



What is a Health Care Sharing Ministry?

Health Care Sharing Ministries are §501 (c) (3) tax exempt membership charities that facilitate the sharing of medical expenses among their members. Each one operates a little differently, but they are generally groups of like-minded people who share a common set of religious beliefs, and agree to treat their bodies in a manner consistent with their faith, committed to healthy lifestyles, and contribute monthly to share in the cost of other members' medical expenses. Ministries can be small, local and have a closed membership only available to a certain church (like a local Mennonite community), or they can be large (100,000+ members), nationwide, with open membership for all who share their religious beliefs, and everything in between.

How does Health Care Sharing work?

Each ministry operates a little differently, but there are a number of commonalities. The members and the leadership develop sharing guidelines, which form the framework for what types of medical expenses are shareable, how the sharing process works, what the expectations from members are, and what members can expect when they need their own bills shared by the community. Members share a monthly contribution to either the expenses of other members, the operating costs of the ministry, or both. When a member has a medical need, that member might ask for a cash-pay price from the doctor or hospital of his or her choice, or choose a health care provider that already has a relationship with the ministry. Depending on the provider and the ministry, the member will pay for some services upfront and send/upload the bill to the ministry later, or the provider will send the bill directly to the ministry. The ministry confirms that the medical care is eligible for sharing according to the sharing guidelines and then facilitates the transfer of funds, either directly from other members or indirectly, through the ministry, to the member in need. Ministries usually ask the member in need to contribute a certain amount to their own medical expenses first, either on an annual basis or per need, and the rest is shared by other members.

Do HCSMs only provide for medical bills?

Ministries provide not only a way to facilitate the sharing of medical bills between members, but they also provide opportunities for ministry staff and members to pray for one another, and offer spiritual encouragement, prayer and support as members go



through difficult times. They have dedicated prayer lines, regular prayer groups, virtual prayer request opportunities and newsletters providing praise reports of answered prayers. Some ministries also facilitate the sharing of expenses related to life and death outside of the health care system, including helping with adoption or funeral expenses. Finally, all the ministries that work with the Alliance have a charitable fund for expenses that are not eligible for sharing under their sharing guidelines, or for special needs of non-members who are brought to their attention.

Why do people choose HCSMs?

Most members choose HCSMs for the faith-based approach, the affordability, or both. Religious Americans are used to doing things differently from other people, whether it's homeschooling their kids or sending them to religious schools, watching faith-based movies or TV shows, embracing dietary differences, sacrificing time and treasure on mission-minded or church activities. They welcome the opportunity to "do health care" differently too - in a way that reflects their faith. Some members also value the confidence of knowing that their health care solution does not support certain services that violate their religious beliefs. In addition to these religious reasons, many members are attracted to the affordability of HCSMs. Because ministries are nonprofit organizations, and because they are not insurance, they are able to set their sharing guidelines to help members provide for each other's health care expenses in ways that keep costs down.

Why are HCSMs more affordable than health insurance?

Because HCSMs are not insurance, they operate differently. First, they're nonprofit organizations, so they don't need to include profit margins in their membership dues. Because membership itself is not a contractual or risk-bearing relationship, they are not obligated to try to pad their coffers with lots of reserves to mitigate contractual risk. Most ministries systematically and aggressively negotiate medical bills down on behalf of their members - often obtaining for patients prices significantly lower than those associated with commercial insurance. Others coach their members how to get the lowest price from providers directly. Others encourage cost-saving care arrangements such as direct primary care or bundled surgeries or maternity packages. Finally, because members commit to each other that they will maintain healthy lifestyles and avoid behaviors that violate their religious beliefs, such as smoking or illegal drug use, they often have lower medical costs than non-members. Ministries facilitate faith-based



communities in deciding which health care costs they share—not the government, not corporate employers, and not insurance company executives. Each ministry is transparent about which services are shared among members, and this information is made available to the public, including prospective members before joining.

How does the Affordable Care Act affect HCSMs?

Health Care Sharing Ministries are defined explicitly in the ACA, which tasked the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS) with certifying HCSMs that meet the definition. Since the authors of the ACA recognized that HCSMs provide a health care solution outside the insurance paradigm, and are an expression and exercise of the members' religious beliefs, they exempted HCSM members from the law's individual mandate. HCSM memberships are also not subject to the requirements of qualified health insurance plans as laid out in Title I of the ACA. HCSMs are nonpartisan organizations and support the ACA's treatment of HCSMs, and generally support the goals of the ACA.

How many HCSMs are there and how many people are members?

