# Health Care Sharing Ministries Reporting to the Massachusetts Health Connector in 2024

## Background

Health Care Sharing Ministries, or HCSMs, are faith-based health arrangements in which members contribute monthly share payments to a pool intended to cover qualifying medical expenses of other members. Nationally, HCSM membership has grown significantly over the past decade, with an estimated 1.7 million Americans participating in health share plans.[1]

HCSMs are not subject to robust consumer protections mandated by the Affordable Care Act (ACA), posing a substantial risk to consumers when used as a substitute for health insurance coverage. For example, HCSMs do not have to cover essential health benefits, do not have to provide access to preventive services without cost-sharing, do not have to meet certain medical loss ratio standards, and can exclude coverage for services or charge more based on preexisting conditions.

As part of 2006 health care reform, Massachusetts began requiring adults to have health insurance that meets certain standards or face a tax penalty. The Massachusetts Health Connector's Board of Directors is responsible for setting the standards for the types of coverage that satisfy this requirement and issued regulations in 2007 outlining what constitutes Minimum Creditable Coverage (MCC). To be considered MCC, a plan must cover a broad range of medical services including those for pre-existing conditions, limit out-of-pocket costs, and impose no limits on certain benefits. In addition to specifying MCC in health insurance products, these regulations allowed an individual to satisfy their coverage requirements by participating in a health arrangement provided by an established religious organization.

Due to increasing reports of confusion among state residents around how these products compare to traditional health insurance, the Health Connector updated its MCC regulations in 2019 to set certain standards for which kinds of such health arrangements can be used to satisfy the MCC requirement. The reporting requirement increases transparency and availability of data about HCSM participation and practices in Massachusetts, and submissions are summarized by the Health Connector in an annual report.

To be considered MCC for a given year, HCSMs must report annually to the Health Connector on information related to membership, operations, and finances. The reporting form verifies that the HCSM organization meets MCC standards for health arrangements provided by established religious organizations. HCSMs are asked to report on activities that occurred in the prior Calendar Year (CY). Reports submitted to the Health Connector in 2024 ("Reporting Year 2024") are used to receive MCC status for 2024, but reflect activities that occurred in CY 2023.

[1] At Least 1.7M Americans Use Health Sharing Arrangements, Despite Lack of Protections. (2023). https://kffhealthnews.org/news/article/health-sharing-arrangements-ministries-protections-risks/

## Summary of Recent Trends

Operational information reported by HCSMs has remained consistent over time. Many HCSMs impose "lifestyle agreements," which attest that members will adhere to a faith-based agreement to live in accordance with specific moral and physical health standards as a condition of membership. Most HCSMs report charging additional fees or terminating enrollees for "violations of lifestyle agreements" or due to having pre-existing conditions Also consistent with past reporting years, many HCSMs report using third-party vendors, operating nationally, and using some type of provider contracting.

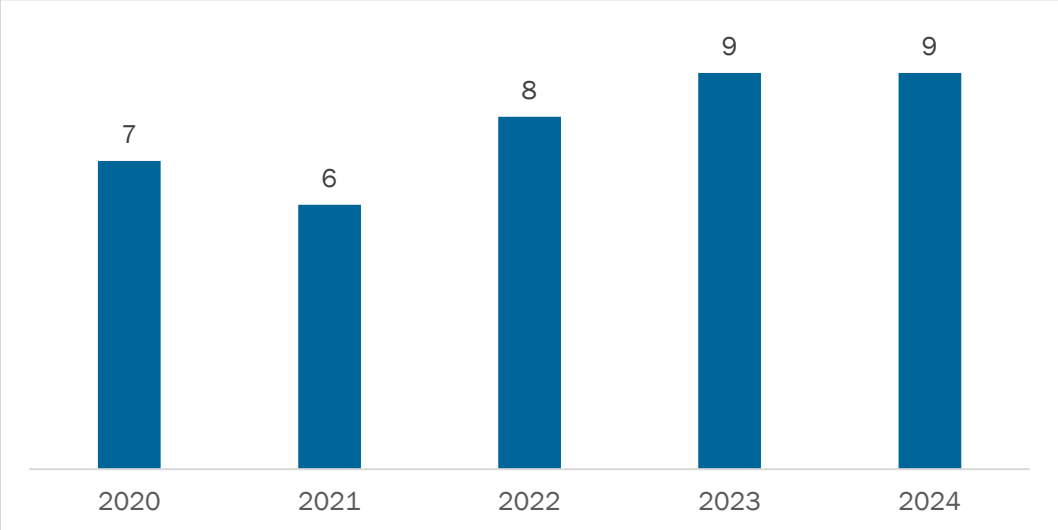
HCSMs vary widely in their coverage of medical bills submitted by members. Financial information reported by HCSMs has generally remained steady over time, but the total proportion of medical bills covered has decreased. All HCSMs reported that they charge an administrative fee, and most reported that they facilitate some level of medical bill negotiation.

