



Health Care Sharing Ministries are faith-based, charity membership organizations that facilitate the sharing of medical expenses among their members.

Members of HCSMs consist of like-minded people who share a common set of religious beliefs, and commit to treat their bodies according to their faith and to embrace a healthy lifestyle.

## How Do HCSMs Work?

The members and the leadership develop sharing guidelines, which codify a mutually agreed upon framework where members understand upfront:

What types of medical expenses are shareable

How the sharing process works

What the obligations of membership are

What members can expect when they need their own bills shared by the community

## How Do HCSMs Differ From Insurance?

### HSCMs

- Communities of like-minded religious believers who share one another's medical expenses
- Bound together by a moral obligation
- Program developed by members
- Nonprofit, tax-exempt, 501(c)(3) orgs
- Money belongs to members and transfers between them not through the ministry
- Body and soul integration: Members receive prayer and encouragement along with financial support from other members and HCSM staff

### Insurance

- Risk pools assembled by the government, employers, or insurance carriers
- Bound together by a legal contract
- Plans designed by actuaries, not enrollees
- Mostly for-profit corporations, with fiduciary obligation to shareholders before enrollees
- Insurance company receives enrollee money and keeps as profit after paying obligations
- Members don't interact with one another and only have financial and transactional relationship with insurer



## Are HCSMs Regulated?

HCSMs are already governed by a strong regulatory and legal framework enacted by state & federal law applying to nonprofit, tax-exempt charities, which are enforced by state Attorneys General, by state tax authorities and the IRS.

The religious exercise of HCSMs and their members is also robustly protected by the courts through religious liberty jurisprudence and state and federal Religious Freedom Restoration Acts.

## What Should I Look for in a HCSM?

- ✓ Possess certification letters from the federal government recognizing their compliance with the Affordable Care Act definition of HCSMs
- ✓ Possess a letter from the IRS recognizing their 501(c)(3) nonprofit, tax-exempt charity status
- ✓ Provide robust, repeated notices to consumers and prospective members about what HCSMs are and how they differ from insurance
- ✓ Provide regular reports to their members about how much money is spent on sharing vs. the ministry's overhead and administrative costs
- ✓ Publish sharing guidelines on the ministry's website laying out the process for submitting bills for sharing, determining the eligibility of bills for sharing, and expected timeframes



"The entire weight of my body came down on my right leg. The health care sharing ministry shared over \$85,000. They would pray for me, pray for my family. Health care sharing ministries must be able to offer innovative health care solutions."

- Dale

HCSM member in California

AHCSM.org  
admin@ahcsm.org