

Health Care Sharing Ministries rulemaking (R 2021-17)

Stakeholder draft

Comments due to the OIC by August 17, 2021

New Subchapter N: Health Care Sharing Ministries

NEW WAC 284-43-8210

Definitions Section

For the purposes of this subchapter:

- (1) "Annual audit" means an audit occurring once a year at approximately the same time each year for the preceding calendar year.
- (2) "For-profit" organization means an organization in which persons are permitted to have an ownership or partnership interest, such as corporate stock. It includes sole proprietorships, corporations, and other entities that provide for ownership interests.
- (3) "Certified Public Accounting Firm" means a firm licensed by state boards of accountancy, the District of Columbia, and U.S. territories.
- (4) "Continuously" means without a break or interruption.
- (5) "Generally Accepted Accounting Principles" means the compulsory accrual method of accounting for a public company.
- (6) "Health care sharing ministry" means:
 - (a) an organization described in Section 501(c)(3) and is exempt from taxation under Section 501(a);
 - (b) has members who share a common set of ethical or religious beliefs and share medical expenses among members in accordance with those beliefs and without regard to the state in which a member resides or is employed;
 - (c) members retain membership in the health care sharing organization even after the member develops a medical condition;
 - (d) which, or a predecessor of which, has been in existence at all times since December 31, 1999 and medical expenses of its members have been shared continuously and without interruption since at least December 31, 1999; and
 - (e) conducts an annual audit, which is 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.
- (7) "Independent certified public accounting firm" means a certified public accounting firm that meets the standards of independence set forth by the American Institute of Certified Public Accountants (AICPA), the Public Company Accounting

Oversight Board (PCAOB), or another similar body that oversees or sets standards for the accounting or auditing professions.

(8) "Non-profit organization" means organizations meeting specified requirements that qualify for exemption under subsections other than Section 501(c)(3).

(9) "Organization" means an entity organized as a corporation, a limited liability company (LLC), an unincorporated association, or a trust. Entities must be organized under United States federal or state law.

(10) "Predecessor" means an organization whose medical expense sharing activities were taken over by a successor organization.

(11) "Share medical expenses" or "sharing medical expenses" means providing for the medical needs and financial needs related to medical expenses of a participant through member contributions.

New WAC 284-43-8220

Prompt reply to the commissioner required.

Health care sharing ministries shall timely reply in writing to an inquiry of the commissioner regarding their compliance with RCW 48.43.009, and any potential violations of RCW 48.05.030(1) and RCW 48.15.020(1), and any related regulations including this regulation. A timely response is one that is received by the commissioner within fifteen business days from receipt of the inquiry.

New WAC 284-43-8230

Continuously Sharing Medical Expenses

In order for there to be continuous sharing without interruption of medical expenses between members of a predecessor organization and its successor health care sharing ministry, members of the predecessor organization must share medical expenses with all new members.

END