There are currently 107 CMS-certified HCSMs. The vast majority of them are small, local ministries with closed memberships. Of the 107, there are nine large, nationwide ministries with open memberships. Those nine ministries have about 1.3 million members.

What is the Alliance for Health Care Sharing Ministries?

The Alliance is a tax-exempt (c)(6) nonprofit organization that represents the majority of the large, CMS-certified HCSMs, including engaging in state and federal policy advocacy, education of policy makers, regulators, other stakeholders and the general public. The Alliance's activities are funded by donations from their member ministries. Governance of the Alliance is by a Board of Directors made up of ministries who are undergoing the new, independent HCSM accreditation process (recently launched, so applications for accreditation are underway). In the future, only fully accredited ministries will have a governance role in the Alliance.

Do HCSMs require members to be U.S. citizens or to have legal immigration status?



Most ministries welcome like-minded believers of all nationalities and citizenship without regard for immigration status for non-U.S. citizens. Some ministries facilitate sharing among members through a bank account for each member’s household for the exclusive purpose of sharing medical expenses with other members. Members of these ministries need to be able to open a U.S. bank account.

Are HCSMs regulated?

Yes. Since HCSMs are charitable ministries instead of insurance, they are not subject to state insurance laws. Instead, HCSMs operate on a completely voluntary basis and are regulated as charities in their home states and under every state’s charity laws and each state’s attorney general. At the federal level, HCSMs are regulated as 501(c)(3) tax-exempt charities by the Internal Revenue Service, and are subject to countless other civil and criminal federal laws.

Do HCSMs create consumer confusion and fraud in the health care market?

Legitimate HCSMs are upfront with consumers and transparently describe to consumers how they are not insurance to prevent confusion. The Alliance condemns any and all fraudulent or misleading tactics in the marketplace, including any carried out by for-profit entities masquerading as HCSMs. When critics express concerns about fraudulent activity, they almost always cite complaints and cases related to Alieria Companies. But Alieria is not an HCSM, as defined by the ACA. Alieria Companies, a for-profit company, has recently come under investigation from a number of state regulators and class action suits, in part due to alleged marketing practices relating to products offered by a “nonprofit” organization which appears to have been started by and marketed by Alieria as an HCSM. At least eight states have taken legal action, using existing authority under the law, and there have been class action lawsuits filed in four states against Alieria. The organization marketed by Alieria, Sharity Health (formerly Trinity HealthShare) declared bankruptcy in July 2021, leaving devastating stories of members with unshared medical expenses, and Alieria itself declared bankruptcy later that year.

The Alliance stands in solidarity with a number of states that have taken action under current state laws to protect their residents from alleged unlawful conduct by Sharity Ministries (formerly Trinity HealthShare) and the Alieria Companies. The Alliance



maintains minimum standards for member ministries in order to preserve integrity and accountability for Health Care Sharing Ministries. Trinity/Sharity has never been a member of the Alliance.

Is there an accreditation process for HCSMs?

The Healthcare Sharing Accreditation Board was launched in May 2022 and is an independent, third-party body dedicated to evaluating HCSMs and providing public recognition of ministries that meet a list of robust standards developed by the Board. Those standards include, but are not limited to, reviews in the following areas:

- Legal structure and governance
- Organizational management and compensation
- Conflicts of interest and related party transactions
- External communications and marketing
- Enrollment processes
- Written acknowledgements from members
- Published sharing guidelines
- Financial sharing processes, including processing time, dispute resolution and appeals, total amounts shared and not shared among members, etc.
- Expense ratio (administrative overhead v. shared medical expenses)
- Membership contribution guidelines and management processes
- Audited financial statements and IRS Form 990

Applicants who are accredited will be permitted to publicize that finding for a period of one year before a re-submission is required. Applications are open to anyone operating as a healthcare sharing ministry.

The Healthcare Sharing Accreditation Board is an independent, non-profit entity. Neither it nor its voting board members are affiliated with or have an interest in any healthcare sharing ministries. The board members have a broad range of experience in government, law, financial management, healthcare, and sharing ministry governance. The board members are:

Diane Black, RN, Former Congresswoman from Tennessee, registered nurse and U.S. House Budget Committee chair

Dave Cram, CPA, specialist in financial oversight of religious non-profit activities

Josh Heidelman, Castaneda + Heidelman, LLP, attorney experienced in non-profit law

James Lansberry, Former Executive Vice President, Samaritan Ministries



Mary Mayhew, President and CEO, Florida Hospital Association, former Director of the federal Medicaid program, former head of the Maine and Florida health agencies.

