

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 578*
PROPOSED COMMITTEE SUBSTITUTE H578-PCS70190-RG-10

Short Title: Health Care Sharing Organizations.

(Public)

Sponsors:

Referred to:

April 4, 2011

A BILL TO BE ENTITLED

AN ACT TO EXEMPT HEALTH CARE SHARING ORGANIZATIONS FROM THE
HEALTH INSURANCE REGULATORY LAWS.

The General Assembly of North Carolina enacts:

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

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

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

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

'NOTICE: The organization facilitating the sharing of medical
expenses is not an insurance company, and neither its guidelines nor
its plan of operation is an insurance policy. Whether anyone chooses
to assist you with your medical bills will be voluntary. No other
participant will be compelled by law to contribute toward your
medical bills. As such, participation in the organization or a
subscription to any of its documents should never be considered to be
insurance. Regardless of whether you receive any payment for



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1 medical expenses or whether this organization continues to operate,
2 you are always personally liable for the payment of your own
3 medical bills."

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