

By: Campbell

S.B. No. 1442

A BILL TO BE ENTITLED

AN ACT

relating to regulation of health care sharing ministries; providing  
civil penalties.

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

SECTION 1. Chapter 1681, Insurance Code, is amended by  
designating Sections 1681.001 through 1681.003 as Subchapter A and  
adding a subchapter heading to read as follows:

SUBCHAPTER A. HEALTH CARE SHARING MINISTRY REQUIREMENTS

SECTION 2. Sections 1681.001 and 1681.002, Insurance Code,  
are amended to read as follows:

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 expenses [~~bills~~] and matches those participants with other  
participants [~~with the present ability~~] to assist those with  
medical expenses [~~bills~~] in accordance with criteria established by  
the health care sharing ministry;

(3) provides for the satisfaction of the medical  
expenses [~~bills~~] of a participant through contributions from one  
participant to another, including through collected contributions

1 or from participant contributions collected by the health care  
2 sharing ministry;

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

7 (5) provides a ~~written~~ monthly statement to all  
8 participants that lists the total dollar amount of qualified  
9 eligible sharing requests ~~needs~~ submitted to the health care  
10 sharing ministry, as well as the amount actually shared with  
11 ~~published or assigned to~~ participants for their contribution;

12 (6) discloses administrative fees and costs to  
13 participants;

14 (7) provides that any card issued to a participant for  
15 the purpose of presentation to a health care provider clearly  
16 indicates that the participant is part of a health care sharing  
17 ministry that is not engaging in the business of insurance;

18 (8) provides a written disclaimer on or accompanying  
19 all applications and guideline materials distributed by or on  
20 behalf of the ministry that complies with Section 1681.002; ~~and~~

21 (9) does not operate a discount health care program as  
22 defined by Section 7001.001;

23 (10) is exempt from federal taxation under 26 U.S.C.  
24 Section 501(a) by being described by Section 501(c)(3) of that  
25 code;

26 (11) ensures that a participant retains membership  
27 regardless of whether the participant develops a medical condition;

1           (12) has been or a predecessor of the health care  
2 sharing ministry has been in existence at all times since December  
3 31, 1999, and medical expenses of its participants have been shared  
4 continuously and without interruption since at least December 31,  
5 1999;

6           (13) performs an annual audit that is:

7           (A) conducted by an independent certified public  
8 accounting firm in accordance with generally accepted accounting  
9 principles; and

10           (B) made available to the public on request; and

11           (14) has received a written confirmation from the  
12 Centers for Medicare and Medicaid Services that verifies that the  
13 health care sharing ministry satisfies federal qualifications for a  
14 health care sharing ministry.

15           Sec. 1681.002. NOTICE. To qualify as a health care sharing  
16 ministry under this chapter, the notice described by Section  
17 [1681.001\(8\)](#) must read substantially as follows:

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

1 provider on your behalf from collected contributions, or whether  
2 this ministry continues to operate, you are always personally  
3 responsible for the payment of your own medical expenses [~~bills~~].  
4 Complaints concerning this health care sharing ministry may be  
5 reported to the office of the Texas attorney general."

6 SECTION 3. Subchapter A, Chapter 1681, Insurance Code, as  
7 added by this Act, is amended by adding Section 1681.004 to read as  
8 follows:

9 Sec. 1681.004. CONTRACTING AUTHORITY. A health care  
10 sharing ministry may:

11 (1) contract and negotiate with health care providers  
12 and provider networks for the purpose of lowering medical expenses  
13 for sharing among members; and

14 (2) contract with a discount health care program  
15 registered in this state to provide participants with access to  
16 discounts on health care services provided by health care providers  
17 if the health care sharing ministry does not act as a program  
18 operator as defined by Section 7001.001.

19 SECTION 4. Chapter 1681, Insurance Code, is amended by  
20 adding Subchapter B to read as follows:

21 SUBCHAPTER B. ENFORCEMENT

22 Sec. 1681.051. ATTORNEY GENERAL JURISDICTION. The attorney  
23 general has:

24 (1) the exclusive authority to determine whether an  
25 organization qualifies for treatment as a health care sharing  
26 ministry under this chapter; and

27 (2) exclusive jurisdiction and enforcement authority

1 over all complaints and compliance issues concerning health care  
2 sharing ministries.

3 Sec. 1681.052. DECEPTIVE TRADE PRACTICE. A person or  
4 organization that operates a health care sharing ministry that is  
5 not qualified as a health care sharing ministry under this chapter  
6 is considered to engage in a false, misleading, or deceptive act or  
7 practice in violation of Section 17.46, Business & Commerce Code.

8 Sec. 1681.053. CIVIL PENALTY. In addition to requesting a  
9 temporary or permanent injunction against a person or organization  
10 that violates Section 17.46, Business & Commerce Code, as described  
11 by Section 1681.052, the attorney general may request a civil  
12 penalty of not more than \$20,000 for each violation.

13 Sec. 1681.054. REMEDIES NOT EXCLUSIVE. The remedies  
14 provided by this subchapter are:

- 15 (1) not exclusive; and  
16 (2) in addition to any other remedy or procedure  
17 provided by another law or at common law.

18 SECTION 5. This Act takes effect September 1, 2021.