Parties interested in learning more about accreditation should contact Brad Nail at brad@ifsa.org.

If there's no contractual obligation to pay, could HCSMs go bankrupt and short-change members?

The ACA definition requires CMS-certified ministries to have been sharing continuously since at least 1999. Just last year, ACA-defined HCSMs shared \$2 billion in medical expenses. That said, HCSMs are nonprofit ministries that are dependent on both the contributions of their members and the good governance of their leadership. The best way to ensure that the organization is properly managed is for an independent accrediting body to provide accreditation, as well as public scrutiny of audited financial statements.

How do I identify a trusted HCSM?

Trusted health care sharing ministries are independent 501(c)(3) nonprofits that are rooted in authentic Judeo-Christian or other religious values and have been certified by CMS as meeting the ACA definition of a Health Care Sharing Ministry, including a long history of faithfully and continuously sharing medical expenses.

The Alliance urges anyone considering joining a Health Care Sharing Ministry to ask that ministry:

- Have you applied for or received accreditation from the Healthcare Sharing Accreditation Board? (ask for documentation)
- Do you have a certification letter from the U.S. Centers for Medicare and Medicaid Services recognizing that the ministry meets the ACA definition of a Health Care Sharing Ministry? (ask for documentation)
- Are you a member of the Alliance of Health Care Sharing Ministries?
(*Medi-Share, Samaritan Ministries, Liberty Healthshare, OneShare Health, Altrua Healthshare*)



- Do you have a letter from the IRS recognizing you as a 501(c)(3) tax-exempt charity organization? (ask for documentation)
- Are your annual, audited financial statements publicly available? (ask for documentation)

Do HCSMs lower costs by simply not “covering” as much as insurance?

Health Care Sharing Ministries facilitate faith-based communities in deciding which health care costs they share—not the government, not corporate employers, and not insurance company executives. Each ministry is transparent about which services are shared among members, and this information is made available to the public, including prospective members before joining. What’s more, ministries often share in expenses that exceed what an insurance policy might include, such as homeopathic, alternative, osteopathic treatments and even experimental therapies.

It’s important to remember that, unlike health insurance companies that can simply leave a state or Federal insurance marketplace, Health Care Sharing Ministries serve a national membership and won’t just leave a local state or region if the health care cost dynamics become unfavorable. Also unlike insurers, Health Care Sharing Ministries do not receive risk adjustments or other subsidies to help provide for expenses arising from the pre-existing conditions of new members. Finally, unlike insurers, ministries don’t stockpile cash reserves for a spike in medical needs or an economic downturn. Their sharing guidelines, including the guidelines around what is and is not shareable, are designed by their membership to make the sharing model as sustainable as possible. In addition, each Health Care Sharing Ministry operates a special charitable fund to help members (and non-members) with financial needs that would not otherwise be shareable under the ministry’s sharing guidelines.

Do HCSMs share expenses for people with pre-existing conditions?

Yes. Each ministry handles bills arising from pre-existing conditions differently, but they are all transparent about which medical bills can be shared immediately, which ones may have a waiting period before being shared with their community, and which bills may never be shareable. People with pre-existing conditions join Health Care Sharing Ministries every day and work with their individual ministry to determine how to best handle their medical costs.



Again, Health Care Sharing Ministries receive no federal subsidies to help offset costs related to pre-existing conditions of their members - unlike health insurers.

Do HCSMs share expenses for prescription medications?

Yes. Health Care Sharing Ministries are all different, but they are all transparent about which prescription medication costs are eligible to be shared with the community. Many prescriptions are eligible for sharing, and most ministries offer prescription discount options.

Do HCSMs drive up costs for those in the individual market by luring away healthy people and leaving behind less healthy and more costly people?

Some critics argue that exempting HCSM members from the ACA individual mandate destabilized enrollment and drove premiums up for those remaining on the ACA exchanges. This argument - that exemptions from the mandate harm the exchange stability - is more easily tested now that the *whole country* is exempt from the individual mandate penalty. If true, then exchange enrollment, after the individual mandate was zeroed out by Congress in 2017 for all Americans, should have plummeted and premiums should have increased. But, the opposite has proven true. Effectuated enrollment today in the ACA marketplace is higher than it was the last year the mandate penalty was in place. After more than doubling during the first five years of the ACA exchanges, premiums actually dropped for the first time in 2019, the first year without the individual mandate penalty, and continued dropping in 2020. Unfortunately, marketplace enrollment was unstable and premiums skyrocketed in the individual insurance market, due to many factors other than religious Americans who objected to or couldn't afford to purchase insurance.

