



Health Care Sharing Ministries Reporting to the Massachusetts Health Connector in 2020 & 2021

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Overview

1. Background on Minimum Creditable Coverage (MCC) Regulations
 - i. Purpose and Recent History
 - ii. Reporting Requirements on Health Arrangements Provided by Established Religious Organizations
2. Summary of Reporting Form Submissions by Health Care Sharing Ministries (HCSMs) in 2020 and 2021
 - i. HCSM Membership
 - ii. HCSM Operations
 - iii. HCSM Finances
3. Key Takeaways

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Background on MCC Regulations: Purpose and Recent History

Background: MCC

As part of Chapter 58 reforms, Massachusetts law requires adult residents to have health insurance that meets the state's MCC standards or potentially face an individual mandate penalty.

- Minimum creditable coverage refers to the minimum level of benefits that adult tax filers need to carry in order to be considered insured and avoid tax penalties in Massachusetts.
- While state law defines MCC at a high level, it authorizes the Health Connector's Board of Directors to promulgate regulations further detailing creditable coverage
- The Health Connector first promulgated regulations on MCC in 2007 to define the minimum standards a health plan must meet for Massachusetts residents to comply with the requirement to obtain and maintain coverage under the Commonwealth's individual mandate law
- As a result, most health insurance plans sold in Massachusetts meet the MCC standards and Massachusetts-licensed health insurance companies must put an MCC-compliance notice on their plans sold in Massachusetts to indicate whether the plan meets MCC
- MCC has a wide reach, with over 4 million Massachusetts residents subject to MCC standards

Background: MCC & “Health Arrangements Provided by Established Religious Organizations”

From the time that MCC regulations were first promulgated in 2007 until amendments were made in 2019, MCC regulations stated that any “health arrangement provided by established religious organizations comprised of individuals with sincerely held beliefs” is deemed to meet MCC

- In order to address the changing landscape of HCSMs in the U.S. and across the Commonwealth, in 2019, Health Connector staff proposed to specify the criteria that are used to identify a bona fide health arrangement provided by established religious organizations.
- Since ACA implementation began, there has been a nationwide increase in the number of HCSMs and the number of people who join them—estimates indicate HCSM participation has grown since passage of the ACA from fewer than 200,000 enrollees before 2010 to about 1 million today
- This increased prevalence has led state regulators to be more vigilant in their review of such organizations
- In addition, the National Association of Insurance Commissioners and at least 15 states, including Massachusetts, issued alerts about the risks posed to consumers by HCSMs
- In June 2019, Massachusetts’s Division of Insurance (DOI) advised consumers that Alieria, an organization marketing itself as a HCSM, was potentially operating illegally in the state and in August 2019, the Health Connector opened a Special Enrollment Period (SEP) available for Massachusetts residents who are or were at any point in 2019 members of an Alieria arrangement
- A health care sharing ministry called Sharity Ministries Inc. (formerly known as Trinity Health Share Inc., an arrangement affiliated with Alieria) filed for Chapter 11 Bankruptcy and ceased operations in July 2021
- In 2019, Health Connector staff proposed to amend MCC regulations in order to specify the criteria that are used to identify a bona fide health arrangement provided by an established religious organization in order to preserve the intent of the MCC language while accounting for current market conditions



**Background on MCC Regulations:
Reporting Requirements on Health
Arrangements Provided by an
Established Religious Organization**

Background: MCC Regulation Amendments

Under the amended MCC regulations that went into effect in January 2020, a “health arrangement provided by an established religious organization,” is deemed to provide minimum creditable coverage if it meets certain standards and attests to the Health Connector for each MCC Reporting Year that the arrangement meets those standards, specifically that it:

- is not a for-profit 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 Health Connector any information about membership, operations, and finances as the Health 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) 1. through 6.*

Background: Reporting Requirement

A complete and timely response to the Health Connector’s reporting form satisfies one of the standards necessary for any “health arrangement” such as an HCSM to be deemed to provide MCC.

