

Christians Find Their Own Way to Replace Obamacare

Health sharing ministries allow devout Americans a safety net of care, but regulators say more consumer protection is needed.

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By [Kimberly Leonard](#), Staff Writer | Feb. 23, 2016, at 1:12 p.m.



Rebecca Gertner and husband Luke Gertner, who signed up with a health sharing ministry, stand with their 9-month-old daughter at Hillsdale Blvd. Baptist Church on June 8, 2011, in Sacramento, Calif. RANDALL BENTON/SACRAMENTO BEE/MCT VIA GETTY IMAGES

The use of so-called “health sharing ministries” has soared in the wake of President Barack Obama’s health care reforms, but long-skeptical regulators are raising new questions about the plans’ aims to assist in the cost of medical bills while remaining exempt from rules placed on traditional insurance.

Since Obamacare’s passage, health sharing membership has more than doubled, from about 200,000 to about 530,000, according to the Alliance of Health Care Sharing Ministries. The

law exempts health sharing members from having to abide by its “individual mandate,” which obligates people to buy [health insurance](#) or pay a penalty.

Begun more than 20 years ago as an alternative approach to managing [growing health care costs in the U.S.](#), members “share” in medical bills instead of paying for insurance. In some ministries, participants receive a letter about another member’s medical bills each month and send a check for a set amount directly to that member. Sometimes they include notes of encouragement, Bible verses or even gifts.

The organizations require that members follow a code of conduct consistent with biblical values, which often means attending a church regularly and making a profession of faith. It means no sex outside of marriage, no drinking to drunkenness, no drugs and no [tobacco](#) outside of a cigar at a wedding or at the [birth of a child](#). If a teenager were to become addicted to drugs, become pregnant or get a sexually transmitted disease, the associated medical costs would not be shared.

Fifty-four-year-old Pennsylvania resident Jennifer, who asked that her last name not be revealed to protect her privacy, said she and her family have participated in a Christian nonprofit plan provided by Samaritan Ministries for 18 years and passed on the tax-subsidized, private [health insurance](#) Obamacare offered through [online exchanges](#).

Jennifer, whose family’s membership in the ministry means they won’t incur the \$2,085 maximum fine families have to pay for going uninsured in 2016, estimates that members have shared \$30,000 of her family’s medical bills. Every month, her family receives a letter about another member’s medical need and sends a \$405 check directly to that member. In the years they have been part of Samaritan Ministries, she estimates the monthly share has increased about four times after members voted to do so.

“I haven’t felt like I’ve been throwing my money away to grease some CEO’s pocket,” she says.

People say they join health sharing ministries for a variety of reasons – whether they’ve found exchange plans to be [prohibitively expensive](#) or because they prefer sharing medical costs with others who hold their faith and will pray for their medical hardships. Some say they don’t want to pay into a plan that [violates their religious objections](#), such as those that cover abortions or [emergency contraception](#), the latter of which is obligated under Obamacare for all private plans.

“We do know that people are objecting to the requirement of contraception as coverage or to not being allowed to find a plan that doesn’t offer it,” says Twila Brase, co-founder and president of Citizens Council for Health Freedom, a nonprofit based in St. Paul, Minnesota, that has encouraged enrollment in health sharing.

But critics say the plans offer members no guarantee their medical bills will be shared, and ministries aren’t obligated to include a range of care that insurance companies are, such

as [mental health](#), [preventive care](#), birth control, dental and vision for children, or managing pre-existing conditions.

Commissioners or judges in Washington, [Kentucky](#) and Oklahoma tried to shut health sharing ministries down in recent years, but state lawmakers stepped in, allowing them to run without the same regulations insurance companies face. According to the Alliance of Health Care Sharing Ministries, [30 states](#) have such exemptions.

Under Obamacare, meanwhile, health insurance plans are required to include a range of medical services – some of which come at [no cost to patients](#).

