

# HOUSE BILL No. 5805

August 15, 2012, Introduced by Reps. Lyons, Haveman, Wayne Schmidt, McBroom, Shirkey, Kurtz, O'Brien, Yonker, Huuki, Liss, Hooker, MacMaster, Hobbs, Dillon, Lori, Howze, Smiley, Geiss and Roy Schmidt and referred to the Committee on Insurance.

A bill to recognize the operation of health care sharing ministries by eligible entities; and to provide that entities that establish and operate health care sharing ministries are not engaging in the business of insurance.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2 "health care sharing ministries freedom to share act".

3       Sec. 3. As used in this act:

4       (a) "Eligible entity" means a faith-based, nonprofit entity  
5 that maintains tax-exempt status under section 501(c) of the  
6 internal revenue code, 26 USC 501.

7       (b) "Health care sharing ministry" or "ministry" means a  
8 program established by an eligible entity for the sharing of

1 finances and health care in compliance with this act.

2       Sec. 5. An eligible entity may establish and operate a health  
3 care sharing ministry under this act. An eligible entity that  
4 establishes and operates a health care sharing ministry in  
5 compliance with this act is not engaged in the business of  
6 insurance in this state and the entity and ministry are not subject  
7 to the insurance laws of this state.

8       Sec. 7. To be considered a health care sharing ministry under  
9 this act, the ministry shall meet all of the following  
10 requirements:

11       (a) Limit participation in the ministry to individuals who are  
12 of a similar faith.

13       (b) Provide that the ministry act as a facilitator by matching  
14 its participants who have financial or medical needs with  
15 participants who have the ability to assist in meeting those needs  
16 according to criteria established for the ministry by the eligible  
17 entity.

18       (c) Provide for the financial or medical needs of a  
19 participant through voluntary contributions by its participants.

20       (d) Provide amounts that participants may contribute with no  
21 assumption of risk or promise to pay among its participants.

22       (e) Provide financial assistance to participants who have  
23 financial or medical needs with no assumption of risk or promise to  
24 pay by the ministry to its participants.

25       (f) Provide a monthly written statement to its participants  
26 that lists the total dollar amount of qualified financial or  
27 medical needs that were submitted to the ministry, as well as the

1 amount actually published or assigned to participants for their  
2 contribution.

3 (g) Provide, in substantially similar form and language, the  
4 following written disclaimer on or accompanying all applications  
5 and guideline materials distributed by or on behalf of the  
6 ministry:

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

22 Sec. 9. This act takes effect January 1, 2013.