How do HCSMs differ from insurance?

Health Care Sharing Ministries facilitate a community-based health care solution, fundamentally different from the top-down, bureaucratic, and opaque insurance paradigm. Indeed, 31 states have recognized in their insurance code that they are not insurance. Health Care Sharing Ministries depart from the insurance model in significant ways:



- Unlike insurance, HCSMs help members mitigate each others' medical expenses - not through an enforceable contract between the members and the ministry - but rather through the voluntary sharing of expenses. There is no shifting of risk from members to the ministry or other members, so no "claims" can be made against such risk. The ministries *facilitate* the sharing of bills by other members, but do not themselves financially participate in the sharing.
- Unlike most of the biggest insurance companies, HCSMs are 501(c)(3) nonprofit organizations which do not accrue profit and do not have a fiduciary duty to shareholders.
- Health Care Sharing Ministry members do not pay "premiums" or submit "claims" - instead they pay a monthly "share" amount as part of their mutual agreement to share each other's medical expenses, and when a member is in need, ministries help facilitate the transfer of funds to that need, from one or more members.
- Unlike insurance policyholders or participants in the typical employer-provided group insurance plan, members of an HCSM are bound by common religious beliefs. This moral, but not legal, obligation is the glue that holds HCSM communities together.
- Unlike insurance companies' appeals process after a claim is denied, many Health Care Sharing Ministry members have the right to appeal to a committee made up of other members for consideration of a sharing request that is deemed ineligible for sharing.
- The sharing guidelines that govern the eligibility of expenses that may be shared are developed by HCSMs with member participation - in some cases, members directly vote on the guidelines and proposed changes to them. In some ministries, this participation includes members voting on the amount of the monthly contribution. This is in stark contrast to insurance policies where enrollees have no voice.
- Unlike an insurance policy, the sharing guidelines are deeply shaped by the shared religious beliefs of the members. They reflect the members' mutual commitment to God and to their fellow members to remain accountable for living



out their shared beliefs, both with respect to how they treat their bodies and avoid unhealthy behaviors, as well as which sorts of procedures are eligible for sharing.

- Unlike an insurance company, HCSMs' practices and services reflect the Judeo-Christian tradition that people are created in God's image *as body and soul*. As such, HCSMs offer ample opportunities for members to pray for other members, to pray with ministry staff, particularly when facing a serious health challenge, and to receive pastoral or faith-based mental health counseling.
- Unlike insurance companies, which strictly limit benefits to people who are enrolled in their plans, some HCSMs, because they recognize that *all* people need the grace and mercy of God and His Church, have newsletters and other mechanisms to request prayer and additional financial support for extraordinary needs of members *and non-members* with needs outside the sharing guidelines.

Since HCSMs don't pay sticker prices for medical bills, do they contribute to medical debt and other financial hardship for patients?

Medical debt and predatory collections are widespread problems due to a lack of price transparency in health care, profiteering coding and billing practices, conflicted middlemen in the pharmaceutical supply chain, and predatory collections practices by mostly tax-exempt, so-called "charity" hospitals. The vast majority of Americans have health insurance and still, unaffordability and medical debt is a huge problem. Most people with high deductible plans have less in savings than their deductible. A third of Americans with private insurance received a surprise bill during the past few years. One in five Americans have been in medical collections, and half of all collections are medical collections. Clearly, insurance itself is hardly a silver bullet. The voracious tapeworm of secret prices, price gouging, undisclosed conflicts of interest in the health care supply chain and perverse incentives throughout the system is stealing the American Dream from the middle class. The tiny sliver of the population that has voluntarily opted out of the broken status quo for a values-based, member-to-member alternative is hardly the cause of our crisis. If anything, the innovative and rigorous approaches that some ministries take in scrutinizing bills for fraud and errors and negotiating lower prices helps reduce costs for patients.

Do HCSMs refuse to pay bills arising from what they judge to be immoral behavior?



In order for a community of faith to embark on a common endeavor such as sharing one another's medical expenses, it is critical to maintain broad membership consensus about what types of expenses are shareable. That may mean that therapies or procedures that may be controversial or not universally supported are often excluded from sharing eligibility. This consensus-based approach is the glue that helps build unity and sustainability to the sharing model. All HCSMs are communities of like-minded religious believers who agree - in advance - to live in accordance with their common religious beliefs. Members and HCSMs work together to develop sharing guidelines that reflect these commitments and beliefs, and these guidelines are disclosed and agreed to by prospective members prior to joining a ministry.