**South Carolina General Assembly**

125th Session, 2023-2024

**S. 537**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Grooms, Climer, Kimbrell and Verdin

Companion/Similar bill(s): 4024

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Introduced in the Senate on February 15, 2023

Currently residing in the Senate

Summary: Healthcare Sharing Ministries Freedom to Share Act

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/15/2023 Senate Introduced and read first time ([Senate Journal‑page 3](h:\sj\20230215.docx))

2/15/2023 Senate Referred to Committee on **Banking and Insurance** ([Senate Journal‑page 3](h:\sj\20230215.docx))

2/16/2023 Scrivener's error corrected

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=537&session=125&summary=B)  at the website

**VERSIONS OF THIS BILL**

[02/15/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/537_20230215.docx)

[02/16/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/537_20230216.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 38‑5‑25 SO AS TO PROVIDE THAT A HEALTH CARE SHARING MINISTRY IS A NONPROFIT, TAX‑EXEMPT ORGANIZATION THAT ESTABLISHES CRITERIA AND PROCEDURES TO FACILITATE MATCHING PARTICIPANTS HAVING FINANCIAL OR MEDICAL NEEDS WITH OTHER PARTICIPANTS WHO ARE ABLE TO ASSIST IN MEETING THOSE NEEDS OR THAT HELPS PROVIDE FOR THE FINANCIAL OR MEDICAL NEEDS OF A PARTICIPANT THROUGH CONTRIBUTIONS OF ANOTHER PARTICIPANT AND TO FURTHER PROVIDE THAT SUCH A HEALTH CARE SHARING MINISTRY IS NOT INSURANCE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 5, Title 38 of the S.C. Code is amended by adding:

Section 38‑5‑25. (A) A healthcare sharing ministry is not considered to be engaging in the business of insurance and is not subject to the insurance laws of this State.

(B) “Healthcare sharing ministry” means a non‑profit organization that is tax exempt under the Internal Revenue Code that:

(1) limits participants to those who share a similar set of ethical or religious beliefs;

(2) acts as a facilitator among participants who have financial or medical needs and assists them in accordance with criteria established by the healthcare sharing ministry;

(3) provides for the financial or medical needs of a participant through contributions from other participants;

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

(5) provides to participants monthly the total dollar amount of qualified needs actually shared in the previous month in accordance with criteria established by the healthcare sharing ministry;

(6) conducts an annual audit that is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and that is made available to the public by providing a copy upon request or by posting to the organization’s website; and

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

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

SECTION 2. If a public institution of higher education in this State requires a student to purchase healthcare insurance, the institution must allow such student to satisfy this requirement through membership in a healthcare sharing ministry.

SECTION 3. A healthcare sharing ministry may not be considered a third‑party payor for any purposes where the term “third‑party payor” or similar term occurs in this code, including financial assistance programs for hospitals, Medicaid, and other safety net programs for healthcare.

SECTION 4. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 5. The repeal or amendment by this act of any law, whether temporary or permanent or civil or criminal, does not affect pending actions, rights, duties, or liabilities founded thereon, or alter, discharge, release or extinguish any penalty, forfeiture, or liability incurred under the repealed or amended law, unless the repealed or amended provision shall so expressly provide. After the effective date of this act, all laws repealed or amended by this act must be taken and treated as remaining in full force and effect for the purpose of sustaining any pending or vested right, civil action, special proceeding, criminal prosecution, or appeal existing as of the effective date of this act, and for the enforcement of rights, duties, penalties, forfeitures, and liabilities as they stood under the repealed or amended laws.

SECTION 6. This act takes effect upon approval by the Governor.

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