

Date: March 25, 2025

Committee: North Dakota House Industry, Business and Labor Committee

Chair: Representative Jonathan Warrey

Bill: Senate Bill 2348 – Recognition and Exemption of Health Care Sharing Ministries

Presenter: Shane Goettle, Dakota Strategies (on behalf of Samaritan Ministries)

SB 2348

Chairman Warrey and members of the House Industry, Business and Labor Committee, thank you for the opportunity to testify today in support of Senate Bill 2348. For the record, my name is Shane Goettle, and I am a lobbyist with Dakota Strategies, here on behalf of my client Samaritan Ministries. Samaritan Ministries is a leading health care sharing ministry, and we strongly support SB 2348. This legislation is important to ensure that North Dakotans who participate in health care sharing ministries are recognized and accommodated under state law. SB 2348 specifically addresses two key areas: health coverage requirements for students, and the regulatory status of health care sharing ministries.

Section 1: Acceptance of Health Care Sharing for Student Coverage.

The first section of SB 2348 deals with health coverage requirements at North Dakota's colleges and universities. It provides that a student's active participation in a health care sharing ministry will satisfy any requirement for that student to maintain health insurance or health coverage while enrolled in an institution of higher education.

In practical terms, if a student is a member of a qualifying health care sharing ministry, the school must accept that membership as meeting the student health coverage mandate – the student would not be forced to purchase a separate insurance plan to fulfill campus requirements.

This section does include one important exception: it exempts international students on J, F, or M visas. Those students, due to federal visa regulations, must still carry a traditional health insurance policy that meets U.S. Department of State standards and any State Board of Higher Education policy for international students.

Aside from that narrow exception, Section 1 ensures that North Dakota students who use health care sharing ministries can continue their education without being penalized or required to buy redundant insurance. It recognizes the choice of families and students who rely on faith-based health care sharing for their medical needs, allowing them to satisfy university insurance rules through their ministry membership.

Section 2: Definition and Insurance Law Exemption for Health Care Sharing Ministries.

The second section of SB 2348 creates a new chapter in Title 50 of the North Dakota Century Code to formally define what constitutes a “health care sharing ministry” and to clarify that these ministries are not subject to insurance regulation.

Under this section, a health care sharing ministry is defined by a set of criteria intended to distinguish it from an insurance company. For example, to qualify, an organization must be a nonprofit entity recognized under 501(c)(3) of the Internal Revenue Code, and it must limit its participants to those who share a common set of ethical or religious beliefs.

The ministry acts as a facilitator for members to share medical expenses with one another according to established guidelines, without any assumption of risk or promise to pay on the part of the ministry – unlike an insurer, the ministry does not guarantee payment of claims. Members contribute voluntarily to assist others, and each month the ministry typically provides members with a report of the total dollar amount of medical needs shared and met by the community.

SB 2348 also requires that a health care sharing ministry conduct an annual independent audit of its finances, ensuring transparency and accountability, and it mandates that the ministry provide clear written disclaimers to all participants.

These disclaimers must explain that the organization is not an insurance company, that participation is voluntary, and that whether or not any member’s medical bills are paid is dependent on the voluntary contributions of other members, not a guaranteed contract.

In short, Section 2 lays out a clear definition in law to protect consumers and make sure only genuine health care sharing ministries that meet high standards are covered by this provision.

Most importantly, by establishing this definition, Section 2 of the bill explicitly states that a qualifying health care sharing ministry “may not be considered to be engaging in the business of insurance” and is therefore exempt from insurance laws and regulations in North Dakota. This is a crucial clarification for religious-based health care sharing. It means that as long as an organization meets the criteria of a health care sharing ministry, it will not be regulated by the North Dakota Insurance Department as an insurance company.

This exemption protects the freedom of North Dakotans to choose a faith-based, community-oriented approach for their health care needs without inadvertently subjecting those ministries to insurance oversight. Thirty-three states have already enacted similar provisions in their laws to recognize health care sharing ministries in this way. By passing SB 2348, North Dakota would join those states in providing a safe legal harbor for health care sharing ministries, affirming that this method of sharing one another’s medical burdens is a legitimate and protected option for residents. It harmonizes our state law with the principle already acknowledged at the federal

level (for instance, the Affordable Care Act recognizes health care sharing ministries), making it clear that this health care option is not insurance and should not be treated as such.

Conclusion:

In conclusion, Senate Bill 2348 is a reasonable and important measure to support consumer choice and religious freedom in health care. It ensures that college students who are members of health care sharing ministries can meet university health coverage requirements without unnecessary expense or conflict, and it provides certainty that health care sharing ministries can operate in North Dakota without being misclassified or over-regulated as insurance.

On behalf of Samaritan Ministries and its members, I respectfully urge the Committee to give SB 2348 a favorable recommendation. Chairman Warrey and committee members, thank you for your time and consideration of this testimony. I am happy to answer any questions you may have.

Finally, I would like to introduce Mr. Joel Noble, the Director of Public Policy for Samaritan Ministries, who will speak next and provide further testimony on this bill. Thank you.