

HEALTH CARE SHARING MINISTRIES

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House Bill 5805 as enrolled

Public Act 530 of 2012

Sponsor: Rep. Lisa Posthumus Lyons

House Committee: Insurance

Senate Committee: Insurance

Complete to 1-23-13

A SUMMARY OF HOUSE BILL 5805 AS ENROLLED

The bill created a new act—the Health Care Sharing Ministries Freedom to Share Act. The act, generally speaking, allows faith-based nonprofit entities to operate health care sharing ministries without being considered engaged in the business of insurance and without being subject to the state's Insurance Code.

To be considered a health care ministry under the act, the ministry must do all of the following:

- Limit participation in the ministry to individuals of a similar faith.
- Provide that the ministry act as a facilitator by matching its participants with financial or medical needs with participants who have the ability to assist in meeting those needs, using criteria established by the entity.
- Provide for the financial or medical needs of a participant through voluntary contributions by its participants.
- Provide amounts that participants may contribute with no assumption of risk or promise to pay among its participants.
- Provide financial assistance to participants with financial or medical needs with no assumption of risk or promise to pay by the ministry to its participants.
- Provide a monthly written statement to its participants listing the total dollar amount of qualified financial or medical needs submitted to the ministry, along with the amount actually published or assigned to participants for their contribution.
- Provide a written disclaimer on or to accompany applications and guideline materials distributed on behalf of the ministry; the form and language of the disclaimer are provided in the bill. Essentially, the disclaimer says the ministry is not an insurance company; a participant's decision to help another is voluntary; entity documents do not constitute a contract of insurance or a promise to pay for

the financial or medical needs of a participant; and a participant receiving assistance remains personally responsible for the payment of all medical bills and other obligations incurred in meeting his or her financial or medical needs.

The bill has an effective date of January 1, 2013.

FISCAL IMPACT:

House Bill 5805 will not have a significant fiscal impact on the Office of Financial and Insurance Regulation (OFIR) as OFIR does not currently regulate health care sharing ministries.

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