

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

H

2

HOUSE BILL 578*
Committee Substitute Favorable 4/27/11

Short Title: Health Care Sharing Organizations.

(Public)

Sponsors:

Referred to:

April 4, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT HEALTH CARE SHARING ORGANIZATIONS FROM THE
3 HEALTH INSURANCE REGULATORY LAWS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Article 49 of Chapter 58 of the General Statutes is amended by
6 adding a new section to read:

7 "**§ 58-49-12. Exceptions to jurisdiction; health care sharing organizations.**

8 A health care sharing organization shall not be subject to the jurisdiction of the
9 Commissioner and shall not be considered to be engaging in the business of providing health
10 care benefits, as long as the health care sharing organization does the following:

- 11 (1) Maintains nonprofit entity status under the Internal Revenue Code.
12 (2) Limits its participants to those who share similar interests as defined by the
13 organization.
14 (3) Provides for the financial or medical needs of a participant through
15 contributions from one participant to another in accordance with criteria
16 established by the health care sharing organization.
17 (4) Provides amounts that participants may contribute with no assumption of
18 risk or promise to pay among the participants and no assumption of risk or
19 promise to pay by the health care sharing organization to the participants.
20 (5) Publishes a written monthly statement to all participants that lists the total
21 dollar amount of qualified needs submitted to the health care sharing
22 organization, as well as the amount published or assigned to participants for
23 their contribution.
24 (6) Provides a written disclaimer on or accompanying all applications and
25 guideline materials distributed by or on behalf of the organization that reads,
26 in substance, as follows:

27 'NOTICE: The organization facilitating the sharing of medical
28 expenses is not an insurance company, and neither its guidelines nor
29 its plan of operation is an insurance policy. Whether anyone chooses
30 to assist you with your medical bills will be voluntary. No other
31 participant will be compelled by law to contribute toward your
32 medical bills. As such, participation in the organization or a
33 subscription to any of its documents should never be considered to be
34 insurance. Regardless of whether you receive any payment for
35 medical expenses or whether this organization continues to operate,
36 you are always personally liable for the payment of your own
37 medical bills.'



* H 5 7 8 - V - 2 *

1

SECTION 2. This act becomes effective October 1, 2011.