“This strikes me as having a lot of the features that many people were looking to get rid of prior to the Affordable Care Act,” says Kevin Lucia, senior research professor at Georgetown University’s Center on Health Insurance Reforms.

Some people, however, have complained that the plans include services they never wanted or asked for in the first place. Tim Jost, professor of law at the Washington and Lee University School of Law, says he’s concerned people may be joining ministries for reasons other than religious convictions.

“I’m concerned that you have people joining because they’re trying to find cheap coverage or because they’re ideologically opposed to the Affordable Care Act, or people who aren’t committed,” he says.

He points out that those who sign up because of inexpensive monthly sharing may not understand all the terms they are agreeing to and also may not be committed to making the ministries work.

For its part, another group called Christian Healthcare Ministries does not see itself as protesting Obamacare.

“A health cost sharing ministry isn’t anti-Obamacare; in reality, it’s part of the total approach to health care cost support in America,” says Lauren Gajdek, a spokeswoman for the group. “We aren’t a protest movement; we’re part of the solution.”

Rachel Sachs, academic fellow at the Petrie-Flom Center for Health Law Policy, Biotechnology and Bioethics at Harvard Law School, says some academics are concerned that the sudden growth in membership within health sharing ministries could threaten the private, individual health insurance market. Members of sharing ministries tend to be healthier because they avoid risky behavior, meaning that people who are sicker or have more expensive conditions to manage turn to the marketplace or to publicly funded Medicaid because ministries won’t share in many of their health needs.

This results in adverse selection, particularly as the federal government and states are [trying to enroll](#) healthy, young citizens in tax-subsidized private insurance so they can balance the costs for people whose medical needs are more expensive and complex.

“I think health sharing ministries seem to be terrific institutions for most of the people in them, but I do have concerns about their effects externally,” Sachs says.

Lucia also points out that, because coverage is so limited under the ministries, people who initially sign up are likely to enroll in more traditional insurance when they actually get illnesses that require long-term management, citing hypothetical examples such as Type 1 diabetes, needing [treatment for psychiatric disorders](#) or the onset of multiple sclerosis.

Regulators and academics are also concerned about internal effects on members. Because health sharing ministries are not regulated by any outside body, members cannot go to state insurance commissioners with a complaint as they would with typical insurance. If a ministry runs out of money, they are not required to have reserves that would handle unusually expensive cases.

“When it’s regulated as an insurance product you have a structure behind it,” Lucia says. “They are working on behalf of you to make sure that what you bought is covering what it’s supposed to. ... You need to know the regulatory body is there to make sure you’re not getting shortchanged.”

Lack of oversight resulted in mismanagement in the past. Christian Healthcare Ministries, formerly known as the Christian Brotherhood Newsletter, was placed under court-ordered receivership in 2000 after members complained to the Ohio attorney general’s office about \$34 million in unpaid claims. The Rev. Bruce Hawthorn, founder of the newsletter, and his nephew, Daniel Beers, [were found liable](#) for civil and solicitation fraud, breach of fiduciary duty, conversion and unjust enrichment.

The lawsuit was filed by the Ohio attorney general and the mission associated with the newsletter in an attempt to recover donations attorneys say were used to buy luxury houses, motorcycles, fund high salaries, vacations and the living expenses of a stripper. Hawthorn and family members were ordered to pay \$14 million in punitive and compensatory damages.

To help avoid circumstances like this, under Obamacare ministries must conduct annual audits performed by an independent accounting firm, which are to be made publicly available upon request. Christian Healthcare Ministries now has an independent board of directors, and no board member is an employee or relative of an employee with the exception of the president, according to a spokeswoman for the group.

In 2007, members of another group, Medi-Share, [filed a lawsuit](#) in Montana claiming the ministry refused to pay for heart-valve surgery after an infection, saying it was a pre-existing condition. A pastor in Nevada also [sued](#) Medi-Share after it refused to pay for treatment of a heart condition, eventually reaching a settlement. Medi-Share is no longer available in the state.