## Health Care Sharing Ministries Reporting to the Health Connector

### HCSMs Seeking MCC Status

In 2024, nine HCSMs submitted data seeking MCC status. This is an increase from seven HCSMs who sought MCC status for 2020 (Figure 1).

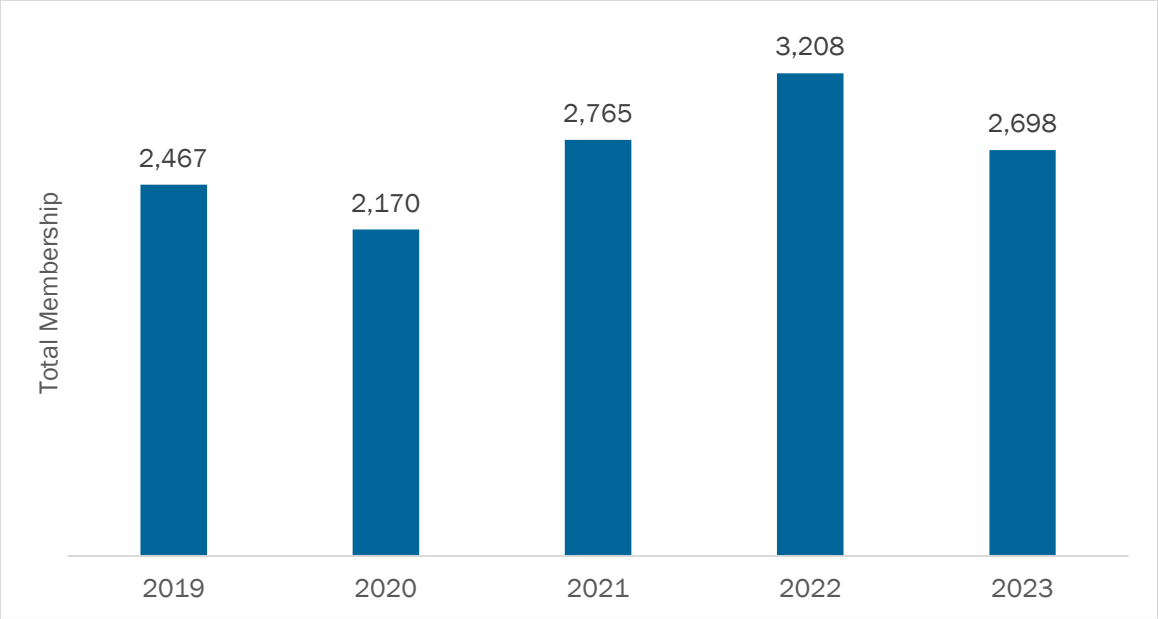
**Figure 1. Health Care Sharing Ministries Seeking MCC Status, 2020-2024**




### Massachusetts HCSM Membership

Among the 9 HCSMs reporting membership data for CY 2023, there were 2,698 total HCSM members in Massachusetts in CY 2023 (Figure 2). The total number of Massachusetts residents enrolled in HCSMs has varied over time, with a low of 2,170 in 2020 and a high of 3,208 in 2022. In addition to having individual members, some HCSMs consistently report working with small businesses to facilitate coverage.

