

By: Hegar

S.B. No. 874

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

SUBTITLE K. HEALTH CARE SHARING MINISTRIES

CHAPTER 1681. HEALTH CARE SHARING MINISTRIES

Sec. 1681.001. TREATMENT AS HEALTH CARE SHARING MINISTRY.

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 under this chapter if it:

(1) limits its participants to individuals of a similar faith;

(2) 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;

(3) provides for the medical bills of a participant through contributions from one participant to another;

(4) provides amounts that participants may contribute with no assumption of risk or promise to pay among the participants and no assumption of risk or promise to pay by the health care sharing ministry to the participants;

1           (5) provides a written monthly statement to all  
2 participants that lists the total dollar amount of qualified needs  
3 submitted to the health care sharing ministry, as well as the amount  
4 actually published or assigned to participants for their  
5 contribution;

6           (6) discloses administrative fees and costs to  
7 participants;

8           (7) provides that any card issued to a participant for  
9 the purpose of presentation to a health care provider clearly  
10 indicates that the participant is part of a health care sharing  
11 ministry that is not engaging in the business of insurance;

12           (8) provides a written disclaimer on or accompanying  
13 all applications and guideline materials distributed by or on  
14 behalf of the ministry that complies with Section 1681.002; and

15           (9) does not operate a discount health care program as  
16 defined by Section 7001.001.

17           Sec. 1681.002. NOTICE. To qualify as a health care sharing  
18 ministry under this chapter, the notice described by Section  
19 1681.001(8) must read substantially as follows:

20           "Notice: This health care sharing ministry facilitates the  
21 sharing of medical expenses and is not an insurance company, and  
22 neither its guidelines nor its plan of operation is an insurance  
23 policy. Whether anyone chooses to assist you with your medical  
24 bills will be totally voluntary because no other participant will  
25 be compelled by law to contribute toward your medical bills. As  
26 such, participation in the ministry or a subscription to any of its  
27 documents should never be considered to be insurance. Regardless

1 of whether you receive any payment for medical expenses or whether  
2 this ministry continues to operate, you are always personally  
3 responsible for the payment of your own medical bills. Complaints  
4 concerning this health care sharing ministry may be reported to the  
5 office of the Texas attorney general."

6 Sec. 1681.003. EXEMPTION. Notwithstanding any other  
7 provision of this code, a health care sharing ministry that acts in  
8 accordance with this chapter is not considered to be engaging in the  
9 business of insurance.

10 SECTION 2. Subchapter A, Chapter 562, Insurance Code, is  
11 amended by adding Section 562.0041 to read as follows:

12 Sec. 562.0041. EXEMPTION. This chapter does not apply to a  
13 health care sharing ministry operated under Chapter 1681.

14 SECTION 3. Section 651.002, Insurance Code, is amended by  
15 adding Subsection (c) to read as follows:

16 (c) This chapter does not apply to a health care sharing  
17 ministry operated under Chapter 1681.

18 SECTION 4. Subchapter A, Chapter 4151, Insurance Code, is  
19 amended by adding Section 4151.0022 to read as follows:

20 Sec. 4151.0022. NONAPPLICABILITY. This chapter does not  
21 apply to a health care sharing ministry operated under Chapter  
22 1681.

23 SECTION 5. Section 7001.002, Insurance Code, is amended to  
24 read as follows:

25 Sec. 7001.002. EXEMPTION. This chapter does not apply to a  
26 program operator who is an insurer and who holds a certificate of  
27 authority under Title 6, or a health care sharing ministry operated

1 under Chapter 1681.

2 SECTION 6. Chapter 7002, Insurance Code, is amended by  
3 adding Section 7002.004 to read as follows:

4 Sec. 7002.004. EXEMPTION. This chapter does not apply to a  
5 health care sharing ministry operated under Chapter 1681.

6 SECTION 7. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2013.