

HEALTH SHARING PLANS

2020 Buyer's Guide

An in-depth, no-nonsense look at Health Sharing Plans
and how to choose the one for you and your family

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INTRODUCTION

Health Share Plans have gained a tremendous amount of attention and popularity over the past 3 years and in the most recent ACA ("Affordable Care Act") Open Enrollment period, more people switched to a Health Sharing Plan than ever before.

In this buying guide, we are going to explain what a Health Share Plan is, who they are appropriate for and how to choose the right one for you.

Key Subjects

Health Share Plans offer many benefits compared to traditional insurance as well as some shortcomings to take into consideration. You'll learn about:

- The top 6 HCSM ("Health Care Shared Ministry") plans
- Why Health Share Plans are NOT an insurance policy and why that's OK
- When to NOT buy a Health Share Plans

Full disclosure about the company behind this guide, Health Reform Team... We are a large health insurance brokerage with several offices across the United States, primarily in Texas. We sell Health Share Plans. We also sell insurance from all the major carriers including United Healthcare, Blue Cross Blue Shield, Aetna, etc. We want you to buy the best health care coverage for YOU, regardless of who the carrier is.

This purpose of this guide to help you become an informed consumer and take an active role in choosing how to cover the ever increasing cost of healthcare.

Insurance of Texas

WHAT IS A HEALTH SHARING PLAN?

A Health Sharing Plan is "an organization that facilitates sharing of health care costs among individual members who have common ethical or religious beliefs."

What is a HCSM?

The Affordable Care Act ("ACA") refers to Health Sharing Plans as "Health Care Shared Ministries" or "HCSM"s. The reason why the word "Ministry" is included is because all Health Share Plans are affiliated with a faith-based organization of some type.

As of 2019, there were roughly 104 HCSM plans available in the United States. All but about 7 of these plans were "small church affiliated ministries", meaning they were specific to a single church or a few affiliated churches.

The remaining 7 are open to most people in the United States.

ObamaCare Tax Exempt

One important benefit of most HCSM plans is they are exempt from tax penalties outlined in the Affordable Care Act (aka "Obamacare"), provided they meet the following criteria:

- Must be a 501(c)(3) organization
- Members must share common ethical or religious beliefs
- Must not discriminate membership based on state of residence or employment
- Members cannot lose membership due to development of a medical condition
- Must have existed and been in practice continually since December 31, 1999 (a grandfather clause)
- Must be subject to an annual audit by an independent CPA which must be publicly available upon request

Most of the 6 largest HCSM plans meet these criteria.

For the purposes of this buying guide, we will refer to Health Sharing Plans as "HCSM"s.

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History of Health Sharing Plans

Formally organized Healthcare Sharing Plans have been around since the early 1980s but religious organizations have shared health costs informally for decades. They were oriented toward practicing Christians and aligned with ideals or principles found in the Bible, primarily translated to mean that believers have a responsibility to assist in meeting each other's needs.

More recently, the skyrocketing costs of health insurance and healthcare have created a need for more affordable healthcare cost coverage and HCSMs are filling that need for certain people.

HCSMS: THE GOOD AND THE BAD

All insurance and health sharing plans have strengths and weaknesses. We look closer at HCSMs here.

The Good

Cost

HCSMs are significantly less expensive than comparable health insurance plans. For example, in 2018, a Silver Health Insurance Policy on Healthcare.gov for a 59 yr old male in Texas would cost roughly \$1500 per month. A comparable HCSM plan would cost less than 1/2 of that. The older you are, the bigger the difference in cost comparing HCSMs to traditional insurance. The cost savings for a 30 year old person will be significant, but not as much as it would be for an older person.

For a family, switching healthcare coverage over to a HCSM can result in annual cost savings of \$5000, \$7500 or much more per year.

Flexibility

HCSM plans are not required to meet the minimum essential coverage requirements mandated by the Affordable Care Act which is (for the most part) a good thing. It is a good thing because a majority of people who buy ACA-type insurance policies are buying coverage they don't need and don't use, like, mental health coverage or coverage for pregnancy. For those who need those benefits, those coverages are very important, but ACA forces everyone to buy those benefits, regardless if they want those coverages.

With HCSM plans you are buying only the coverage you want and need. If you don't want to buy an HCSM plan that covers pregnancy, you don't have to buy it. If you don't want a plan that covers prescription medicines, you don't have to buy it. All these factors contribute to the major cost savings that HCSM plans offer.

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The Good

Enroll Anytime

There is no open enrollment for HCSM plans. You can enroll anytime. Most plans have a start date of the 1st of each month, but some HCSM plans allow you to start in the middle of a month.

No Tax Penalty

HCSMs were written into the Affordable Care Act when it was passed in 2014 and as long as they meet the criteria outlined in the law (see the introduction section of this guide), members of that HCSM are exempt from having to comply with the "Individual Mandate" which is the part of the ACA that requires individuals to buy health insurance.

As of 2019, Congress reduced the Individual Mandate tax penalty to \$0. Technically, there is still a "penalty", but the cost is zero.

