

# MEDICAL SHARING

## An Inexpensive Alternative to Health Insurance

*Written by Twila Brase<sup>1</sup>*

As health care costs continue to rise, individuals and families face difficult choices about health care coverage. More than 100,000 Americans have found an alternative in medical sharing groups. They have been available for decades, but they are virtually unknown. If you haven't heard of them before now, you are not alone.

### Health Care Sharing Ministries

Medical sharing groups are private non-profit Christian organizations designed to help members pay for their health care expenses. They are also called health care sharing ministries, as written in the Senate health insurance reform bill, H.R. 3590. There are no laws forbidding other groups or faiths from medical sharing, but we found only Christian groups. There are three medical sharing ministries in the United States: Medi-Share (Christian Care Ministry is the parent company), Christian Healthcare Ministries, and Samaritan Ministries International. They serve from 25,000 to 42,000 people. This translates into 9,000 to 13,000 households.<sup>2</sup> All three groups publish the medical needs of members to their membership and serve members in almost every state. *A CCHC chart comparing the details of the three groups accompanies this report.*

### Lower Costs

Although not health insurance, members of these ministries pay a monthly fee either to the ministry, or directly to other members. Members often cover simple procedures and office visits through their own cash payments. With Samaritan Ministries, members are responsible for covering the first \$300 per month. Monthly payments by group members are significantly lower than health insurance company premiums. They can be as low as \$275 per month for a family of any size.

Medi-Share offers member households 'health discounts' of up to 20% of the monthly share amount if all adult members meet certain health criteria through certified testing. Thus, if a healthy family of four chooses an 'Annual Household Portion' of

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<sup>1</sup> Twila Brase, RN, PHN, is president of Citizens' Council on Health Care. Interviews and initial research were conducted by Steven Will, a freelance policy writer.

<sup>2</sup> See accompanying CCHC Comparison Chart. Data collected directly from sharing group staff and from medical sharing websites. Jan – Mar. 2009.

\$5,000—similar to a deductible—they could pay as little as \$286 per month to have all eligible medical bills published and shared by Medi-Share members after the first \$5,000 is paid by the family.

In comparison, monthly health insurance payments can be more than a hundred dollars per month higher in some areas of the country. Unlike certain insurers, most medical sharing groups do not restrict access to doctors or

specialists. Medi-Share documents claim that “Most families save between \$2,000 - \$4,000 a year.”<sup>3</sup> How is this possible? The answer appears to lie in the principles of these groups.

<b>Comparing Medical Sharing Ministries to Health Insurance for a Family of Four</b>	
<u>Sharing Groups</u> <sup>4</sup>	<u>Health Insurance with a \$5000 Deductible</u> <sup>5</sup>
Fee's of between \$240-\$400/month	Fee's of \$300-\$400/month depending upon location
Members cover first \$300 of any expenses per month but potentially any bill may be fully covered	Members pay up to 30% of total bill for large expenses
Applicants never refused membership based upon previous medical conditions	Applicants may be refused coverage due to prior conditions such as cancer, tobacco use, etc.
Members may use any doctor or hospital without restriction	Some plans specify which doctors may be used. Access to specialist care may be restricted

### Sharing Expenses

Health care sharing ministries were founded on one simple principle, to help care for fellow human beings using the biblical principle to “Bear one another’s burdens, and thus fulfill the law of Christ” (*Galatians 6:2*). Citizens’ Council on Health Care (CCHC) conducted email interviews with the heads of all three groups as part of the research for this article. As Howard Russell, executive director of Christian Care Ministry put it,

*“The reason we exist is to help people. We look for ways to help people. When evaluating a bill presented for sharing, in light of its eligibility with regard to our guidelines, we look for ways to make it eligible, not exclude it.”*<sup>6</sup>

Individual members typically know whose medical bills they are sharing. Medi-Share states:

*“As a Medi-Share® member, you’ll receive a monthly notice indicating the amount of your share. Access the secure member website to determine which members you are sharing with each month so you can pray for them and send a note of encouragement. It is common for members facing medical needs to receive many supportive messages from other members!”*<sup>7</sup>

<sup>3</sup> “Faith-based benefit firm scrutinized,” Leigh Woosley, Tulsa World, March 15, 2007.

<sup>4</sup> Sharing group data obtained via email interviews with the heads of the three organizations, January 2009

<sup>5</sup> Health Insurance data obtained from <http://www.ehealthinsurance.com/ehi/Quote.fs>, January 2009

<sup>6</sup> Russell, Howard. Personal Email 31 Dec., 2008.