- The purpose of the reporting requirement is for the Health Connector, interested stakeholders, and the public to learn about organizations, like HCSMs, that operate in Massachusetts that would like their “health arrangement” to be deemed to provide MCC
- The annual reporting form includes questions about membership, operations, finances, as well as an attestation section for arrangements to attest that they meet all the other standards to be deemed MCC
- Organizations are also required to submit certain supporting documents with their completed form such as marketing materials, member sharing guidelines, financial statements, and the written disclosure (required by MCC regulations) that the organization makes available to the public
- For 2020 (the first year of required reporting), the Health Connector posted the reporting form on its website in May and accepted submissions through July 31
- For reporting year 2021 and beyond, reporting forms must be submitted to the Health Connector by March 31 of that year
- The balance of this presentation will review the data collected from organizations reporting to the Health Connector in the first two years of the new reporting requirement (2020 and 2021)
- Because HCSMs were the only type of organization that filed reports in this time period, the remainder of the presentation will be focused exclusively on them and the “health arrangements” they offer, and not “health arrangements” generally



Summary of HCSM Reporting Form Responses

Executive Summary

HCSMs attesting to MCC status provided membership, operational, and financial information to the Health Connector through the 2020 & 2021 health arrangement reporting forms.

HCSM Membership

2020	2021
<ul style="list-style-type: none"> 7 HCSMs with at least 2,467 total MA members reported to the Health Connector.* Medi-Share (793), OneShare (572), and Christian Healthcare Ministries (521) had the greatest number of MA members. 3 HCSMs reported involvement with MA small businesses and their employees. 	<ul style="list-style-type: none"> 6 HCSMs with 2,170 total MA members reported to the Health Connector. Samaritan (669), Christian Healthcare Ministries (522), and Liberty (455) had the greatest number of MA members. 2 HCSMs reported involvement with MA small businesses and their employees.

HCSM Operations

2020	2021
<ul style="list-style-type: none"> 6 out of the 7 HCSMs reported charging members extra fees or said they issued penalties in certain circumstances, most of which were tied to “violations of lifestyle agreements” or pre-existing conditions. 5 out of 7 HCSMs used third party vendors. All HCSMs operated in either all or nearly all states. 5 out of 7 HCSMs reported using provider contracting. 	<ul style="list-style-type: none"> 4 out of the 6 HCSMs reported charging members extra fees or said they issued penalties in certain circumstances, most of which were tied to “violations of lifestyle agreements” or pre-existing conditions. 4 out of 6 HCSMs used third party vendors. All HCSMs operated in either all or nearly all states. 4 out of 6 HCSMs reported using provider contracting.

Executive Summary (cont'd)