More Choice

Depending on the HCSM plan you choose, you may have either a very large network of providers to choose from, as in the case with OneShare, or you may not have a network at all and are allowed to go to any doctor. In the "shortcomings" section, you'll learn that not having a network adds some inconvenience to your coverage.

But overall, members of HCSM plans generally have a lot more choices when it comes to doctors and hospitals.

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The Good

Stable Cost

Since HCSMs do a better job managing the skyrocketing costs of healthcare, their monthly fee or "share" has been more stable year after year than comparable insurance plans. Families buying Obamacare plans are used to seeing 10, 20, 30 percent (or more) annual premium increases. Historically, the monthly cost of a HCSM plan has been much more stable and predictable.

Personal Responsibility

Since HCSMs were founded on the concept of "sharing", they require their members to be wise and responsible when they incur healthcare expenses. For example, OneShare requires that any member who goes to the emergency room do so only in a life-threatening situation. Getting healthcare in an emergency room for non-life threatening care is wasteful and much more expensive compared to being treated at an urgent care clinic and causes everyone who is sharing your expenses to pay more for care than necessary.

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The Bad (not really "Bad", but some things to consider)

Lifestyle Requirements

Many of the available HCSM plans require its members to follow biblical lifestyle guidelines relating to drinking alcohol, using illegal drugs, extra-marital affairs and attending church. Some HCSMs are very restrictive, such as Samaritan Ministries which requires its members to "attend a Christian church regularly (at least three out of four weeks per month that your health or weather permits)."

Newer HCSM plans are more lenient. OneShare doesn't require its members to attend church regularly.

Most people who seek to join a HCSM find one that is a fit for them. Some want the more restrictive biblical requirements while others want a plan with less restrictions. There are many choices.

Provider Uncertainty

Even though HCSMs have been around for many years, they have only very recently become widely known. Many providers (doctors, hospitals, etc.) are unfamiliar with HCSMs and will sometimes challenge whether the coverage is legitimate and valid. In most cases, a simple call to the HCSM will clear up any issues..

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Regulatory Oversight

One of the perceived shortcomings of a HCSM is that there is currently no regulatory oversight making sure that HCSMs are financially able to cover all its sharing obligations. In fact, most HCSM plans reserve the right to decline paying for a covered expense under certain circumstances. Traditional insurance policies have similar language stating that they have the right to decline paying for a claim under certain circumstances. These provisions are mainly there to protect these organizations against fraudulent claims, not to decline legitimate claims.

HCSMs are required to be audited annually and to make their financial statement available to the public.

As it stands in 2020, the market is dictating and influencing the behavior of the HCSM organizations. If a HCSM fails to meet its sharing obligations, it will become known immediately and it will cause that HCSM's business to suffer and its membership will decline.

HCSMs are not insurance companies. Generally, they are faith-based non-profit organizations. The top 6 HCSMs take in millions of dollars annually in membership billings and have been very financially stable.

Is saving \$5000 to \$10,000 per year in health care costs worth taking the "risk" on a HCSM? That is an individual and family decision, but the answer is coming back "yes" more often as HCSMs are the fastest growing alternative to traditional health insurance. As of 2020, more than 1 million Americans have become a member of a HCSM.

As people move in that direction, HCSMs will become more trusted and relied on more and more.

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Pre-Existing Conditions

One of the ways HCSMs keep costs in check is to exclude certain pre-existing health conditions. A key benefit of buying an ACA plan is that all ACA plans cover pre-existing conditions from day 1. When someone has a serious disease like cancer or severe heart disease, having access to health insurance can mean the difference between financial well-being and financial ruin.

Most of the HCSM plan exclude pre-existing health conditions, however, some plans DO cover pre-existing conditions, subject to a maximum annual limit.

Most HCSMs cover all pre-existing conditions after a period of 3 years of continuous membership in the HCSM.

If you are healthy, a HCSM is an excellent consideration. If you have a chronic health condition, check with your health insurance professional for guidance on choosing the best plan.

Waiting Periods

Most HCSM plans are going to have waiting periods for certain coverages. For example, some HCSMs (OneShare) will pay for annual physical exams, but that benefit has a one-time 90 to 180 day waiting period, depending on the plan. This is to prevent people from taking advantage by signing up for coverage, spending hundreds or thousands of dollars on physicals and tests only to cancel the coverage shortly afterwards.

Waiting periods keep costs down.

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Prescription Medicine Coverage

Another way HCSMs keeps costs low is to limit how much they will pay to cover prescription drugs. There are many varieties of HCSM and how they handle prescriptions, but generally their coverage is limited.

If you are taking an expensive (costs more than \$500 per month) medicine, then you might need to look elsewhere.

If your prescriptions cost less than \$500 per month, then you'll probably be financially ahead because the premiums on HCSM are so much lower, they more than make up for the out of pocket prescriptions costs.