<sup>7</sup> <http://medi-share.org/InnerPage.aspx?id=74>, accessed December 28, 2009

When a member needs help with a medical bill he submits a request for assistance to the sharing ministry. All eligible medical needs are published to the membership after the individual or family has paid their share of each medical episode. Nearly all essential expenses are covered from chemotherapy and major surgeries to routine checkups. In nearly every case, the request for financial assistance is granted. In some circumstances, such as injuries sustained while driving without a helmet or a seat belt, medical sharing is reduced.<sup>8</sup>

Individuals or the ministry negotiate medical bills. Medi-Share asks for providers to send bills directly to the ministry for discounting and payment. Staff from the other two medical sharing groups are often able to help members negotiate with for lower rates. The largest need ever shared by ministry members, as reported to CCHC in early 2009 was:

- Christian Healthcare Ministries: **\$1.6 million**
- Medi-Share (Christian Care Ministry): **\$661,421**
- Samaritan Ministries: **\$315,157**

### **Limits on Sharing**

It should be noted that while none of the three groups declines applicants for pre-existing chronic conditions such as cancer, the member's expenses related to the condition are not typically shared unless the condition has not required treatment for one to three years. Samaritan Ministries does not share any costs related to pre-existing cancer, heart conditions or diabetes. Thus, membership prior to serious illness is advantageous.

In addition, each ministry lists certain procedures and conditions for which there is no sharing. For example, among other limitations, Christian Healthcare Ministries does not share chiropractic services, and Samaritan Ministries does not share infertility expenses.

### **Strict Criteria**

Perhaps the most notable difference between medical sharing groups and health insurance companies is their criteria for enrollment. The three medical sharing groups are all Christian organizations, run by or alongside Christian ministries. Common membership requirements include an agreement not to smoke, drink heavily, or use illicit drugs. Members must attend church regularly, and agree not to have sex outside of marriage.

These requirements may sound strict, but James Lansberry, director of Samaritan Ministries says it is precisely these requirements, along with the nature of sharing groups that helps keeps prices low for the members. He says,

*“Members are able to see the bills and create a more objective idea of what prices are and avoid the ‘artificial’ price increases that happen in the normal medical insurance. The people live healthier lifestyles; they agree not to smoke, or drink heavily, and they pray for those in need.”<sup>9</sup>*

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<sup>8</sup> [http://medi-share.org/welcome\\_ aboard.aspx?terms=initial+member+responsibility#Responsibilities%20W](http://medi-share.org/welcome_ aboard.aspx?terms=initial+member+responsibility#Responsibilities%20W)

<sup>9</sup> James Lansberry. Personal Email. Jan. 5, 2009.

**Pleased Members**

CCHC contacted several Medi-Share subscribers by telephone. Carlton Burris, a nearly 60 yr old Texan, and his wife pay a total of \$411 per month. Three years ago, he had a quadruple bypass that cost \$140,000. Medi-Share paid all but \$1,800. He describes Medi-Share as “wonderful...They really came through for me.”<sup>10</sup> Kenneth Skeem from Oasis, Utah writes similarly about Samaritan Ministries: “I can’t say enough good about Samaritan, now that I have seen it work...when the checks started coming in, what hope it gave us. The special notes...and the thoughtful blessings enclosed were so kind and uplifting.”<sup>11</sup>

**Affordable Option**

Christian Healthcare Ministries (CHM) is the oldest of the three groups, having been in operation since 1982. CHM serves as a prime example of just how medical sharing groups work. Individual plans are offered at three participation levels: Gold (\$150 per unit, per month), Silver (\$85 per unit, per month) and Bronze (\$45 per unit, per month). Family plans can range from \$200 to \$400 per month though no family will ever need to pay for more than three people, even if the family is larger.

These costs are affordable when compared to traditional health insurance. A 2007 Annual Employer Health Benefits Survey (Kaiser Family Foundation and Health Research and Educational Trust) found that even when utilizing the highest level (Gold) of coverage, “*Christian Healthcare Ministries participation is 55 to 65 percent less than the average price of HMO, PPO, and POS health insurance plans.*”<sup>12</sup>

**Counting the cost: How CHM compares with traditional health insurance**

Average annual premium (2007)	Health Maintenance Organization (HMO) plans		Preferred Provider Organization (PPO) plans		Point of Service (POS) plans		Christian Healthcare Ministries (Gold level)*	
	Individual	Family	Individual	Family	Individual	Family	Individual	Family
	\$4,299	\$11,879	\$4,638	\$12,443	\$4,337	\$11,588	\$1,800	\$5,400

Source: 2007 Annual Employer Health Benefits Survey, Kaiser Family Foundation and Health Research and Educational Trust.

