

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 578\*

Short Title: Health Care Sharing Organizations. (Public)

Sponsors: Representatives Murry, Dockham, and Barnhart (Primary Sponsors).  
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Insurance.

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 **"§ 55-49-12. 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,



1                                    you are always personally liable for the payment of your own  
2                                    medical bills."

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