

By: Chisum

H.B. No. 1077

A BILL TO BE ENTITLED

AN ACT

relating to the operation of health care sharing ministries.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Members of health care sharing ministries voluntarily assist fellow members with the payment of medical expenses. In many instances, health care sharing ministries provide assistance to individuals who are without health insurance coverage and, in doing so, provide important services that the state would otherwise have to provide. Due to their beneficial work and religious nature, health care sharing ministries should be statutorily recognized as religious organizations helping to fulfill the religious beliefs of ministry members and should not be treated in the same manner as secular health care coverages, including insurance.

SECTION 2. Title 8, Insurance Code, is amended by adding Subtitle K to read as follows:

SUBTITLE K. NONINSURANCE HEALTH COVERAGES

CHAPTER 1680. HEALTH CARE SHARING MINISTRIES

SUBCHAPTER A. GENERAL PROVISIONS

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

Sec. 1680.002. DEFINITION. In this chapter, "health care sharing ministry" means:

(1) a health care cost sharing arrangement among

1 individuals of the same religion based on the individuals'
2 sincerely held religious beliefs and administered by a nonprofit
3 religious organization; or

4 (2) a faith-based, nonprofit organization that is tax
5 exempt under the Internal Revenue Code of 1986 and that:

6 (A) limits membership in the organization to
7 individuals of a similar faith;

8 (B) acts as a facilitator among members who have
9 financial or medical-related needs and members with the present
10 ability to assist those with financial or medical needs, all in
11 accordance with the organization's criteria, through payments from
12 one member to another;

13 (C) notifies members of amounts that members may
14 contribute; and

15 (D) provides a written monthly statement to all
16 members listing the total dollar amount of qualified needs
17 submitted to the organization as well as the total dollar amount
18 actually assigned to members for contribution.

19 Sec. 1680.003. CONSTRUCTION WITH OTHER LAW. (a) Chapter
20 76, Health and Safety Code, does not apply to a health care sharing
21 ministry.

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

26 Sec. 1680.004. ENFORCEMENT BY ATTORNEY GENERAL.
27 Notwithstanding any other law, the office of the attorney general

1 has jurisdiction over health care sharing ministries to ensure
2 compliance with this chapter and for:

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

5 (2) consumer protection.

6 Sec. 1680.005. NO ASSUMPTION OF RISK. (a) Members of a
7 health care sharing ministry do not assume any risk or make any
8 promise to pay the financial or medical needs of other members by
9 contributing to the ministry.

10 (b) A health care sharing ministry does not assume any risk
11 or make any promise to pay the financial or medical needs of a
12 member by accepting contributions from other members.

13 [Sections 1680.006-1680.050 reserved for expansion]

14 SUBCHAPTER B. OPERATION OF MINISTRIES

15 Sec. 1680.051. NOTICE REQUIRED. Each application for
16 membership in a health care sharing ministry distributed directly
17 or on behalf of a health care sharing ministry must include a notice
18 that is printed in no smaller than 12-point font and that reads
19 substantially as follows:

20 "This health care sharing ministry is not offering an
21 insurance product and is not being offered by or
22 through an insurance company. This health care
23 sharing ministry is also not offering a discount
24 health care plan. Whether anyone chooses to assist you
25 with your medical bills is voluntary, as no other
26 member may be compelled to contribute toward your
27 medical bills. This health care sharing ministry

1 program is not insurance or a substitute for
2 insurance. Whether you receive any payments for
3 medical expenses and whether this health care sharing
4 ministry program continues to operate, you remain, to
5 the extent allowable under law, personally and fully
6 responsible for the payment of your own medical
7 bills."

8 Sec. 1680.052. ACKNOWLEDGMENT OF NOTICE; RETENTION. (a) A
9 health care sharing ministry shall require any adult member to sign
10 an acknowledgment that the member has read and understands the
11 notice described by Section 1680.051. The signature of an adult
12 member constitutes acceptance for any child of the member who is a
13 minor or dependent of the member.

14 (b) A health care sharing ministry shall retain the signed
15 acknowledgment described by Subsection (a) until the second
16 anniversary of the last date the member retains membership in the
17 health care sharing ministry.

18 Sec. 1680.053. PAYMENT AMONG MEMBERS. The means of payment
19 among members may include electronic transfer or a trust
20 established solely for the benefit of members that is audited
21 annually by an independent auditing firm.

22 Sec. 1680.054. COLLATERAL SHARING ACTIVITIES. A health
23 care sharing ministry may provide:

24 (1) for members to share in bills when members
25 experience disability; and

26 (2) health counseling, education, and resources to
27 ministry members.

1 SECTION 3. Section 101.055(a), Insurance Code, is amended
2 to read as follows:

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

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

6 (A) by a political subdivision of this state;

7 (B) by a state agency; or

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

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

11 (3) a health care sharing ministry operated under
12 Chapter 1680.

13 SECTION 4. Section 76.002, Health and Safety Code, is
14 amended to read as follows:

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

19 (b) This chapter does not apply to a health care sharing
20 ministry operated under Chapter 1680, Insurance Code.

21 SECTION 5. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2009.