

SENATE BILL 543

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11r0948
CF 11r0950

By: **Senator Eckardt**

Introduced and read first time: January 26, 2021

Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

Insurance – Health Care Sharing Ministries – Exemption

FOR the purpose of exempting from State insurance laws health care sharing ministries as defined in a certain provision of federal law; and generally relating to health care sharing ministries and the applicability of insurance laws in the State.

BY repealing and reenacting, with amendments,
Article – Insurance
Section 1–202(a)(4) and (5)
Annotated Code of Maryland
(2017 Replacement Volume and 2020 Supplement)

BY adding to
Article – Insurance
Section 1–202(a)(6)
Annotated Code of Maryland
(2017 Replacement Volume and 2020 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Insurance

1–202.

(a) This article does not apply to:

(4) a voluntary noncontractual religious publication arrangement that:

(i) is a nonprofit religious organization for which the State may not be held in any way liable or responsible for any of its debts, claims, obligations, or liabilities;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(ii) publishes a newsletter whose subscribers are limited to members of the same denomination or religion;

(iii) acts as an organizational clearinghouse for information between subscribers who have medical costs and subscribers who choose to assist with those costs;

(iv) matches subscribers with a willingness to pay and subscribers with present medical costs;

(v) coordinates payments directly from one subscriber to another;

(vi) suggests amounts to give that are voluntary among the subscribers, with no assumption of risk or promise to pay either among the subscribers or between the subscribers and the organization;

(vii) does not use a compensated insurance producer, representative, or other person to solicit or enroll subscribers;

(viii) does not make a direct or indirect representation that it is operating in a financially sound manner or that it has had a successful history of meeting subscribers' medical costs;

(ix) provides to each subscriber a written monthly statement listing both the total dollar amount of qualified medical costs submitted for publication and the amount actually published and assigned for payment;

(x) does not use funds paid by subscribers for medical costs to cover administrative costs;

(xi) submits a registration statement, including a copy of any application forms and guidelines, promotional, or informational material distributed by or on behalf of the arrangement, to the Secretary of State in accordance with the provisions of Title 6, Subtitle 4 of the Business Regulation Article; and

(xii) provides the following verbatim written disclaimer as a separate cover sheet for any and all documents distributed by or on behalf of the exempt arrangement, including applications, guidelines, promotional, or informational material and all periodic publications:

“Notice

This publication is not issued by an insurance company nor is it offered through an insurance company. It does not guarantee or promise that your medical bills will be published or assigned to others for payment. No other subscriber will be compelled to contribute toward the cost of your medical bills. Therefore, this publication should never be considered a substitute for an insurance policy. This activity is not regulated by the State

Insurance Administration, and your liabilities are not covered by the Life and Health Guaranty Fund. Whether or not you receive any payments for medical expenses and whether or not this entity continues to operate, you are always liable for any unpaid bills.”; [or]

(5) except as provided in subsection (b) of this section, a self-funded student health plan operated by an independent institution of higher education, as defined in § 10–101 of the Education Article, that provides health care services to its students and their dependents if the institution files on July 1 each year, for the student health plan that will be offered to students for the upcoming school year, a report with the Commissioner certifying under penalties of perjury that:

(i) the student health plan satisfies any applicable minimum essential coverage standards under federal law;

(ii) the institution pledges assets sufficient to support the liabilities of the student health plan;

(iii) the institution demonstrates an ability to operate the student health plan in a sound manner by having operated an employer-sponsored plan, as defined in § 15–1401 of this article, in the prior calendar year with at least 10,000 enrollees, including employees and their dependents;

(iv) the institution maintains at least an AA bond rating by one of the major credit rating agencies; and

(v) the institution operates the student health plan in compliance with Title 15, Subtitles 10A and 10D of this article; **OR**

(6) A HEALTH CARE SHARING MINISTRY, AS DEFINED IN 26 U.S.C. § 5000A(D)(2)(B)(II).

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2021.