### Figure 2. Health Care Sharing Ministry Membership in Massachusetts, 2019-2023




## Operations and Fees

Nearly all HCSMs that reported to the Health Connector operate in all or nearly all states, and one reported operating primarily online. Most of the HCSMs reported charging members extra fees, such as issuing penalties in certain circumstances, including "violations of lifestyle agreements" or due to the member having pre-existing conditions. Lifestyle agreements are used by many HCSMs and require members to attest that they will adhere to specific moral and physical health standards as a condition of their membership. An example of a common lifestyle agreement may be abstaining from tobacco or illegal drug use for a certain period of time prior to application in order to be eligible for membership. Examples of extra fees include annual fees, late fees for delinquent share payments, and health coaching sessions. In addition, HCSMs reported using third-party vendors to act on behalf of the health arrangement to assist with marketing, sales, and administration. In some instances, HCSMs reported directly contracting with a provider network to obtain access for members.

## Finances

To assess financial operations, each health arrangement must report on total share amount contributed by members, total amount of bills submitted by members, what proportion of submitted bills is considered "sharable" by the HCSM, and how much the health arrangement paid for member-submitted health care costs. The Health Arrangement

reporting form asks HCSMs to report on the total qualifying sharable amount and the total amount actually paid. Some HCSMs pay for all benefits or services that they consider to be "qualifying" based on their own unique guidelines while others may have a set of qualifying benefits or services that they will partially pay for. In addition, the timing of reporting may impact the amount of qualifying or reimbursable benefits or services and the actual amount that the HCSM has paid for.

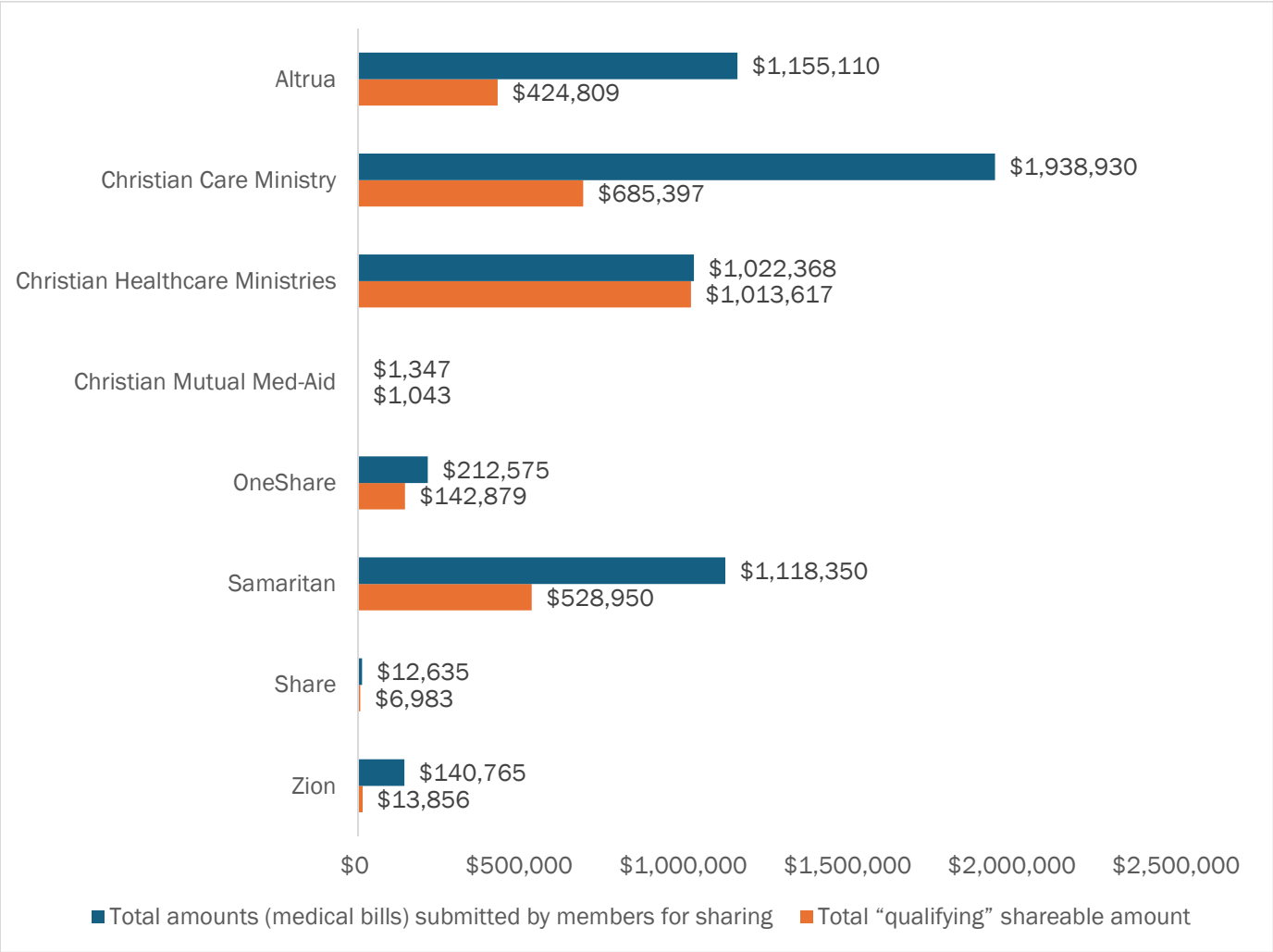
Table 1 details the 2023 financial data submitted by HCSMs, including the total amount that HCSMs paid out for members' medical costs. Not all medical bills submitted by members qualify for sharing. These rules vary by HCSM. The average percentage of submitted medical bills that were paid for through HCSMs ranged from 15 to 77 percent. On average for CY 2023, HCSMs reported paying for about 37 percent of all medical bills submitted by members, a decrease of 13 percentage points from the average reported for CY 2022 (50 percent). Please see Figure 3 and Figure 4 for more information on 2023 financial data. All HCSMs reported charging administrative fees.