HCSM Finances

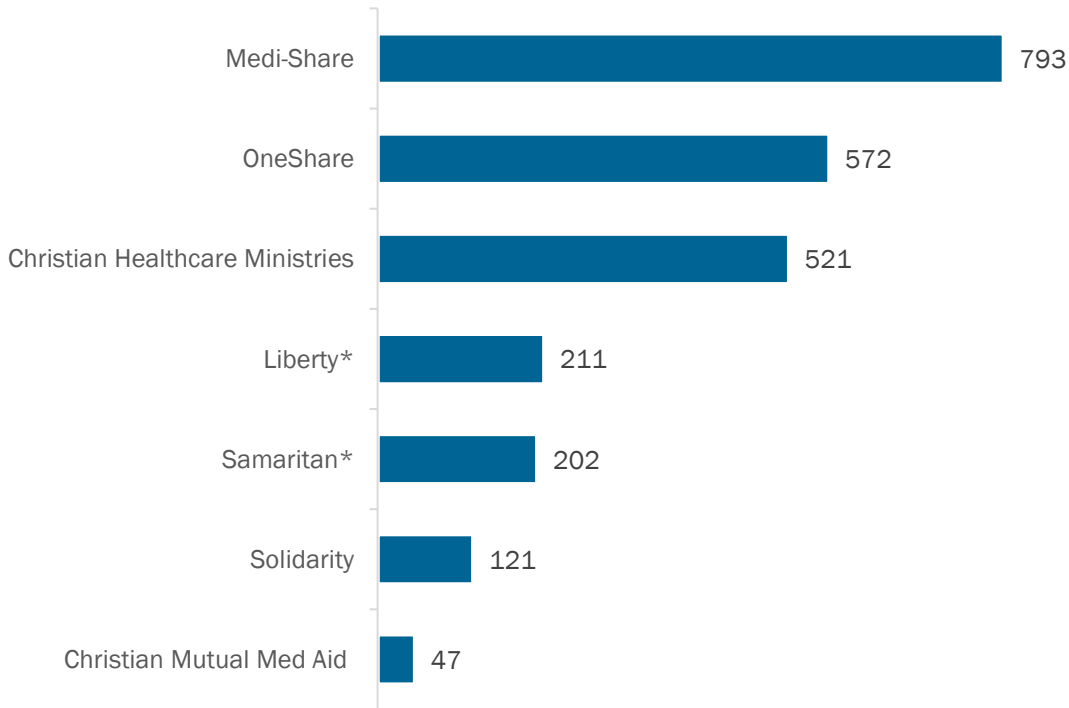
2020	2021
<ul style="list-style-type: none">• On average, members paid their HCSM about 1.8 times the amount that the HCSM paid out for members' health care bills.• Health care costs paid for through the HCSM as a percentage of member contributions ranged from 16% to 79%.• On average, about 50% of medical bills submitted by HCSM members were determined to be eligible for sharing.• All HCSMs charged their members an administrative fee; however, the fee structures and amounts varied.• Most HCSMs reported that individuals and/or the arrangement negotiate members' medical bills and some used a third-party for negotiations.	<ul style="list-style-type: none">• On average, members paid their HCSM about 1.4 times the amount that the HCSM paid out for members' health care bills.• Health care costs paid for through the HCSM as a percentage of member contributions ranged from 28% to 100%.• On average, about 50% of medical bills submitted by HCSM members were determined to be eligible for sharing.• All HCSMs charged their members an administrative fee; however, the fee structures and amounts varied.• Most HCSMs reported that individuals and/or the arrangement negotiate members' medical bills and some used a third-party for negotiations.



Membership

MA HCSM Membership Based on Submitted MCC Reporting Forms (2020)

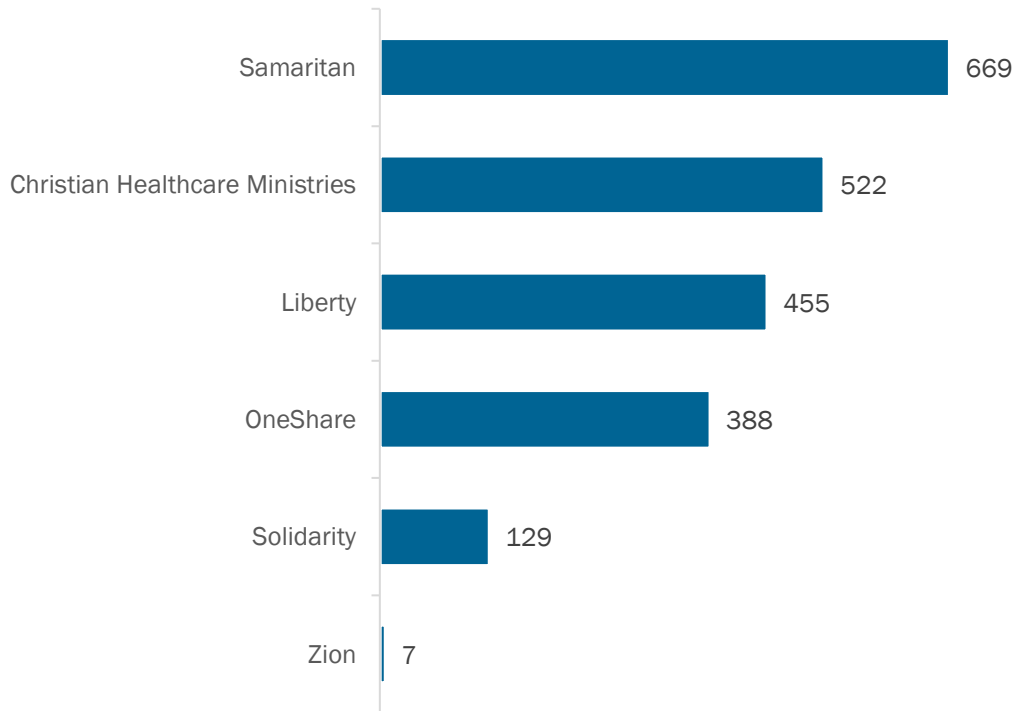
In 2020, 7 Health Care Sharing Ministries with a total of at least 2,467 members submitted MCC reporting forms to the Health Connector



