

House Bill 552

By: Representatives Cooper of the 43rd, England of the 116th, Kelley of the 16th, Burns of the 159th, and Williamson of the 115th

**A BILL TO BE ENTITLED
AN ACT**

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to
2 change a definition regarding health care sharing ministries; to amend Article 2 of Chapter
3 7 of Title 48 of the Official Code of Georgia Annotated, relating to imposition, rate, and
4 computation of and exemptions from income taxes, so as to provide that a taxpayer may
5 deduct the full amount paid for shares as a member of a health care sharing organization from
6 Georgia taxable income; to provide a definition; to disallow related deductions; to provide
7 for an effective date; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
11 revising Code Section 33-1-20, related to health care sharing ministry, as follows:

12 "33-1-20.

13 (a) As used in this Code section, the term 'health care sharing ministry organization' means
14 a ~~faith-based~~ nonprofit organization that is tax exempt under the Internal Revenue Code
15 of 1986 which:

16 (1) Is defined in 26 U.S.C. Section 5000A(d)(2)(B);

17 (1)(2) Limits its participants to those who ~~are of a similar faith~~ share a common set of
18 ethical beliefs;

19 (2)(3) Acts as a facilitator among participants who have financial or medical needs and
20 matches those participants with other participants with the present ability to assist those
21 with financial or medical needs in accordance with criteria established by the health care
22 sharing ministry organization;

23 (3)(4) Provides for the financial or medical needs of a ~~participant through contributions~~
24 from ~~one participant to another~~ member through contributions from other members or
25 through payments directly from one member to another member;

26 (4)(5) Provides amounts that ~~participants~~ members may contribute with no assumption
27 of risk or promise to pay among the ~~participants~~ members and no assumption of risk or
28 promise to pay by ~~the health care sharing ministry~~ such organization to the participants
29 members;

30 (5)(6) Provides a written monthly statement to all ~~participants~~ members that lists the total
31 dollar amount of qualified needs submitted to ~~the health care sharing ministry~~, as well as
32 the ~~amount actually published or assigned to participants for their contribution; and such~~
33 organization and the total dollar amount of qualified needs actually shared in the previous
34 month in accordance with criteria established by the health care sharing organization;

35 (7) Conducts an annual audit that is performed by an independent certified public
36 accounting firm in accordance with generally accepted accounting principles and that is
37 made available to the public by providing a copy upon request or by posting on the
38 organization's website; and

39 (6)(8) Provides a in substance the following written disclaimer on or accompanying all
40 applications and guideline materials distributed by or on behalf of the organization that
41 reads, ~~in substance~~: 'Notice: The organization facilitating the sharing of medical expenses
42 is not an insurance company, and neither its guidelines nor plan of operation is an
43 insurance policy. Whether anyone chooses to assist you with your medical bills will be

44 totally voluntary because no other participant will be compelled by law to contribute
45 toward your medical bills. As such, participation in the organization or a subscription to
46 any of its documents should never be considered to be insurance. Regardless of whether
47 you receive any payment for medical expenses or whether this organization continues to
48 operate, you are always personally responsible for the payment of your own medical
49 bills.'

50 (b) A health care sharing ~~ministry~~ organization which has entered into a health care
51 cost-sharing arrangement with its ~~participants~~ members shall not be considered an
52 insurance company, health maintenance organization, or health benefit plan of any class,
53 kind, or character and shall not be subject to any laws respecting insurance companies,
54 health maintenance organizations, or health benefit plans of any class, kind, or character
55 in this state or subject to regulation under such laws, including, but not limited to, the
56 provisions of this title, and shall not be subject to the jurisdiction of the Commissioner of
57 Insurance."

58 **SECTION 2.**

59 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
60 imposition, rate, and computation of and exemptions from income taxes, is amended in
61 subsection (a) of Code Section 48-7-27, relating to computation of taxable net income, by
62 deleting "and" at the end of paragraph (14), by replacing the period with ";" and" at the end
63 of paragraph (15), and by adding a new paragraph to read as follows:

64 "(16)(A) For all taxable years beginning on or after January 1, 2021, an amount equal
65 to the amount which the taxpayer has paid during the taxable year as a member of a
66 health care sharing organization, which shall only be deductible to the extent that such
67 amount is not deducted on the taxpayer's federal income tax return in determining the
68 taxpayer's federal taxable income for that taxable year.

69 (B) As used in this paragraph, the term 'health care sharing organization' shall have the
70 same meaning as defined in subsection (a) of Code Section 33-1-20."

SECTION 3.

72 This Act shall become effective upon its approval by the Governor or upon its becoming law
73 without such approval.

SECTION 4.

75 All laws and parts of laws in conflict with this Act are repealed.