

BILL ANALYSIS

S.B. 874
By: Hegar
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Health care sharing ministries are based on the biblical mandate of Christians to share in each other's needs. Such ministries are not-for-profit religious organizations that provide a health care sharing arrangement among persons of similar beliefs by matching members who have medical expenses with those who desire to share the burden of those medical expenses. S.B. 874 seeks to establish that health care sharing ministries do not engage in the business of insurance and to exempt such ministries from certain provisions of the Insurance Code.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 874 amends the Insurance Code to establish that a faith-based, nonprofit organization that is tax-exempt under the Internal Revenue Code of 1986 qualifies for treatment as a health care sharing ministry if it:

- limits its participants to individuals of a similar faith;
- acts as a facilitator among participants who have medical bills and matches those participants with other participants with the present ability to assist those with medical bills in accordance with criteria established by the health care sharing ministry;
- provides for a participant's medical bills through contributions from one participant to another;
- provides amounts that participants may contribute with no assumption of risk or promise to pay either among the participants or by the health care sharing ministry to the participants;
- provides a written monthly statement to all participants listing the total dollar amount of qualified needs submitted to the health care sharing ministry and the amount actually published or assigned to participants for their contribution;
- discloses administrative fees and costs to participants;
- provides that any card issued to a participant for the purpose of presentation to a health care provider clearly indicates that the participant is part of a health care sharing ministry that is not engaging in the business of insurance;
- provides a written disclaimer on or accompanying all applications and guideline materials distributed by or on behalf of the ministry that contains language regarding participation in the health care sharing ministry that is substantially comparable to specified language set out by the bill's provisions; and
- does not operate a discount health care program.

S.B. 874 excludes a health care sharing ministry from being considered to be engaging in the business of insurance. The bill exempts a health care sharing ministry from certain statutory provisions relating to unfair methods of competition and unfair or deceptive acts or practices regarding discount health care programs; registration of discount health care program operators, and other supplemental provisions relating to such operators; statutory provisions relating to the financing of insurance premiums; and statutory provisions relating to the regulation of third-party administrators.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.