### Table 1. Health Care Sharing Ministry Financial Data, 2023

| Health Care Sharing Ministry, 2023 | Total share amount contributed by members | Total amount of medical bills submitted by members for sharing | Total "qualifying" shareable amount | Total amount paid through the health arrangement for member-submitted health care costs |
|---|---|---|---|---|
| Altrua | $337,913 | $1,155,110 | $424,809 | $229,433 |
| Christian Care Ministry | $962,348 | $1,938,930 | $685,397 | $311,636 |
| Christian Healthcare Ministries | $811,806 | $1,022,368 | $1,013,617 | $448,977 |
| Christian Mutual Med-Aid | $13,265 | $1,347 | $1,043 | $1,043 |
| OneShare | $402,515 | $212,575 | $48,382 | $48,382 |
| Samaritan | $828,664 | $1,118,350 | $734,795 | $734,795 |
| Share | $16,276 | $12,635 | $1,893 | $1,892 |
| Solidarity* | N/A | N/A | N/A | N/A |
| Zion | $25,994 | $140,765 | N/A | N/A |

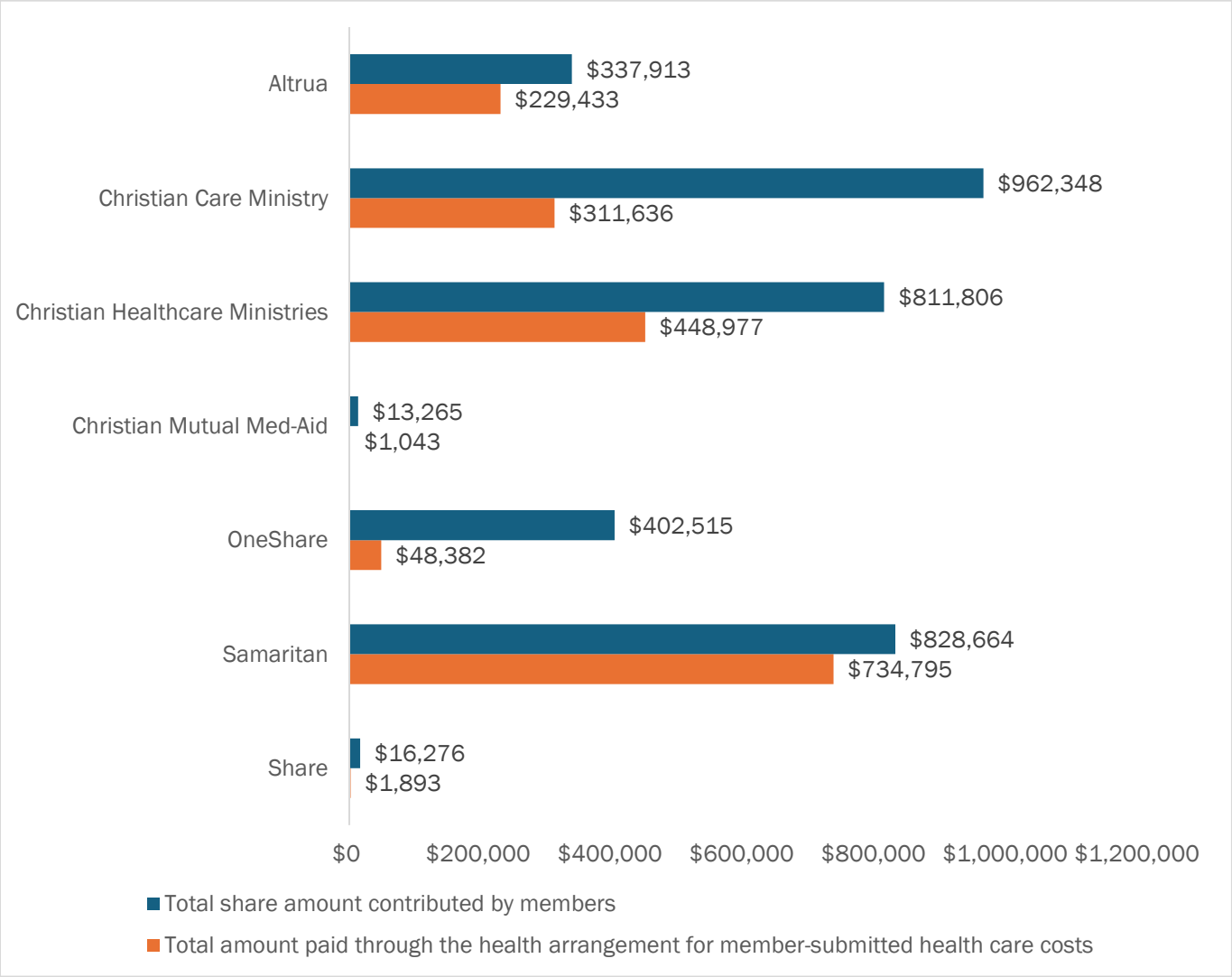
*Solidarity does not track state level data and does not collect data on total share amounts submitted for sharing. Zion did not provide total "qualifying" shareable amount or total amount paid through the health arrangement for member submitted health care costs.