- Medi-Share, OneShare, and CHM reported the greatest membership in 2020
- However, some HCSMs only provided data in the first year of reporting (2020) by household (Liberty & Samaritan) instead of total membership
- Reporting membership by household instead of total members may have led to Liberty and Samaritan underreporting membership in 2020
- The 2021 reporting form included a clarification that membership should be reported by total members and not by household

MA HCSM Membership Based on Submitted MCC Reporting Forms (2021)

In 2021, 6 Health Care Sharing Ministries with 2,170 total members submitted MCC reporting forms to the Health Connector



- Samaritan, CHM, and Liberty reported the greatest membership in 2021
- Samaritan & Liberty's increase in membership from 2020 to 2021 is likely due to the more accurate membership data reported, not from actual enrollment growth
- Notably, Med-Share had the largest membership in 2020 but did not submit a MCC reporting form to the Health Connector in 2021
- CMM also did not submit a form in 2021, however, they had the fewest members (47) in 2020
- One new HCSM, Zion Health, reported to the Health Connector in 2021 and currently has the fewest members (7)

HCSMs & MA Small Business Membership

3 HCSMs reported involvement with small businesses

HCSM	Small Business?	Reporting Year 2020	Reporting Year 2021
Medi-Share	Yes	Employers do not offer it, however, 9 employers in MA with a total of 73 employees facilitate the monthly share payments of their employees	N/A
Christian Healthcare Ministries (CHM)	Yes	2 businesses (4 employees)	2 businesses (3 employees)
Christian Mutual Med Aid (CMM)	No	Not in MA	N/A
Liberty	No	Liberty does not offer memberships from employers to employees	Liberty does not offer memberships from employers to employees
OneShare	No	No additional comments	No additional comments
Samaritan	Yes	2 businesses (2 households participating)	1 business (2 households participating)
Solidarity	No	“Healthcare sharing ministries are based on individual memberships so consequently, Solidarity does not offer small business health arrangements.”	“Healthcare sharing ministries are based on individual memberships so consequently, Solidarity does not offer small business health arrangements.”
Zion Health	No	N/A	No additional comments



Operations

HCSMs Reporting to the Health Connector & Location of Operation and Advertisement

Most HCSMs that reported to the Health Connector in 2020 and 2021 operate in all 50 states

HCSM	Location of HCSM operation and advertising	Reporting Years
Medi-Share	All 50 states	2020
Christian Healthcare Ministries (CHM)	All 50 states	2020, 2021
Christian Mutual Med Aid (CMM)	46 states but did not identify which states they do not operate/advertise in.	2020
Liberty	All 50 states	2020, 2021
OneShare	All states aside from VT, MD, PA, & WA. (OneShare ceased enrolling new members in Washington state as of March 31, 2020).	2020, 2021
Samaritan	All 50 states	2020, 2021
Solidarity	All 50 states	2020, 2021
Zion Health	All 50 states	2021