\* The CHM financial figures are from 2008 rather than 2007. On Jan. 1, 2008, CHM raised monthly gift amounts for the first time in eight years. Insurance premium prices rose 6 to 14 percent annually during the same time period.

**Sense of Community**

In Christian Healthcare Ministries, members send letters and cards to one another, highlighting the “...*tremendous personal involvement that our members feel for one another.*”<sup>13</sup> Rev. Howard Russell, the executive director of CHM says there is a strong sense of community among the group’s members. He says members who are financially well off will often pay for personal bills out of their own pockets or donate extra money every month so that more is available for those who truly need the help.

<sup>10</sup> Quotes taken from telephone interview, February 2009.  
<sup>11</sup> Quote taken from Samaritan Ministries website: <http://www.samaritanministries.org/info/html/proof.html>  
<sup>12</sup> “Answers to many questions members are asked when telling others about CHM,” Christian Healthcare Ministries (newsletter), February 2009.  
<sup>13</sup> Howard Russell. Personal Email Dec. 31, 2008.

To date, CHM has helped its members pay hundreds of millions of dollars in medical bills and serves over 60,000 members. This sense of community is not limited to CHM. James Lansberry of Samaritan Ministries talked about his own experiences:

*“I have been a member since 1996. Each month, when writing a check, I write directly to another family. So I think about that family or person, I pray for that person, and I write personal notes to those people. Several years ago my wife had an appendectomy and we received over 20 gifts from people across the country.”<sup>14</sup>*

## **Controversy**

Not everyone is happy with the sharing ministry they joined. In 2007, Pastor Andy Bowman from Park Hill, Oklahoma, filed a lawsuit claiming Medi-Share denied his claim of more than \$27,000 after heart complications. Little more is known about his case because Bowman has refused news media interviews saying that he and the organization reached a confidential settlement out of court in late 2007.<sup>15</sup>

The lawsuit, and a court ruling that Medi-Share is an insurance company, not a medical sharing group, led to a 2007 “emergency cease and desist order” by Kim Holland, Oklahoma’s insurance commissioner. However, according to news reports, SB 1189, a bill approved by the Governor in 2008, allows Medi-Share to resume business in Oklahoma.<sup>16</sup>

Commissioner Holland claimed that Medi-Share is health insurance: “If it looks like a rose and smells like a rose, then it’s a rose.”<sup>17</sup> She said medical sharing must be member to member direct, the Samaritan Ministries model, not a centralized pooling of dollars, the Medi-Share model. However, in Kentucky, a judge ruled that Medi-Share is not insurance and thus not subject to regulatory oversight by the State of Kentucky.<sup>18</sup>

Those who claim medical sharing groups are health insurance companies subject to State regulation say that the ministries merely change the insurance terminology to avoid state regulation. Thus, in Medi-Share, there is a provider fee, instead of a copayment. Instead of a deductible, there is an ‘Annual Household Portion’ and instead of charges for late payments, there are requirements to contribute to an ‘Extra Blessings’ account.<sup>19</sup> However, there is no guarantee of payment for medical expenses.

## **Not Insurance; No Guarantees**

Samaritan Ministries makes it clear that their ministry is not an insurance company. Their website states, “*In a sharing ministry each member is always responsible for his own*

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<sup>14</sup> James Lansberry. Personal Email Jan. 5, 2009.

<sup>15</sup> Janice Francis-Smith, “Bill allowing Medi-Share to resume business heads to Okla. Governor,” The Journal Record, May 27, 2008.

<sup>16</sup> Ibid.

<sup>17</sup> “Faith-based benefit firm scrutinized,” Leigh Woosley, Tulsa World, March 15, 2007.

<sup>18</sup> Janice Francis-Smith, “Bill allowing Medi-Share to resume business heads to Okla. Governor,” The Journal Record, May 27, 2008.

<sup>19</sup> Ibid.

medical expenses.” ABC News recently reported on that lack of guarantee.<sup>20</sup> Christian Healthcare Ministries, under the website heading of “Legal notices,” also states:

*CHM, a not-for-profit religious organization, is not an insurance company. No ministry operations or publications are offered through or operated by an insurance company. CHM does not guarantee or promise that your medical bills will be shared or assigned to others for financial gifts. Whether any CHM member chooses to share the burden of your medical bills will be entirely voluntary. As such, CHM should never be considered as a substitute for an insurance policy. Whether you receive any financial gifts for medical expenses and whether CHM continues to operate, you are always liable for any unpaid bills.*<sup>21</sup>

