Medical Xpress

At least 1.7 million Americans use health sharing arrangements, despite lack of protections, says report

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The report from the Colorado Division of Insurance found that more than 1.7 million Americans rely on sharing plans and that many of the plans require members to ask for charity care before submitting their bills.

The total membership numbers are likely even higher. The state agency collected data from 16 sharing plans across the U.S. but identified five other plans that did not report their data.

"These plans cover more people than we had previously known," said JoAnn Volk, co-director of the Center on Health Insurance Reforms at Georgetown University.

Under the arrangements, members, who usually share some religious beliefs, agree to send money each month to cover other members' health care bills. At least 11 of the sharing plans that reported data operated in or advertised plans in all 50 states in 2021.

Sharing plans do not guarantee payment for health services and are not held to the same standards and consumer protections as health insurance plans. Sharing plans are not required to cover preexisting conditions or provide the minimum health benefits mandated by the Affordable Care Act. And unlike health insurance, sharing plans can place annual or lifetime caps on payments. A single catastrophic health event can easily exceed a sharing plan's limits.

In Colorado, at least 67,000 people were members of sharing plans in 2021, representing about 1 in 4 Coloradans purchasing health care coverage on their own. That rate concerns Kate Harris, a chief deputy commissioner of the Colorado Division of Insurance, which she said regularly receives complaints from sharing plan enrollees.

"What we hear from consumers is that when they purchase one of these, they do think there is some guarantee of coverage, for the most part, despite the disclaimers on many of the organizations' websites," Harris said.

The Colorado report found that health sharing arrangements often require their members to seek charity care or assistance from providers, governments, or consumer support organizations before submitting sharing requests. Those costs are then shifted to other public or private health plans.

Katy Talento, executive director of the Alliance of Health Care Sharing Ministries, which represents five of the largest and longest-operating sharing plans in the country, said sharing ministries encourage members to act like the uninsured people they are. Such requirements to seek charity care reflect a desire to be good stewards of their members' money, Talento said.

"Think about it like a soup kitchen," she said.

Fourteen sharing plans reported that Colorado members submitted a cumulative $362 million in health bills in 2021, and nearly $132 million of those requests were approved. The remainder, sharing plan executives told the division, reflected duplicative bills, ineligible charges, negotiated discounts, and the members' agreed-upon portion of medical bills.

"It's not like every claim line on a health care sharing request is going to be eligible for sharing," Talento said. "They have to submit the whole bill. They can't just pull out a piece of it."

But consumer complaints to the Division of Insurance and to consumer assistance programs, such as the Colorado Consumer Health Initiative, show that members do not always realize what sharing plans will cover.

"We have seen firsthand the risks that people face when they sign up for these arrangements without recognizing the magnitude of the risk that they're assuming for their health care costs," said Isabel Cruz, the initiative's policy director.

Talento disputed the notion that members don't know the parameters of their sharing plans.

"That's just suggesting that our members are dumb," she said. "Is it likely that somehow our people are going to be willy-nilly jumping blindly into something?"

Theresa Brilli, a small-business owner in Longmont, Colorado, said she and her partner signed up for a direct primary care plan in 2017 that covered primary care visits for $179 a month. Direct primary care plans are payment arrangements between patients and providers for receiving health services without billing insurance. The plan had an arrangement with Liberty HealthShare, a Canton, Ohio-based sharing plan with more than 131,000 members nationwide, to cover additional services like preventive screenings, emergency room care, and hospitalizations for $349 a month with a $1,000 deductible. The rates increased to $499 a month, with a $1,750 deductible, in 2020, Brilli said.

But Brilli said getting payments was a major hassle.

"It took about four to eight months to get reimbursed," she said. "It was a fight, every bill."

When she heard about enhanced subsidies for ACA marketplace plans in 2022, she decided the hassle was no longer worth it and switched to a Kaiser Permanente plan for $397 a month.

"I will never go back to Liberty Health or a health care sharing plan," she said. "I didn't agree with the whole ministry thing. They made you sign off saying you believed in God, which was like, 'Whoa, I guess that's what I have to do to get my health insurance.'"

Laura Murray, 49, of Aurora, Colorado, said she signed up for a Liberty HealthShare plan in 2017 as a more affordable alternative to her husband's employer-based plan.

"We kind of felt we were cutting out the middleman in a way, and it was a helping-out-your-neighbor sort of deal," she said.

But when she became pregnant unexpectedly, she had trouble getting her health bills paid. Initially, Liberty paid only a portion of the tab, and her bills got sent to a collection agency. It was only through multiple calls that she learned she needed to send the bills to a third party that would negotiate with the providers.

"It took years to get it cleared up," she said.

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Timothy Bryan, Liberty's vice president of marketing and communication, disputed many of the details of Brilli's account and attributed some of the delay in payment to her "failure to submit the required supporting documentation." Murray's payments, he said, were delayed more than 10 months because she had failed to provide the required pre-notification.

Mike Quinlan, 42, of Denver, turned to a health sharing ministry in 2014 after the birth of his first child cost him more than $17,000 out-of-pocket, on top of nearly $24,000 in premiums that year, under an employer-sponsored health plan. He said the births of his three youngest children were covered in full by Samaritan Ministries International, a Peoria, Illinois-based sharing plan with 359,000 members, to which he contributes $600 a month. When he incurs large health expenses, he receives a slew of $600 checks from other members, he said.

Every year, Quinlan attests that he is a Christian and identifies the church he attends.

"This is a group of like-minded people who have said voluntarily we're going to trust each other to cover each other's health costs," he said.

The rules differ from plan to plan. Some sharing plans require members to pledge to abide by Christian principles, and some exclude payment for out-of-wedlock births or health issues that arise from drug use. Many sharing plans exclude coverage of contraception, mental health services, and abortion, often with no exceptions for rape or safety of the mother.

Regulators in Colorado and other states have also expressed concerns that health sharing arrangements are paying brokers much higher commissions for signing up members than health plans do. That could create financial incentives to push sharing plans over health insurance without adequately educating consumers about the differences.

In 2019, Covered California, the Golden State's ACA marketplace, instituted a requirement that its certified agents who sell both sharing plans and health insurance provide consumers with a list of disclosures about sharing plans and show them the subsidies they could receive for buying traditional health insurance coverage.

"It's really important that consumers understand what these arrangements are, and what they are not," said Jessica Altman, executive director of Covered California.

Harris said the Colorado Division of Insurance is investigating multiple health sharing arrangements based on consumer complaints but declined to name them.

Colorado officials are also concerned that health sharing arrangements might appeal primarily to people who don't expect to use many health services. That could increase the proportion of sicker and more expensive patients among enrollees in traditional health insurance plans, driving up premiums.

Harris said many consumers can get a health plan for less than the cost of a sharing plan, particularly with increased federal and state subsidies put in place in recent years. State officials are also working to inform consumers of the financial risks associated with health sharing arrangements, some of which have gone bankrupt in recent years.

"It might look cheaper on its face, month to month," Harris said. "But if they do really actually need their costs covered, there's a real risk that they may not be."

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