ARIZONA HOUSE OF REPRESENTATIVES

SB 1048: health care ministries; exemption; definition
Sponsor: Senator Livingston, LD 22
House Engrossed

Overview
Eliminates the requirement for a health care sharing ministry (HCSM) to have been in existence and sharing member medical expenses continuously since December 31, 1999.

History
An HCSM is defined as a nonprofit organization that is exempt from federal income tax under section 501 of the Internal Revenue Code and that:
1) Limits its participants to those who share a common set of ethical or religious beliefs;
2) Acts as a facilitator among participants who have financial or medical needs;
3) Provides financial and medical needs through contributions from one participant to another;
4) Suggests amounts that participants may contribute with no assumption of risk or promise to pay by participants;
5) Provides a written monthly statement to all participants that lists the total dollar amount of qualified needs submitted to the HCSM and the amount actually published or assigned to participants for their contribution; and
6) Provides a written disclaimer on all applications and guideline materials distributed by the HCSM (A.R.S. § 20-122)

Laws 2015, Chapter 136 required HCSMs to also meet federal standards including: 1) retaining members even after they develop a medical condition; 2) being in existence and sharing medical expenses since December 31, 1999; and 3) conducting an annual audit performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and which is made available to the public upon request (26 U.S.C. § 5000A).

Provisions
1. Removes the requirement for an HCSM, or its predecessor, to have been in existence and sharing member medical expenses continuously and without interruption since December 31, 1999. (Sec. 1)

| ☐ Prop 105 (45 votes) | ☐ Prop 108 (40 votes) | ☐ Emergency (40 votes) | ☐ Fiscal Note |