



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5805 (as passed by the House)
Sponsor: Representative Lisa Posthumus Lyons
First House Committee: Health Policy
Second House Committee: Insurance
Senate Committee: Insurance

Date Completed: 12-4-12

CONTENT

The bill would create the "Health Care Sharing Ministries Freedom to Share Act" to allow a faith-based, nonprofit entity to establish a health care sharing ministry through which participants could share finances and health care.

Specifically, an eligible entity could establish a health care sharing ministry under the proposed Act. An eligible entity that established and operated a ministry in compliance with the Act would not be engaged in the business of insurance in Michigan, and the entity and ministry would not be subject to the State's insurance laws.

"Eligible entity" would mean a faith-based, nonprofit entity that maintains tax-exempt status under the Internal Revenue Code. "Health care sharing ministry" would mean a program established by an eligible entity for the sharing of finances and health care in compliance with the proposed Act.

To be considered a health care sharing ministry under the Act, the ministry would have to do all of the following:

- Limit participation to individuals who were of a similar faith.
- Provide that the ministry would act as a facilitator by matching its participants who had financial or medical needs with participants who had the ability to assist in meeting those needs according to criteria established by the eligible entity.
- Provide for the financial or medical needs of a participant through voluntary contributions by its participants.
- Provide amounts that participants could contribute with no assumption of risk or promise to pay among its participants.
- Provide financial assistance to participants who had 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 participants that listed the total dollar amount of qualified financial or medical needs that were submitted to the ministry, as well as the amount actually published or assigned to participants for their contribution.

The ministry also would have to provide, in substantially similar form and language, the following written disclaimer on or accompanying all applications and guidelines materials distributed by or on behalf of the ministry:

Notice: The [insert name of eligible entity] that operates this health care sharing ministry is not an insurance company and the financial assistance provided through the ministry is not insurance and is not provided through an insurance company. Whether any participant in the ministry chooses to assist another participant who has financial or medical needs is totally voluntary. A participant will not be compelled by law to contribute toward the financial or medical needs of another participant. This document is not a contract of insurance or a promise to pay for the financial or medical needs of a participant by the ministry. A participant who receives assistance from the ministry for his or her financial or medical needs remains personally responsible for the payment of all of his or her medical bills and other obligations incurred in meeting his or her financial or medical needs.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton