

# Health Care Sharing Ministries: What are the Risks for Consumers?

NCOIL Health Insurance &  
Long Term Care Issues Committee

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# Georgetown University Center on Health Insurance Reforms (CHIR)

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# Overview

1. HCSMs: what are these arrangements?
2. Insurance regulator views
3. HCSMs and Consumers
4. Regulatory Framework
5. State Regulatory Options

# CHIR Research

- “Health Care Sharing Ministries: What Are the Risks to Consumers and Insurance Markets?”
  - Analysis of state laws governing HCSMs in all states
  - Interviews with officials in 13 states
  - Review of membership requirements and benefits of five HCSMs: Altrua HealthShare, Christian Healthcare Ministries, Medi-Share Christian Care Ministry, Samaritan Ministries and Sedera Health
- “Views from the Market: Insurance Brokers’ Perspectives on Changes to Individual Health Insurance”
  - Interviews with brokers in 6 states, one national web broker



# Characteristics of HCSMs

## 1. Membership

- Typically limited to those who share a common set of religious or ethical beliefs
- Some require members to sign pledges that they will abstain from certain behaviors (e.g., tobacco, illicit drug use)
- Some are marketing to small employer groups

## 2. Payment Structure

- Monthly payment or “share” to cover qualifying medical expenses of other members
  - **Based on: age, level of coverage, health indicators**
- “Unshareable” or “member responsibility” amounts, like deductibles



# Characteristics of HCSMs

## 1. Administration Varies

- Members may send shares directly to other members for “shareable” needs
- Other ministries collect monthly shares or direct members to deposit in a designated financial institution or escrow account and disburse to those with “shareable” needs

## 2. Ministry Determines What is “Shareable”

- E.g., “[N]o more than a combined 20 visits per year for occupational, speech, or physical therapy, home health care, and chiropractic care”
- May allow appeal of denial to panel of members

## 3. Some condition reimbursement on factors other than defined benefits:

- Submission of bills to other insurance, gov’t programs, hospital charity programs
- Pursuit of legal case against potentially liable party
- Authorization for HCSM to negotiate with providers for lower charges



# Characteristics of HCSMs

Consumer Protection	Health Care Sharing Ministry Policies
Coverage for pre-existing conditions	Most only share costs for pre-existing conditions if the condition was cured and a year or more has passed without symptoms or treatment
Benefit exclusions	Typically exclude treatment for mental and behavioral health and substance use disorders, and preventive and wellness services; and limit or exclude prescription drugs, among other restrictions
Dollar and visit limits	Most set monthly, annual, and/or lifetime limits on coverage; others have limit per illness <ul style="list-style-type: none"><li>• E.g., \$1 million lifetime limit and \$50,000 annually</li><li>• E.g., \$125,000 per illness</li></ul>



# What are these arrangements?

## 1. Not Insurance...

- Membership guidelines note that the ministry is not a health insurance company and it does not guarantee payments for members' claims
- Ministries avoid using insurance terms

## 2. Even So, Some Features Closely Resemble Insurance

- Provider networks
- Levels of coverage (gold, silver, bronze)
- Defined benefits and cost-sharing
- Preauthorization for medical necessity
- Claims processing





# Enrollment in health care sharing ministries

## 1. Current Enrollment

- Since enactment of the ACA, enrollment in HCSMs has reportedly increased from fewer than 200,000 in 2010 to perhaps 1 million today

## 2. Marketing Tactics

- Websites, ads (during OE), payments to brokers
- Recent uptick in marketing

## 3. Cost of ACA plans seen as primary driver of membership

- HCSMs offered as affordable alternative



# Will membership continue to grow?

## Monthly Cost of Membership or Plan in 2019

Medi-Share	\$126 <sup>†</sup>
Samaritan	\$120
Altrua	\$100
Liberty	\$249
Sedera	\$166 <sup>‡</sup>
Lowest Cost Bronze Marketplace Plan	\$339 <sup>x</sup>

<sup>†</sup>Must meet “health standards” for this price (includes BMI, blood pressure standards)

<sup>‡</sup>Per employee

<sup>x</sup>National average lowest cost bronze plan for a 40-year-old in 2019



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# Findings from Regulator Interviews

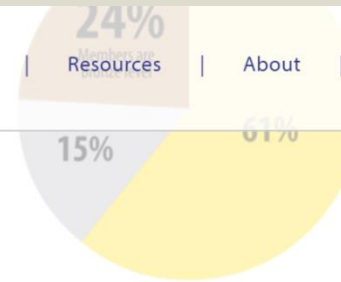
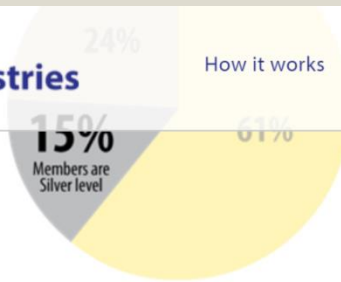
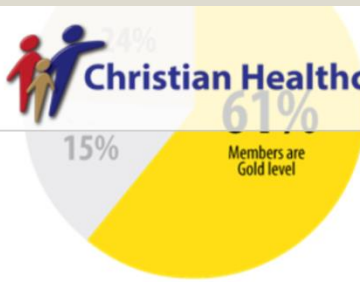
1. Regulators lack data to understand HCSM operations and impacts
  - No formal mechanisms to get enrollment data or know which HCSMs are operating in the state
2. Marketing and insurance features contribute to consumer confusion
  - Concern that consumers won't understand what they're getting when they enroll in an HCSM
3. Risk of market segmentation not a near-term concern for most respondents
  - Future growth, when combined with expansion of other non-ACA options, could undermine ACA market
4. States can perform oversight, regardless of safe harbor status
  - Options are constrained by political, resource limits



# HCSM Characteristics That May Cause Consumer Confusion

- **Components are similar to insurance**
  - Defined benefit package
    - Often different packages sold at different rates with different cost-sharing structures
    - Members submit claims to HCSM
  - Premiums
    - Benefits of coverage contingent on monthly payment; sometimes sent to HCSM
  - Cost-sharing: deductibles; co-pays; co-insurance
- **May use a provider network**
  - And issue members a card to give to providers
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  - And packaged with supplemental insurance products
- **Marketing may describe as replacement for insurance and/or suggest consumers can rely on HCSMs for financial protection**
  - While disclaiming that product is insurance





## Gold Program

**\$150 per unit, per month**

Please see the [CHM Guidelines](#) for complete information.

The Gold program provides members with the ministry's most extensive financial support. CHM shares 100 percent of bills for any medical **incident** exceeding \$500 as long as all other [Guidelines](#) are met. (Total bills incurred per incident must exceed \$500 in order to be eligible for sharing.) You can receive assistance up to \$125,000 per illness.

Read an example incident [here](#).

### Gold plus Brother's Keeper

If you join at the Gold level and also join Brother's Keeper, you will have unlimited financial assistance available to you for all eligible medical bills (bills must total over \$500 per incident). [Learn More](#)

## Silver Program

**\$85 per unit, per month**

The Silver program is primarily for hospitalization. Please see the [CHM Guidelines](#) for more information.

At the Silver level, you have a \$1,000 personal responsibility per **incident**. In other words, you need to pay \$1,000 (or receive at least \$1,000 worth of **discounts** on your medical bills) per incident before CHM helps share your expenses. You can receive assistance up to \$125,000 per illness.

### Silver plus Brother's Keeper

Signing up for Brother's Keeper provides an additional \$100,000 of cost support. With each annual Brother's Keeper renewal, members receive an additional \$100,000, accruing up to \$1 million per illness. [Learn More](#)

## Bronze Program

**\$45 per unit, per month**

The Bronze program is primarily for hospitalization. Please see the [CHM Guidelines](#) for more information.

At the Bronze level, you have a \$5,000 personal responsibility per **incident**. In other words, you need to pay \$5,000 (or receive at least \$5,000 worth of **discounts** on your medical bills) per incident before CHM helps share your expenses. You can receive assistance up to \$125,000 per illness.

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INSTANT QUOTE CALCULATOR

Some limitations apply concerning *pre-existing conditions* for all programs.



[How Do I Join?](#)[Apply Now](#)[Manna](#)[Current Members](#)[Refer a friend](#)**Q. What is the deductible?**

A. Members do not have deductibles. Instead, our members have an Annual Household Portion (AHP). Members choose an AHP ranging from \$1,000-\$10,500.

The AHP is the annual amount a household is responsible for before medical bills will be approved for sharing. The AHP only applies to Eligible Medical Bills. After the AHP has been met, ALL eligible medical bills will be submitted for sharing for the entire household.

[Back to Top](#)**Q. What is the monthly premium?**

A. Members do not have a monthly premium. Instead, our members contribute a monthly “share” based on age and how many in the household. Members deposit their monthly share into their sharing account and it goes directly into a fellow member’s sharing account to pay their medical bills.

[Back to Top](#)**Q. How does the claim (and sharing) process work?**

A. Members do not file claims, nor does the ministry handle claims because we are not an insurance company. If your eligible medical bill is paid, it is paid with funds received directly from another member. Members present their member ID card to their service provider. The service provider then discounts the bill accordingly, if within the Preferred Provider Organization network. The bill is then sent to us where we negotiate for further discounts. Here, we review the services provided to determine if the bill is eligible for sharing. After the AHP has been met and if the bill is eligible, it is eligible for sharing among the other members. For more details on what is eligible and how the AHP works, please review the Guidelines.

# HCSM Characteristics That May Cause Consumer Confusion

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  - Cost-sharing: deductibles; co-pays; co-insurance
- **May use a provider network**
  - And issue members a card to give to providers
- May be sold by insurance brokers
  - And packaged with supplemental insurance products
- Marketing may describe as replacement for insurance and/or suggest consumers can rely on HCSMs for financial protection
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*...In January of 2011, I had a cardiac arrest. My husband gave me CPR and a roomful of paramedics finally revived me. I was then in a coma for three days and had to have a defibrillator inserted into my chest (ready in case my heart arrests again) as well as a week-long hospital stay and follow-up appointments. This cost was over \$100,000. What would we have done without Medi-Share?*

*—Ocieanna F, WA*

26 MyChristianCare.org

## V. PREFERRED PROVIDER ORGANIZATION (PPO) (continued)

for individual Members in the form of lower out-of-pocket expenses and also for the membership in the form of lower Monthly Share amounts.

It's best to identify PPO providers and facilities in your region before you seek care. To do so simply go to [MyChristianCare.org/findproviders](https://MyChristianCare.org/findproviders), or call the provider number on your Medi-Share ID card.

Your Medi-Share ID card must be presented to the provider before services are rendered or the discount may not be honored.

As a courtesy, many PPO providers also honor their discount agreement for services ineligible for sharing (such as routine care) if Members make payment promptly after receiving the Explanation of Sharing (EOS).

### B. Using Non-PPO Providers

- Physicians and Other Professionals

If a Member uses a non-PPO professional service provider, bills eligible for sharing are limited to the usual and customary (U&C) charge for that service based on

***Medi-Share is not insurance.***





independent norms. Charges above that amount are the Member's responsibility.

- Hospitals and Other Facilities

If a Member uses a non-PPO hospital or other facility, the Member has an additional responsibility of either 20% of total charges or \$500 per eligible bill, whichever is lower. This additional responsibility is over and above any other Medi-Share program element, such as the AHP.

- Non-PPO Waivers

The additional responsibility associated with out-of-network costs may be waived in cases where there was a life-threatening emergency.

Some additional responsibility may be waived when the travel distance to the nearest PPO qualified provider is more than 25 miles.

If pre-notification as described in Section III E. is not met, the additional responsibility may not be waived. Waivers can be requested by contacting Member Services. Waivers will be given after a balance bill has been issued by the provider. The request for the waiver must be received within 90 days from the date the Explanation of Sharing (EOS) was issued or within 12 months from date of service, whichever is greater.

## VI. DETAILS OF SHARING

### A. CMS or FDA Approved Treatment

The cost of CMS or FDA approved testing, treatments, and up to six months of FDA approved prescription drugs per eligible condition will be considered for sharing. They must be ordered by one of the following:

- Medical Doctor (M.D.)
- Doctor of Osteopathy (D.O.)
- Nurse Practitioner (N.P.)
- Physician's Assistant (P.A.)
- Doctor of Podiatric Medicine (D.P.M.)
- Dentist (D.D.S. or D.M.D.)
- Midwife
- Optometrist

These CMS or FDA approved tests and treatments are to be performed at one of the following:

- Hospital
- Surgery center
- Clinic



## 2. WORKING WITH YOUR HEALTH CARE PROVIDER

To help you get the most out of sharing, Altrua HealthShare uses an *affiliated* network of providers whenever possible because these providers agree to discount their services for you as a member. Using this network generally offers significant savings for you by lowering your *member responsibility amounts* and the sharing amounts for the *membership*. It's best to identify an in-network provider and/or facility in your region before you seek care. To do so, simply go to [www.altruahealthshare.org/resources/affiliated-providers](http://www.altruahealthshare.org/resources/affiliated-providers) or contact the Provider Affiliation department at 1.888.244.3839.

You must present your member ID card to the provider at the time of services for discounts to apply.

If you use a provider who does not accept either form of Altrua HealthShare's reimbursement options, there will be an indication that you used a *non-affiliated provider* when your *medical needs* are processed. You will be responsible for 50% of allowed charges based on your 2<sup>nd</sup> MRA, according to your *membership plan type*.



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I'm an Individual





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### 30-50% in Savings

*Leaving more \$ for dental, vision, groceries, etc.*



### You're in the Driver's Seat

*As a savvy direct healthcare consumer*

## Incredible Member Services

We're there when you need us most.



### Expert 2nd Opinions

*Expert second opinions from the world's best doctors*



### Health Care Advisors

*To help navigate the complex landscape of medical care*



### Telemedicine

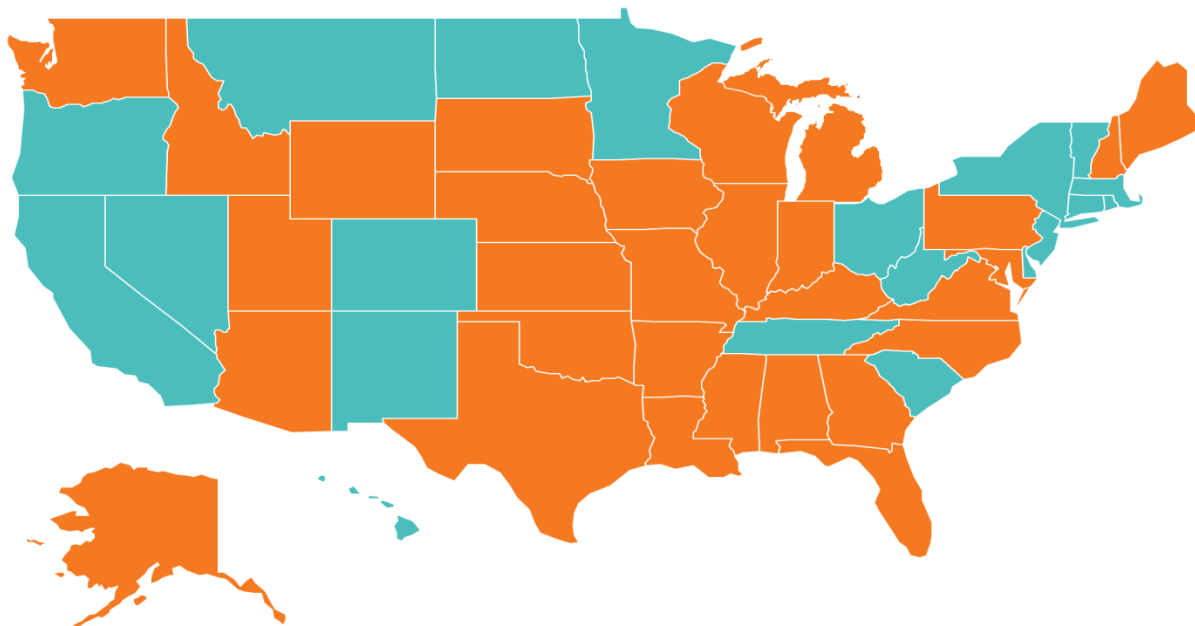
*Access to a doctor via phone*

# HCSMs: The Regulatory Framework

- Enrolled individuals are exempt from the ACA's individual mandate
  - The tax penalty has been reduced to \$0 for plan year 2019 and beyond.
- Neither the mandate exemption nor any other provision of federal law preempts state regulatory authority over HCSMs
- No state regulates them as insurers
- In 30 states, safe harbor laws specifically exempt qualifying HCSMs from insurance regulation



# States that Exempt Qualifying HCSPs from Ins. Code (2018)



● State law explicitly exempts health care sharing ministries (30 states)

● State law does not contain an explicit exemption for health care sharing ministries (20 states and D.C.)

Data: Authors' analysis of state laws governing health care sharing ministries.

Note that states that have not explicitly exempted health care sharing ministries from the state insurance code do not necessarily regulate them.

Source: JoAnn Volk, Emily Curran, and Justin Giovannelli, [Health Care Sharing Ministries: What Are the Risks to Consumers and Insurance Markets?](#) (Commonwealth Fund, Aug. 2018).



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# State Safe Harbors

- Identify structural/operational criteria that HCSM must meet to qualify.
  - Some variation across states.
- Most require HCSMs to provide a written disclaimer that the entity is not an insurance company
- Most require HCSMs to provide participants with a monthly statement identifying total “qualified” claims; some of those also require publishing share of qualified claims “assigned”
- A minority require an annual audit by an independent CPA

# State Options to Regulate, More Closely Monitor

- Recent state actions on health care sharing ministries (publication forthcoming from the Commonwealth Fund).
- Regulatory approaches may include:
  - Active oversight to determine ongoing compliance with state law safe harbors
  - Requiring data showing how HCSMs operate
    - Enrollment
    - Marketing materials
    - Financial info sufficient to assess members' risk of facing unpaid claims
  - Consider what role, if any, producers should have in facilitating HCSM enrollment



# Thank you!

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