

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 146

BY BUSINESS COMMITTEE

AN ACT

RELATING TO INSURANCE; AMENDING SECTION 41-121, IDAHO CODE, TO CLARIFY AN
EXEMPTION FOR HEALTH CARE SHARING MINISTRIES AND TO MAKE TECHNICAL COR-
RECTIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 41-121, Idaho Code, be, and the same is hereby
amended to read as follows:

41-121. EXEMPTION OF HEALTH CARE SHARING MINISTRIES FROM THE INSUR-
ANCE CODE. (1) A health care sharing ministry shall not be considered to be
engaging in the business of insurance for purposes of this title.

(2) As used in this section, "health care sharing ministry" means a
faith-based nonprofit organization that is tax exempt under the Internal
Revenue Code ~~which~~ and that:

(a) Either:

(i) Is owned or operated by a religious organization recognized
by the internal revenue service as tax exempt; or

(ii) Has been in existence, or a predecessor of which has been in
existence, at all times since December 31, 1999, and medical ex-
penses of its members have been shared continuously and without
interruption since at least December 31, 1999;

(b) Limits its participants to those who are of a similar faith;

~~(bc)~~ Acts as a facilitator among participants who have financial or
medical needs and matches those participants with other participants
with the present ability to assist those with financial or medical needs
in accordance with criteria established by the health care sharing min-
istry;

~~(ed)~~ Provides for the financial or medical needs of a participant
through contributions from one ~~(1)~~ participant to another;

~~(de)~~ Provides amounts that participants may contribute with no assump-
tion of risk or promise to pay among the participants and no assumption
of risk or promise to pay by the health care sharing ministry to the par-
ticipants;

~~(ef)~~ Provides a written monthly statement to all participants that
lists the total dollar amount of qualified needs submitted to the health
care sharing ministry, as well as the amount actually published or as-
signed to participants for their contribution; ~~and~~

(g) Conducts an annual audit performed by an independent certified pub-
lic accounting firm in accordance with generally accepted accounting
principles, which audit is made available to the public upon request;
and

~~(fh)~~ Provides a written disclaimer on or accompanying all applications
and guideline materials distributed by or on behalf of the organization

1 that reads, in substance: "Notice: The organization facilitating the
 2 sharing of medical expenses is not an insurance company, and neither its
 3 guidelines nor plan of operation is an insurance policy. Whether any-
 4 one chooses to assist you with your medical bills will be totally volun-
 5 tary because no other participant will be compelled by law to contribute
 6 toward your medical bills. As such, participation in the organization
 7 or a subscription to any of its documents should never be considered to
 8 be insurance. Regardless of whether you receive any payment for medical
 9 expenses or whether this organization continues to operate, you are al-
 10 ways personally responsible for the payment of your own medical bills."

11 (3) A health care sharing ministry shall not be considered insurance if
 12 it:

13 (a) Reimburses patrons for medical expenses or sharing requests sub-
 14 mitted; or

15 (b) Seeks member assistance in paying medical expenses or sharing re-
 16 quests.

17 (4) A health care sharing ministry shall not:

18 (a) Reject individuals from participation based solely on individual
 19 health risk;

20 (b) Discontinue membership or eligibility to receive sharing payments
 21 based solely on the development of a medical condition or request for
 22 assistance;

23 (c) Assume risk or indicate that it is assuming risk;

24 (d) Pay commission or remuneration for marketing or enrollment;

25 (e) Unfairly discriminate on the basis of race, sex, national origin,
 26 or disability;

27 (f) Collect consideration in promise of future financial security or
 28 future claims;

29 (g) Condition assistance upon the use of specified health care
 30 providers; or

31 (h) Describe its services in a manner that could cause a likelihood
 32 of confusion or of misunderstanding as to the services offered by the
 33 health care sharing ministry.

34 (5) A health care sharing ministry shall be subject to sections 41-1301
 35 through 41-1327, Idaho Code, regarding trade practices and frauds, to the
 36 extent applicable.

37 (36) It is hereby declared that participation in or operation of a
 38 health care sharing ministry does not constitute an unfair or deceptive act
 39 or practice in the conduct of trade or commerce prohibited by chapter 6, ti-
 40 tle 48, Idaho Code, provided that the health care sharing ministry satisfies
 41 the conditions described in this section.