Member Fees or Penalties

Most (6 out of 8) of the HCSMs reporting to the Health Connector in 2020 and 2021 reported charging members extra fees or issuing penalties in certain circumstances

- Of the 6 HCSMs with fees/penalties, 4 reported fees or penalties specifically tied to “violations of lifestyle agreements” or pre-existing conditions
- Examples of member fees or penalties reported include the following:
 - In 2020, Medi-share reported that second-time violations of their “lifestyle agreement” result in membership termination. Examples of lifestyle agreement violations provided by Medi-share include submission of medical bills for tobacco use or injuries due to “use of illegal drugs” or “willful disregard for personal safety”
 - In 2020 & 2021, Liberty reported that a member may no longer participate if they failed to fully disclose pre-existing condition information at the time of the application
 - Liberty also reported that an applicant with certain pre-existing conditions “responsive to lifestyle changes” may be accepted as a Provisional Member subject to Liberty’s Sharing Guidelines and that an additional fee is charged for “health coaching” sessions
 - Some HCSMs, like Solidarity, reported terminating members for not disclosing pre-existing conditions

Use of Third-Party Vendors & Provider Contracts

Most (5 out of 8) of the HCSMs reporting to the Health Connector use third-party vendors or administrative partners that act on behalf of the health arrangement to assist with the marketing, sales, or administration of the arrangement

- HCSMs reported using a variety of third-party vendors for a range of services; the following examples are a limited sample of reported third-party vendors:
 - Cost Sharing Solutions LLC (marketing services)
 - HealthShare Rx (pharmacy vendor services)
 - GemCare (administration of “personalized health and wellness coaching for pre-existing lifestyle-based health conditions”)
 - Loomis (member sharing requests)
 - Enrollment123/Administration123 (storage of member data/administration)
 - Karis & Advance Medical Pricing Solutions (negotiate reductions in billings)

Most (5 out of 8) of the HCSMs reporting to the Health Connector in 2020 and 2021 reported that they use some form of provider contracts

- Contracts reported ranged from single case agreements to contracts with provider networks

