

[Health-care ministries exemption bill awaits final OK](#)

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Body

Church-based organizations that sell health care coverage to the faithful will be exempt from state insurance regulations under a new law that is expected to garner final endorsement from Maine lawmakers this week.

LD 950, sponsored by Sen. Michael Thibodeau, R-Winterport, exempts “health care sharing ministries” from state insurance rules designed to protect consumers, such as guaranteed coverage despite pre-existing conditions and a limit on how much companies can spend on administrative salaries and other costs versus actual health care services for members.

“Regulators across the country ... have continuously attacked these ministries, claiming they are insurance,” Thibodeau told lawmakers on the Insurance and Financial Services Committee when he introduced the bill on April 6. But because the plans do not operate like insurers and make no guarantee of coverage, he said, they and their members should be protected from possible legal actions brought by such regulators, including the Maine Bureau of Insurance.

Eleven states already exempt health care sharing ministries from insurance regulations, Thibodeau said.

Critics counter that participants in such programs are left **vulnerable to unethical administrative behaviors and potentially devastating gaps in coverage**. And because members of health care sharing ministries already are exempted from the federal requirement that all Americans obtain health insurance by 2014, opponents argue the ministries are providing a service that is like insurance and therefore should be subject to regulation.

There are just a handful of health care sharing ministries in operation across the country, claiming a membership of more than 110,000. In Maine, about 350 households participate, or about 1,100 individual members, Thibodeau told committee members.

Health care sharing ministries operate according to various business models. In some, the ministry charges a monthly fee — \$300 to \$500 for a family is typical — and allocates available dollars to members as funds are available. In other groups, members agree to contribute varying monthly sums directly to other members to help pay health care bills. The ministries are all not-for-profit organizations.

The ministries limit their membership to “people of similar and sincerely held beliefs” according to the Illinois-based Alliance of Health Care Sharing Ministries — which requested Thibodeau’s sponsorship of the bill — and members may be required to sign a statement agreeing to abstain from behaviors including smoking, excessive drinking and premarital sex that may increase health risks. Homosexuality also may be an excluding factor.

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Thibodeau said health care sharing ministries have been working for Maine people “for years” without a single complaint.

But Insurance Superintendent Mila Kofman, who testified against the measure in the committee, said numerous complaints have been filed in other states, including a case in which one of the major plans was placed in court-ordered receivership.

“A jury later found that its founder and other former officials had defrauded the ministry and ordered them to repay nearly \$15 million they had spent on luxury houses, motorcycles, expensive cars and high salaries,” Kofman testified.

The bill was passed out of committee along party lines.

Insurance committee Democrats spoke against the bill before Wednesday’s House vote.

“The hope and the promise is that when it is your turn to be sick, the payments will come back to you from other people in the ministry and help you pay your bills,” said Rep. Sharon Treat, D-Hallowell. “But some people have not gotten payments. ... There is no accountability, no oversight and people who participate have no protection.”

But Rep. Dale Crafts, R-Lisbon, said his daughter and her family have benefited from their membership in a health care sharing ministry. He compared the “person-helping-person” model to an old-fashioned barn-raising and said it would bring down the cost of health care.

The measure, already endorsed by the Senate, passed in the House largely along party lines, with 78 votes in favor and 65 opposed. A final House vote is expected later this week.

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