

1-1 By: Hegar S.B. No. 874
1-2 (In the Senate - Filed February 27, 2013; March 5, 2013,
1-3 read first time and referred to Committee on State Affairs;
1-4 March 20, 2013, reported favorably by the following vote:
1-5 Yeas 8, Nays 0; March 20, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	<u>X</u>			
1-9	<u>X</u>			
1-10	<u>X</u>			
1-11	<u>X</u>			
1-12	<u>X</u>			
1-13	<u>X</u>			
1-14	<u>X</u>			
1-15			<u>X</u>	
1-16	<u>X</u>			

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the operation of health care sharing ministries.
1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-21 SECTION 1. Title 8, Insurance Code, is amended by adding
1-22 Subtitle K to read as follows:

1-23 SUBTITLE K. HEALTH CARE SHARING MINISTRIES

1-24 CHAPTER 1681. HEALTH CARE SHARING MINISTRIES

1-25 Sec. 1681.001. TREATMENT AS HEALTH CARE SHARING MINISTRY.

1-26 A faith-based, nonprofit organization that is tax-exempt under the
1-27 Internal Revenue Code of 1986 qualifies for treatment as a health
1-28 care sharing ministry under this chapter if it:

1-29 (1) limits its participants to individuals of a
1-30 similar faith;

1-31 (2) acts as a facilitator among participants who have
1-32 medical bills and matches those participants with other
1-33 participants with the present ability to assist those with medical
1-34 bills in accordance with criteria established by the health care
1-35 sharing ministry;

1-36 (3) provides for the medical bills of a participant
1-37 through contributions from one participant to another;

1-38 (4) provides amounts that participants may contribute
1-39 with no assumption of risk or promise to pay among the participants
1-40 and no assumption of risk or promise to pay by the health care
1-41 sharing ministry to the participants;

1-42 (5) provides a written monthly statement to all
1-43 participants that lists the total dollar amount of qualified needs
1-44 submitted to the health care sharing ministry, as well as the amount
1-45 actually published or assigned to participants for their
1-46 contribution;

1-47 (6) discloses administrative fees and costs to
1-48 participants;

1-49 (7) provides that any card issued to a participant for
1-50 the purpose of presentation to a health care provider clearly
1-51 indicates that the participant is part of a health care sharing
1-52 ministry that is not engaging in the business of insurance;

1-53 (8) provides a written disclaimer on or accompanying
1-54 all applications and guideline materials distributed by or on
1-55 behalf of the ministry that complies with Section 1681.002; and

1-56 (9) does not operate a discount health care program as
1-57 defined by Section 7001.001.

1-58 Sec. 1681.002. NOTICE. To qualify as a health care sharing
1-59 ministry under this chapter, the notice described by Section
1-60 1681.001(8) must read substantially as follows:

1-61 "Notice: This health care sharing ministry facilitates the

2-1 sharing of medical expenses and is not an insurance company, and
2-2 neither its guidelines nor its plan of operation is an insurance
2-3 policy. Whether anyone chooses to assist you with your medical
2-4 bills will be totally voluntary because no other participant will
2-5 be compelled by law to contribute toward your medical bills. As
2-6 such, participation in the ministry or a subscription to any of its
2-7 documents should never be considered to be insurance. Regardless
2-8 of whether you receive any payment for medical expenses or whether
2-9 this ministry continues to operate, you are always personally
2-10 responsible for the payment of your own medical bills. Complaints
2-11 concerning this health care sharing ministry may be reported to the
2-12 office of the Texas attorney general."

2-13 Sec. 1681.003. EXEMPTION. Notwithstanding any other
2-14 provision of this code, a health care sharing ministry that acts in
2-15 accordance with this chapter is not considered to be engaging in the
2-16 business of insurance.

2-17 SECTION 2. Subchapter A, Chapter 562, Insurance Code, is
2-18 amended by adding Section 562.0041 to read as follows:

2-19 Sec. 562.0041. EXEMPTION. This chapter does not apply to a
2-20 health care sharing ministry operated under Chapter 1681.

2-21 SECTION 3. Section 651.002, Insurance Code, is amended by
2-22 adding Subsection (c) to read as follows:

2-23 (c) This chapter does not apply to a health care sharing
2-24 ministry operated under Chapter 1681.

2-25 SECTION 4. Subchapter A, Chapter 4151, Insurance Code, is
2-26 amended by adding Section 4151.0022 to read as follows:

2-27 Sec. 4151.0022. NONAPPLICABILITY. This chapter does not
2-28 apply to a health care sharing ministry operated under Chapter
2-29 1681.

2-30 SECTION 5. Section 7001.002, Insurance Code, is amended to
2-31 read as follows:

2-32 Sec. 7001.002. EXEMPTION. This chapter does not apply to a
2-33 program operator who is an insurer and who holds a certificate of
2-34 authority under Title 6, or a health care sharing ministry operated
2-35 under Chapter 1681.

2-36 SECTION 6. Chapter 7002, Insurance Code, is amended by
2-37 adding Section 7002.004 to read as follows:

2-38 Sec. 7002.004. EXEMPTION. This chapter does not apply to a
2-39 health care sharing ministry operated under Chapter 1681.

2-40 SECTION 7. This Act takes effect immediately if it receives
2-41 a vote of two-thirds of all the members elected to each house, as
2-42 provided by Section 39, Article III, Texas Constitution. If this
2-43 Act does not receive the vote necessary for immediate effect, this
2-44 Act takes effect September 1, 2013.

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