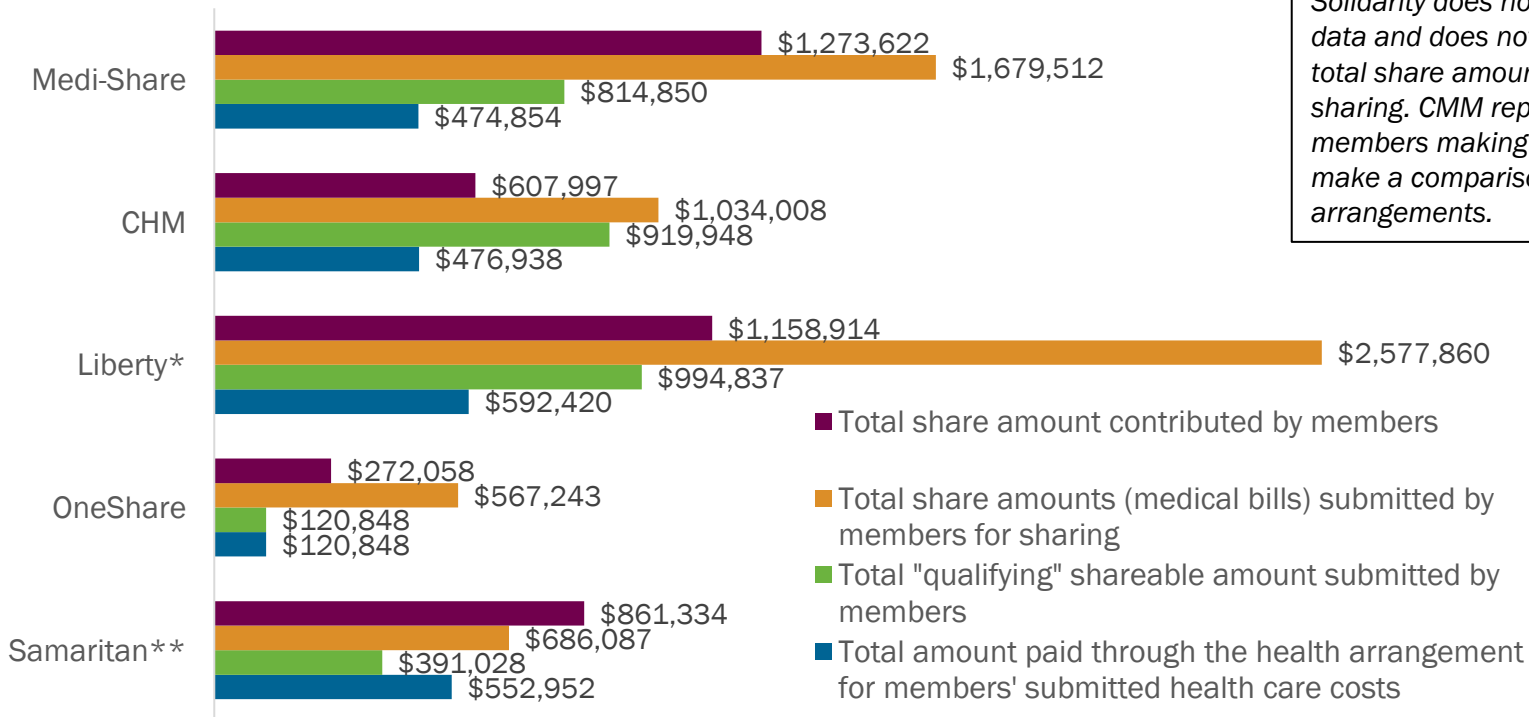


Finances

MA HCSM Financial Information (2020)

On average, HCSMs reported in 2020 that members paid their HCSM about 1.8 times the amount that the HCSM paid out for members' health care bills and, on average, about 50% of medical bills submitted by HCSM members were determined to be eligible for sharing by the HCSM.

Total Contributions Paid by Members to HCSM, Total Medical Bills Submitted by Members for Sharing, Total Qualifying Medical Bills, and Total Amount Paid Through the HCSM for Care (Reporting Year 2020)



Note: Some HCSMs were left out of this chart for various reasons. Solidarity does not track state level data and does not collect data on total share amounts submitted for sharing. CMM reported <50 members making it difficult to make a comparison to other arrangements.

*In 2020 and 2021, Liberty noted that the total amount submitted to the health arrangement for sharing includes "total charges submitted" which may include items such as duplicate bills and does not take into account certain factors such as deductions for discounts.

