

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

Legislative Fiscal Note

BILL NUMBER: House Bill 578 (First Edition)

SHORT TITLE: Health Care Sharing Organizations.

SPONSOR(S): Representatives Dockham, Barnhart, and Murry

FISCAL IMPACT					
	Yes ()	No (X)	No Estimate Available ()		
	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>
REVENUES			* No State Impact *		
EXPENDITURES			* No State Impact *		
POSITIONS (cumulative):	0	0	0	0	0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Department of Insurance					
EFFECTIVE DATE: October 1, 2011					

BILL SUMMARY:

House Bill 578 exempts a health care sharing organization from health insurance regulatory laws, as long as the organization (1) maintains nonprofit status under the Internal Revenue Code; (2) limits participants to those sharing similar interests; (3) provides for participants' needs through contributions from one participant to another in accordance with criteria established by the organization; (4) provides amounts that participants may contribute with no assumption of risk or promise to pay among participants or by the organization; (5) publishes monthly statements to participants; and (6) provides a written disclaimer on or with all applications and guideline materials, reading substantially as the notice set forth in the bill.

Source: Bill Digest for House Bill 578

ASSUMPTIONS AND METHODOLOGY:

Pursuant to Section 1 of House Bill 578, health care sharing organizations that meet the criteria outlined in the bill will be exempted from the jurisdiction of the Commissioner of the North Carolina Department of Insurance (the Department). Currently, the Department does not regulate health care sharing organizations because these organizations do not provide insurance. The Department estimates that House Bill 578 will have no fiscal impact on its operations. Fiscal Research concurs with the Department's assessment.

SOURCES OF DATA: North Carolina Department of Insurance.

TECHNICAL CONSIDERATIONS: None.

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