

State of South Dakota

EIGHTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2012

157T0347

HOUSE BILL NO. 1187

Introduced by: Representatives Jensen, Bolin, Brunner, Deelstra, Dennert, Gosch, Greenfield, Haggar, Hansen (Jon), Hickey, Hoffman, Hubbel, Hunhoff (Bernie), Hunt, Kirkeby, Kloucek, Kopp, Liss, Lust, Magstadt, Moser, Nelson (Stace), Olson (Betty), Rausch, Russell, Schaefer, Sly, Stricherz, Tulson, Venner, Verchio, Wick, and Wink and Senators Rhoden, Adelstein, Begalka, Bradford, Maher, Rampelberg, Schlekeway, Sutton, and Tidemann

1 FOR AN ACT ENTITLED, An Act to exempt health care sharing ministries from the
2 provisions of the health insurance code.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. A health care sharing ministry may not be considered to be engaging in the
5 business of insurance under Title 58.

6 Section 2. For purposes of this Act, a health care sharing ministry is a faith-based, nonprofit
7 organization that is tax exempt under the Internal Revenue Code and:

8 (1) Limits its participants to those who are of a similar faith;

9 (2) Acts as a facilitator among participants who have financial or medical needs and
10 matches those participants with other participants with the present ability to assist
11 those with financial or medical needs in accordance with criteria established by the
12 health care sharing ministry;

13 (3) Provides for the financial or medical needs of a participant through contributions



1 from one participant to another;

2 (4) Provides amounts that participants may contribute with no assumption of risk or
3 promise to pay among the participants and no assumption of risk or promise to pay
4 by the health care sharing ministry to the participants;

5 (5) Provides a written monthly statement to all participants that lists the total dollar
6 amount of qualified needs submitted to the health care sharing ministry, as well as
7 the amount actually published or assigned to participants for their contribution; and

8 (6) Provides a written disclaimer on or accompanying all applications and guideline
9 materials distributed by or on behalf of the organization that reads, in substance:

10 "Notice: The organization facilitating the sharing of medical expenses is not an
11 insurance company, and neither its guidelines nor plan of operation is an insurance
12 policy. Whether anyone chooses to assist you with your medical bills will be totally
13 voluntary because no other participant will be compelled by law to contribute toward
14 your medical bills. As such, participation in the organization or a subscription to any
15 of its documents should never be considered to be insurance. Regardless of whether
16 you receive any payments for medical expenses or whether this organization
17 continues to operate, you are always personally responsible for the payment of your
18 own medical bills."