## Figure 3. Total Amounts (Medical Bills) Submitted by Members for Sharing vs. Total Qualifying Shareable Amount, 2023



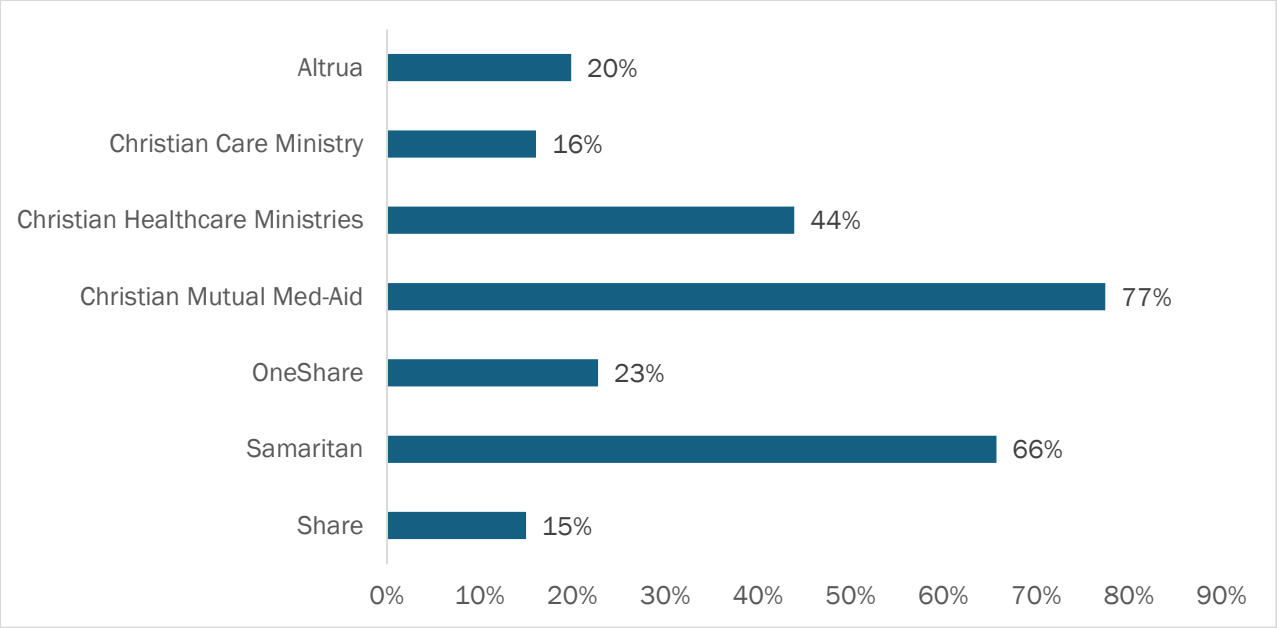

*Solidarity does not collect state level financial data and therefore was excluded from analysis.

## Figure 4. Total Share Amount Contributed by Members vs. Total Amount Paid through the Health Arrangements for Member-Submitted Health Care Costs, 2023




*Solidarity does not collect state level financial data and therefore was excluded from analysis. Zion did not provide total amount paid through the health arrangement for member's submitted health care costs and therefore was excluded from analysis.

### Figure 5. Percentage of Submitted Medical Bills Paid for through the HCSM, 2023




*Total amounts (medical bills) submitted by members for sharing divided by total amount paid through the health arrangement for member-submitted health care costs.

## Discussion

The Health Connector received in-depth information about health arrangements' membership, operations, and finances for CY 2023 in the fifth year of the reporting requirements for health arrangements seeking MCC status. This information clarified the prevalence and scope of health arrangements seeking MCC status in the Commonwealth in 2024 and confirmed that the activities and operations of such arrangements remain consistent over time. Before the reporting requirement, there was minimal, if any, state collection and reporting (by Massachusetts or any other state) of information on practices of health arrangements. Operational and financial practices of HCSMs have remained consistent over time and continue to highlight the stark differences between ACA-compliant, comprehensive health insurance and HCSMs. The Health Connector will continue to require annual reporting from HCSMs who wish to verify that they meet the MCC standards for health arrangements provided by established religious organizations

## Appendix

*As a public entity, the Health Connector is subject to the Massachusetts Public Records Law (M.G.L. c. 66 and 66A) and thus certain documents and other materials made or received by the Health Connector are subject to public disclosure unless they are specifically exempted. By completing this form, respondent specifically acknowledges that it bears the risk that any material it submits to the Health Connector pursuant to this form may be deemed not to qualify for a public records exemption. Further, the Health Connector may, in its discretion, choose to make some or all the material submitted public, including in reports or otherwise.*

Any health arrangement provided by an established religious organization comprised of individuals with sincerely held beliefs provided that the organization:

- does not make any direct or indirect representation that the organization has sufficient financing to meet members anticipated financial or medical needs or that it has had a successful history of meeting members' financial or medical needs, provided that this requirement shall not apply to any financial statement that the organization is otherwise required to disclose by law
- does not use compensated sales agents, sales tactics, or deceptive marketing practices to solicit or enroll members, including that it does not use common insurance terms, such as "health plan", "coverage", "copay", "copayment", "deductible", "premium", and "open enrollment", or refer to itself as "licensed" in advertisements, marketing material, brochures, or other materials related to the arrangement
- does not use funds paid by members for medical needs to cover administrative costs
- provides disclosure that the organization is not an insurance company and does not guarantee that medical bills will be paid by the organization or any other individuals; such disclosure must be made at initial contact with a prospective member, at the time of any material modification to the terms of the sharing arrangement, and in all advertising, brochures, and marketing materials
- reports annually to the Connector any information about membership, operations, and finances as the Connector may require; and meets such other criteria that the Connector may deem appropriate to ensure that individuals participating in such arrangements participate only in those operating in a manner consistent with the requirements described in 956 CMR 5.03(3)( d) l. through 6.