Although Medi-Share has shared more than \$470 million of each other’s medical expenses and secured \$90 million in discounts since 1993,<sup>22</sup>— Medi-Share generated about \$60 million in revenue in 2006<sup>23</sup> —the organization clearly states that it does not guarantee payment of individual medical claims:

*“Medi-Share is not insurance or an insurance policy nor is it offered through an insurance company. Whether anyone chooses to assist you with your medical bills will be totally voluntary, as no other member will be compelled by law to contribute toward your medical bills. As such, Medi-Share should never be considered to be insurance. Whether you receive any payments for medical expenses and whether or not Medi-Share continues to operate, you are always personally responsible for the payment of your own medical bills. Medi-Share is not subject to the regulatory requirements or consumer protections of your particular State’s Insurance Code or Statutes.”*<sup>24</sup>

In addition, Medi-Share lists specific disclosures for Illinois, Kansas, Kentucky, Maryland, Missouri, Pennsylvania and Wisconsin.<sup>25</sup> Christian Healthcare Ministries lists specific notices for Florida, Kentucky, Maryland, Oklahoma, Pennsylvania, South Dakota and Wisconsin residents. Medi-Share also notes that it is not available in Montana or Illinois.

### **Threat of National Reform**

Illinois is currently the only state that *forbids* its residents from having medical sharing groups as their primary health coverage. Although there has been concern that medical sharing groups would not be allowed under national health insurance reform proposal, those utilizing health care sharing ministries will be exempt from the individual mandate to purchase insurance under H.R. 3590, the health insurance reform bill passed by

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<sup>20</sup> <http://www.youtube.com/watch?v=0OYMNtzxfwo>

<sup>21</sup> <http://www.chministries.org/legalnotices.asp>

<sup>22</sup> <http://medi-share.org>

<sup>23</sup> “Blackwell’s Insurance Department Intervention Raises Questions About Ties to Christian Health Care Company,” The McCarville Report Online, May 29, 2008.

<sup>24</sup> State Disclosures Concerning Medi-Share. <http://medi-share.org/disclosures.aspx>, accessed 12/28/2009.

<sup>25</sup> Ibid.

the U.S. Senate on December 24, 2009.<sup>26</sup> There is no such protection in the House bill, H.R. 3960. Nor does the Senate bill provide protection against the employer mandate and the proposed tax penalties for failure to insure employees.<sup>27</sup>

Samaritan Ministries has posted an alert on their website home page warning that the exemption is only for individual members, “but it does not extend this protection to churches, ministries, and businesses that have 50 or more employees and use health care sharing for their employees.”<sup>28</sup>

### **Valued Alternative**

What makes medical sharing groups unique, and a viable alternative to health insurance companies, according to Mr. Lansberry, is the “...*community approach to healthcare; this special attitude we have of being in this together. That makes this better than anything else out there... We are trying to re-personalize healthcare, or put the care back into healthcare.*”<sup>29</sup>

While medical sharing organizations have had difficulties resulting from the lack of state and federal recognition, these difficulties do not appear to extend to the health care community. Samaritan Ministries reports that doctors and hospitals are happy to participate because medical sharing members typically pay their bills faster than insurance companies or Medicare.

### **Conclusion**

Individuals who want a more community-oriented approach to healthcare, hold Christian beliefs, and worry about the rising cost of health insurance premiums may want to consider joining a health care sharing ministry. Lower monthly payments enable people with incomes below the federal poverty line to obtain coverage for medical expenses. Sharing ministries also allow those with lower incomes to feel secure in the face of a medical catastrophe.

By offering lower costs, catastrophic coverage, and more freedom to choose physicians, specialists and hospitals, these three medical sharing groups demonstrate the patient-centered values, religious principles, free market ideals, charity, community focus, and compassion for fellow human beings that is all too often lacking in many health insurance options available today.

More details available from the *accompanying CCHC Chart* and the following websites:

The Alliance of Health Care Sharing Ministries: [www.healthcaresharing.org](http://www.healthcaresharing.org)  
Christian Care Ministry: <http://www.tccm.org> and <http://www.medi-share.org>  
Christian Healthcare Ministries: <http://www.chministries.org>  
Samaritan Ministries International: <http://www.samaritanministries.org>

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<sup>26</sup> H.R. 3590, Sec. 5000A (d)(2)(d), Dec 24, 2009, page 327

<sup>27</sup> <http://www.healthcaresharing.org/healthcare>, accessed December 28, 2009.

<sup>28</sup> <http://www.samaritanministries.org>, accessed December 28, 2009.

<sup>29</sup> James Lansberry. Personal Email. Jan. 5, 2009.