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H.B. 21
136th General Assembly

Bill Analysis

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Version: As Reported by House Insurance

Primary Sponsors: Rep. King

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SUMMARY

- Specifies that health care sharing ministries having certain qualifications are not engaged in the business of insurance and not subject to Ohio insurance laws.
- Specifies that any requirement made by a state institution of higher education that attending students have health care coverage is met by participation in a health care sharing ministry.
- Authorizes a personal income tax deduction for dues paid for membership in a health care sharing ministry.
- Names the bill the "Health Care Sharing Ministries Freedom to Share Act."

DETAILED ANALYSIS

Exemption from insurance regulations

The bill specifies that health care sharing ministries are not engaged in the business of insurance and therefore not subject to Ohio insurance laws.¹ Generally speaking, a health care sharing ministry is an organization that collects dues from members and then redistributes a portion of the amounts collected to members who have incurred health care costs. The bill specifically defines a health care sharing ministry as a nonprofit organization that does all of the following:

- Limits its participants to those members who share a common set of ethical or religious beliefs;
- Retains membership for participants who develop a medical condition;

¹ R.C. 1716.22(A).

- Acts as a facilitator among participants who have financial or medical needs to assist in meeting those financial and medical needs in accordance with criteria established by the organization;
- Provides for the financial or medical needs of a participant through contributions from other participants;
- Provides amounts that participants may contribute with no assumption of risk or promise to pay by the organization;
- 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 by providing a copy upon request or by posting the audit on the organization's website;
- Provides to the participants, on at least an annual basis, the total dollar amount of qualified financial and medical needs actually shared in the previous year, or other relevant time period, if the report is made more frequently than annually, in accordance with criteria established by the organization;
- 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 to be insurance. Regardless of whether you receive any payments for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.²

Preservation of constitutional and common law rights

The bill specifies that nothing in the Ohio Charitable Organizations laws is to be construed as abrogating or reducing a right, privilege, or protection provided under the Ohio Constitution, the United States Constitution, or the common law of Ohio, including *Humphrey v. Lane*.³

In *Humphrey v. Lane*, an Ohio Department of Corrections (DRC) officer of Native American ancestry objected on religious grounds to a DRC policy requiring all male DRC officers to have hair cut to collar length or shorter. When the officer refused to comply with the policy, DRC notified the officer that he would be terminated. The Ohio Supreme Court found that under the

² R.C. 1716.01(I).

³ R.C. 1716.22(B).

Ohio Constitution, the standard for religious freedom is that religion-neutral state laws and regulations that allegedly violate a person's right to the free exercise of religion must: (1) serve a compelling state interest, and (2) be the least restrictive means of furthering that interest. In this case, the Supreme Court found that DRC had a legitimate interest in requiring officers to have a uniform appearance and attire. However, the Court determined that DRC could have achieved that result through less restrictive means. For example, as opposed to requiring male officers to cut their hair, DRC could have allowed those officers who objected on religious grounds to tuck the hair under their uniform caps.⁴

Institutions of higher education

The bill specifies that any requirement made by a state institution of higher education that attending students have health care coverage is met by participation in a health care sharing ministry.⁵

Tax deduction

The bill allows a state income tax deduction for members participating in a health care sharing ministry equal to the amount the member paid during the taxable year for membership in the ministry. This includes all amounts paid for membership by the taxpayer, the taxpayer's spouse, and the taxpayer's dependents.⁶ This deduction would apply to taxable years ending on or after the bill's 90-day effective date.⁷

Title

The bill is entitled the "Health Care Sharing Ministries Freedom to Share Act."

HISTORY

Action	Date
Introduced	01-27-25
Reported, H. Insurance	11-05-25

ANHB0021RH-136/sb

⁴ *Humphrey v. Lane*, 89 Ohio St.3d 62 (2000).

⁵ R.C. 3333.89.

⁶ R.C. 5747.01(A)(45).

⁷ Section 3.