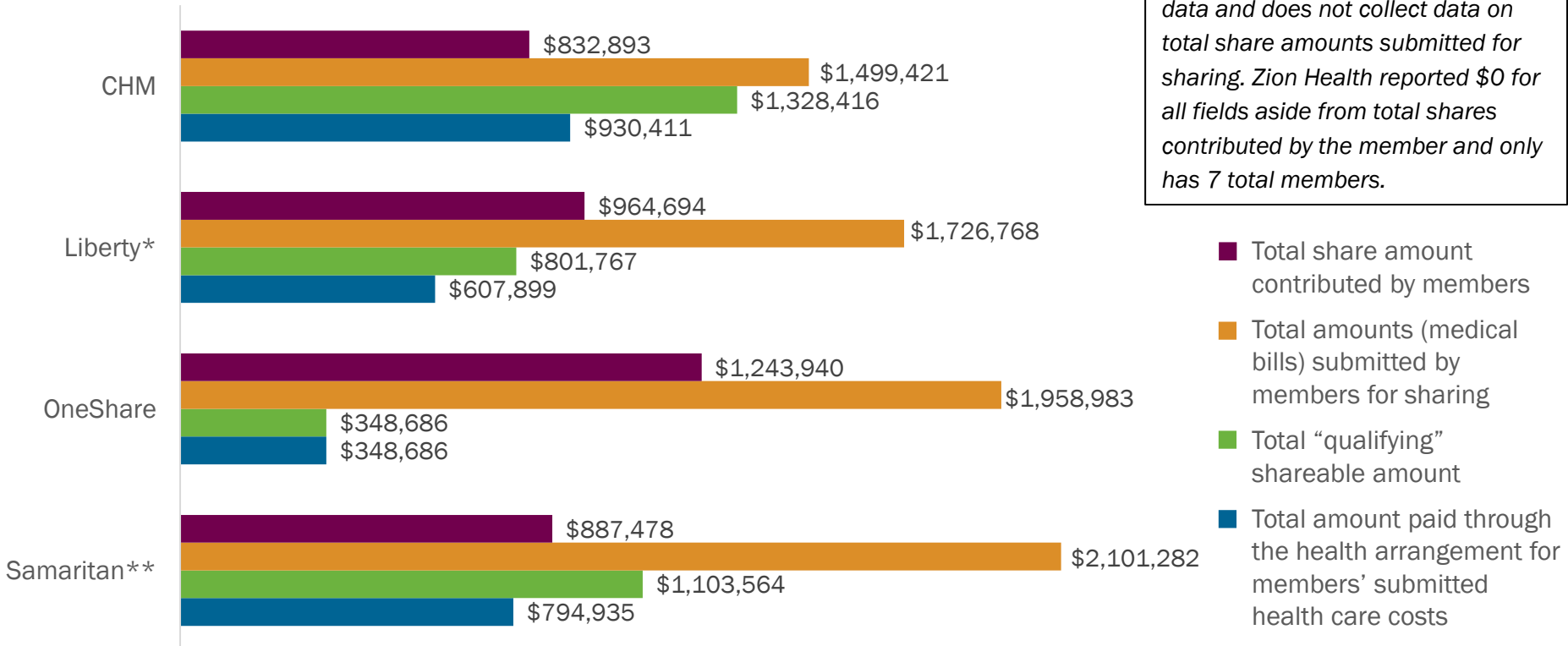
**In 2020, Samaritan noted that shares received in one year would be for bills submitted in both the previous and current year; the "qualifying" shareable amount listed above includes provider reductions.

MA HCSM Financial Information (2021)

On average, HCSMs reported in 2021 that members paid their HCSM about 1.4 times the amount that the HCSM paid out for members' health care bills and that, on average, about 50% of medical bills submitted by members were determined to be eligible for sharing by the HCSM.

Total Contributions Paid by Members to HCSM, Total Medical Bills Submitted by Members for Sharing, Total Qualifying Medical Bills, and Total Amount Paid Through the HCSM for Care (Reporting Year 2021)

Note: Some HCSMs were left out of this chart for various reasons. Solidarity does not track state level data and does not collect data on total share amounts submitted for sharing. Zion Health reported \$0 for all fields aside from total shares contributed by the member and only has 7 total members.



*In 2020 and 2021, Liberty noted that the total amount submitted to the health arrangement for sharing includes "total charges submitted" which may include items such as duplicate bills and does not take into account certain factors such as deductions for discounts.

**In 2020, Samaritan noted that shares received in one year would be for bills submitted in both the previous and current year; the "qualifying" shareable amount listed above includes provider reductions.

MA HCSM Financial Information (cont'd)

Costs paid for through the HCSM as a percentage of member contributions ranged from 16% to 79% in 2020 and 28% to over 100% in 2021.

