exclude benefits for your preexisting conditions.

"This health care sharing organization is also not offering a discount health care program.

"Whether anyone chooses to assist you with your medical bills is voluntary, as no other participant may be compelled to share payment of your medical bills.

"This health care sharing arrangement is not insurance or a substitute for insurance. Whether you receive any payments for medical expenses and whether this health care sharing organization or arrangement continues to operate, you remain, to

the extent allowable under law, personally and fully responsible for the payment of your own medical bills. Complaints concerning this health care sharing organization may be reported to the Texas Office of the Attorney General."

Sec. 1680.004. AUTHORITY; LIMITATIONS. (a) A health care sharing organization may:

(1) establish additional qualifications for participation in the health care sharing arrangement;

(2) limit the financial or medical-related needs that may be eligible for payment among the participants;

(3) cancel a participant's participation in the health care sharing arrangement if the participant fails to make a specific payment to another participant before the 60th day after the date the payment is due; and

(4) issue participant membership cards.

(b) If a health care sharing organization issues participant membership cards, the cards must include the statement "Not Insurance."

(c) A health care sharing organization may not require that participants speak English.

Sec. 1680.005. CONSTRUCTION WITH OTHER LAW. (a) Chapter 76, Health and Safety Code, does not apply to a health care sharing organization.

(b) Notwithstanding any other provision of this code, a health care sharing organization is exempt from the operation of the insurance laws of this state and is not subject to the commissioner's oversight.

Sec. 1680.006. ENFORCEMENT AND ADMINISTRATION BY ATTORNEY GENERAL. (a) Notwithstanding any other law, the office of the attorney general has jurisdiction over health care sharing organization to ensure compliance with this subchapter and for:

(1) the prevention and prosecution of deceptive trade practices and fraud; and

(2) consumer protection.

(b) A health care sharing organization shall provide to the attorney general, on the request of the attorney general, any audit conducted of the organization and any original or amended annual

filing made by the organization with the United States Internal Revenue Service.

(c) The attorney general may adopt rules to implement this subchapter.

Sec. 1680.007. CONSUMER PROTECTION. A participant in a health care sharing organization is a consumer for purposes of Chapter 17.46(a), Business & Commerce Code, and is entitled to the protections of the office of the attorney general as provided by that section.

Sec. 1680.008. NO ASSUMPTION OF RISK. (a) Participants in a health care sharing arrangement and the health care sharing organization:

(1) do not assume any risk or make any promise to pay the financial or medical-related needs of other participants; and

(2) are not risk-bearing entities.

(b) None of the activities in this subchapter give rise to an assumption of risk or promise to pay by either the participants or the health care sharing organization.

Sec. 1680.009. COLLATERAL SHARING ACTIVITIES. A health care sharing organization may:

(1) arrange for participants to share bills when a participant experiences disability; and

(2) provide health counseling, education, and resources to participants in the health care sharing arrangement.

Sec. 1680.010. CONTRACTUAL ARRANGEMENTS WITH OTHER ENTITIES. (a) A health care sharing organization may contract with an administrator as defined by Chapter 4151, Insurance Code, or a preferred provider organization or similar entity to facilitate the operation of the organization.

(b) A health care sharing organization that enters into a contractual arrangement under Subsection (a) remains exempt from the operation of the insurance laws of this state as described by Section 1680.005.

Sec. 1680.011. ANNUAL REPORT. Not later than January 1 of each year, the organization shall file an annual report regarding its operations in this state during that fiscal year with the governor, attorney general, lieutenant governor, and speaker of the house of representatives.

SECTION __. Subsection (a), Section 101.055, Insurance Code, is amended to read as follows:

(a) Section 101.051(b)(7) does not apply to:

(1) a program otherwise authorized by law that is established:

(A) by a political subdivision of this state;

(B) by a state agency; or

(C) under Chapter 791, Government Code; ~~[or]~~

(2) a multiple employer welfare arrangement that is fully insured as defined by 29 U.S.C. Section 1144(b)(6); or

(3) a health care sharing organization operated under Chapter 1680.

SECTION __. Section 76.002, Health and Safety Code, is amended to read as follows:

Sec. 76.002. CONSTRUCTION WITH ~~[APPLICABILITY OF]~~ OTHER LAW. (a) In addition to the requirements of this chapter, a program operator or marketer is subject to the applicable consumer protection laws under Chapter 17, Business & Commerce Code.

(b) This chapter does not apply to a health care sharing

organization operated under Chapter 1680, Insurance Code.