Comparison for Health Sharing Companies (2020)

Reference only - Please see Member's Guide for Detailed Information (subject to change)

	OneShare Health	Liberty	Medi-Share	Samaritan	Altrua	Christian Health Ministries
General						
BBB	A+	B-	A+	NA	B	NA
When Founded	1922 Unity / 2018 OneShare	1998	1993	1994	1997	1981
Member Growth	Fast	Fast	Average	Average	Slower	Slower
Tax Penalty?	ACA Exempt	ACA Exempt	ACA Exempt	ACA Exempt	ACA Exempt	ACA Exempt
Eligibility						
Statement	Most Flexible	Most Flexible	Less Flexible	Less Flexible	Less Flexible	Less Flexible
Religious Affiliation	Any	Christian	Christian	Christian	Christian or Jewish	Christian
Health	Does not Decline	Lifestyle/Health Qualifiers	Lifestyle/Health Qualifiers	Does not Decline	Does not Decline	Lifestyle/Health Qualifiers
Pre-X	Waiting Periods	Waiting Periods / Decline	Waiting Periods	Waiting Periods	Waiting Periods	Waiting Periods
Waiting Periods	24 months enroll/lifetime for certain conditions	12 months from Enroll/Additional Limits	36 months from treatment	12 month treatment - 5 years	24 months eff date	1 year from treatment
Rates						
Range	\$154-\$532/person	\$149-\$244	\$135-\$470	\$200-\$495	\$112-\$470	\$45-\$150
Increases	At age 30, 40, 50 & 60	Annual; birthday	Annual; birthday	Annual; birthday	Annual; birthday	Annual; birthday
Family Type	Single/Single+1/ Family	Single/Single+1/ Family	Single/Single+1/ Family	1 Person/2 Per/3 Per	Single/Single+1/ Family	per person
At Age Change	Yes	Yes	Yes	Yes	Yes	Yes
Age of Older Adult	Yes	Yes	Yes	Yes	Yes	Yes
Expected Stability	High	Low	Middle	High	Middle	Low
Plans						
Annual Max	\$1M (Lifetime Max)	No	No	\$236k-\$250k	\$50k-\$1M	\$125k/Incident
Per Incident Max	\$150-500k; add'l \$500k/buy	\$125k-\$1m	No	Misc	No	\$125k
Share Range	\$5k-\$10k	\$500-\$1500	\$3k-4k	\$300-\$1500	\$3k-\$5k	\$500-\$5000
Preventative	Yes	Yes	No	No	No	No
Maternity	Limited	Yes	Limited	Yes/Limits	Limited	Yes
Networks						
Reimburse Providers	Yes	No	Yes	No	Yes	No
Type of Network	PPO	None	PPO	None	PPO	None
Size of Network	Large	N/A	Large	N/A	Large	N/A
Negotiated Rates	Yes	No	Yes	No	Yes	No
Eligible Expenses						
Reserves	Yes	No	No	No	No	No
Pre-Auth	Yes	Yes	Yes	No	Yes	No
How Paid	Direct to Provider	Reimburse	Negotiated Amount Paid to Provider	Reimburse / Complicated	Reimburse	Reimburse
Review Process	Internal/4 Levels	Internal/4 Levels	Internal/2 Levels	Internal/Arbitration	Internal/Arbitration	No
Overall Ranking (1 is highest)	1	4	2	4	3	5

CONCLUSIONS

What Should You Do?

Over the past 7 years, ever since the Affordable Care Act was passed, health insurance has gotten very complicated. Since the ACA requires everyone to have health insurance or an exempt alternative, there has been a huge rush to buy a plan during open enrollment. More and more Americans are discovering HCSM plans and realize that they can choose better coverage at a lower cost and enroll whenever they want.

HCSM plans offer tremendous value and are a bargain compared to a traditional insurance plan with similar benefits. In 40% of the counties in the U.S., there is only 1 insurance carrier offering traditional insurance. In many states, the traditional insurance plans available are accepted only by a few health providers.

In most states there are several different HCSM plans available. It is very likely that most people will be able to find a plan suitable for them and their family.

Think BIG PICTURE

When you're considering a HCSM, think BIG PICTURE. Think about the overall cost of your healthcare over the course of 12 months. With a HCSM, you may have to pay some out of pocket costs. Maybe you have to pay for a prescription or pay for a medical bill that wasn't covered. If you then compare the thousands of dollars in monthly premium / share you're saving to the occasional out of pocket expense, you'll realize that you are still saving thousands of dollars per year.

And remember with traditional insurance, their benefits are being reduced every year. What used to be an average deductible of \$3000 or \$4000 is now an average deductible of \$7000+. Most Bronze level plans through Healthcare.gov have a \$11,000 deductible and almost zero benefits until the deductible is met and on top of that you have a premium that is hundreds more than a comparable HCSM plan.

Most of all, get help from a health insurance professional who is not only an expert in health insurance plans, but also an expert in Health Care Sharing plans. He or she will collect your information and come back to you with a couple options that will provide you with comprehensive coverage at a price that doesn't break your pocketbook.



Talk to a health insurance professional who is an expert in both
health insurance and health care sharing plans

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