Amount Paid out by HCSM for Members' Health Care Costs as a Percentage of Member Contributions (2020 & 2021)

Health Care Sharing Ministry	2020 Submissions	2021 Submissions
Samaritan	64%	89%
OneShare	44%	28%
Liberty	51%	63%
Christian Healthcare Ministries (CHM)	78%	111%
Medi-Share	37%	N/A
Christian Mutual Med Aid (CMM)	16%	N/A
Solidarity	79%	71%
Zion	N/A	Zion reported \$0 paid out

MA HCSM Administrative Fees

All HCSMs charged their members administrative fees, however, fee structure and amount greatly varied; the examples below provide a sample of different ways HCSMs charged administrative fees:

1.) Retaining a certain percentage of member contributions for administrative costs

- For example, in 2020, Medi-share reported an administrative fee of approximately 15.4% per member

2.) Charging an annual fee + a monthly fee

- For example, in 2020 and 2021, Liberty reported that the initial two months of a member's contribution are used for administrative costs to be used “at the discretion of the ministry”
- In addition, an admin fee of up to 12% is assigned to admin costs from each monthly share for the rest of the year and members pay \$75 in annual membership dues for administrative costs

3.) Charging different admin fees based on program type and member demographics, such as age

- For example, in 2021, Solidarity reported a one-time membership fee of \$135 plus a monthly admin fee based on the program type, member age, and whether the members were purchasing a single, couple, or family program
- Monthly admin fee ranges from \$20/mo for a single person under 30 in “Solidarity Primary Program” to \$72/mo for a family over 30 in “Solidarity Premier Program”

Rate Negotiation

In 2020 and 2021, most HCSMs reported that medical bills are negotiated in some way, whether the HCSM negotiates on behalf of members, the members negotiate their own medical bills, or a third-party vendor assists with negotiating medical bills.

HCSM	2020 & 2021 Submissions
Medi-Share	Medi-Share allows members to negotiate and offers an internal negotiations team as well as an option to use a vendor partner. In FY19, Medi-Share negotiated 2 cases in MA.
Christian Healthcare Ministries (CHM)	CHM reported that individual members may negotiate rates with individual providers for specific services. The ministry assists individual members with this from time to time.
Christian Mutual Med Aid (CMM)	CMM and members negotiate rates.
Liberty	Liberty's members engage in negotiation of their medical bills with providers. Liberty may also negotiate medical bills with providers during the pre-notification stage and with MedCost after provision of services.
OneShare	OneShare Health does not directly negotiate provider rates, but contracts with a provider network to obtain access for members to rates negotiated by the network.
Samaritan	Samaritan reported that members, the arrangement, and other entities all negotiate billed amounts.
Solidarity	Solidarity, members of Solidarity, Medical Cost Saving Solution, Inc. (on behalf of Solidarity through July 2019), and Anasazi Medical Payment Solutions, Inc. dba Advanced Medical Pricing Solutions (for 2020) assist in repricing of Member medical bills.
Zion Health	Zion Health members are primarily responsible to negotiate rates for services received. However, Zion Health may, in certain circumstances, negotiate costs and rates with medical providers on behalf of its members.



Key Takeaways

Key Takeaways

In the first two years (2020 and 2021) of the new health arrangement reporting requirement, the Health Connector received in-depth information about HCSM membership, operations, and finances

- Information collected helped to clarify the extent to which these types of arrangements are active in the Commonwealth and shed light on the activities and operations of such arrangements, whereas previously there has been minimal, if any, state collection and reporting of information on these entities' practices
- Health Connector staff made minor changes to the 2021 reporting form to improve clarity and quality of data
- Health Connector staff will continue to review the reporting form to assess whether clarifications or modifications to the form would yield better data in future reporting years
- This data provides new information on uptake and use of HCSMs by Massachusetts residents and will assist the Commonwealth in continuing to ensure that future policy approaches to the individual mandate and health coverage generally are based on a clear, detailed understanding of current dynamics and practices
- Full report including all data will be available shortly on the Health Connector's webpage: <https://betterhealthconnector.com/about/policy-center/reports-publications>