In Oklahoma, members shared in \$450,000 of treatment for Karen Niles, a woman who had a brain tumor. In 2008, Medi-Share told her it [wouldn’t continue](#) to share in treatment costs

because the state regulators at the time had ordered the group to cease its operations. Niles sued, claiming the real reason for the denial was that Medi-Share didn't have the money.

The case was resolved through arbitration, which found in favor of Medi-Share. The ministry didn't continue to share in costs, and Niles joined a high-risk, expensive health insurance pool to get surgery.



Bob Niles puts his arm around his wife, Karen Niles, on Feb. 14, 2011, in their home in Blackwell, Okla.

SUE OGROCKI/AP

“Getting together with a group of like-minded people sounds good and works well until it doesn't,” says a spokesman from the National Association of Insurance Commissioners. “You don't have any protections in terms of making sure your claims can be paid.”

Health sharing ministries typically don't let members sue, and some immediately drop members who do so. Disagreements have been settled by member panels.

They vary in whether they have safety-net funds in place for people who lose their jobs, exceed a maximum sharing amount where it exists or face pre-existing conditions. Members understand that sharing is never guaranteed, leaders of the organizations say.

At Samaritan Ministries, members vote themselves on what should be covered, and individuals can appeal decisions to a panel of 13 randomly selected members. At times this has resulted in policy changes. James Lansberry, executive vice president for the organization, says he's seen about four disputes in 21 years: one is in process, another involved membership status and another resulted in needs not being shared.

In the fourth case, which resulted in sharing, a female member who needed tubal ligations asked for Samaritan Ministries to share in costs, as her doctor said it would be life-threatening for her to get pregnant again. The panel decided to approve her appeal, and moving forward the organization has changed its policy to share costs for other women who face the same medical need.

Samaritan Ministries would not disclose the case in which sharing was rejected, saying it needed to protect members' privacy.

"We can tell you that in the membership status appeal, the person was not meeting his membership responsibilities," a spokesman for the group said. "We had given him multiple opportunities before terminating the membership. The member panel indicated that we should have ended his membership sooner than we did."

Tony Meggs, president and CEO of Christian Care Ministry, acknowledges that to people who aren't Christians the structure of health sharing ministries will appear odd and says the model isn't for everyone.

"Someone who isn't of the faith doesn't have a familiarity of the commands and requirements of the scripture," he says. "We live our lives in a way that we share in each other's needs. That's a biblical mandate Christ gives us in scripture."

When asked about what can be done when families have a teenager who makes decisions outside of biblical teachings their parents hold, Meggs acknowledged the difficulty, saying: "Those are the types of issues we grapple with. Our process of grappling with them is to take the hard questions and decisions and to give them to the members to decide."

Still, the organization doesn't police its members. If they discover through a medical bill that someone has engaged in activity outside of biblical teachings, they encourage members to recommit themselves to the guidelines.

Ocieanna Fleiss, 46, a mom in Seattle who home-schools her four kids, faced \$125,000 in medical bills after a sudden cardiac arrest five years ago. Her husband had been laid off in 2008 after the mortgage crisis, and they took several part-time jobs as they struggled to make ends meet.

Her husband told her Medi-Share, the health sharing ministry they belonged to, would share in all but \$1,000 of the cost. "That's when I started weeping because it was such an amazing relief," she says.

The organization had also shared in \$20,000 in costs after her husband broke his ankle. It did not, however, cover her son's ongoing care for Type 1 diabetes after he was diagnosed last year, though Medi-Share did share the costs of the initial hospital visit. The hospital they were using helped sign him up for Medicaid – the state-federal program for low-income Americans – to assist the Fleisses with costs of insulin and other care.

Fleiss says the experience did not discourage their membership to Medi-Share, but added that she was fine with adding Medicaid in order to provide for her family.

"We knew going into it," Fleiss says. "Medi-Share protected us from financial despair."