



STATE OF WEST VIRGINIA

## Offices of the Insurance Commissioner

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### CONSUMER ALERT

#### HEALTH CARE SHARING MINISTRIES

House Bill 4809 (2024) enacts the *Health Care Sharing Ministries Freedom to Share Act* (Act) and becomes effective on May 26, 2024. The West Virginia Offices of the Insurance Commissioner (OIC) routinely receives inquiries from consumers regarding Health Care Sharing Ministries (HCSMs) and how those entities differ from traditional health insurance. As such, the OIC is issuing this Consumer Alert to provide guidance to consumers.

HCSMs are organizations whose members share a common set of ethical or religious beliefs and provide for the financial or medical needs of a member through contributions from other members. Usually, members pay into the HCSM organization and share the costs of their medical care with other members. Importantly, and as specified in the Act, HCSMs are not health insurance and are not considered as being engaged in the business of insurance for the purpose of regulation by the OIC. Superficially, HCSMs may seem like health insurance plans because members often pay a monthly contribution amount to the HCSM, similar to paying a monthly premium for health insurance. Like health insurance, HCSMs are intended to reduce medical costs for their members and members may have to pay an out-of-pocket amount before any payment is made by the HCSM, like a health insurance deductible. However, HCSMs are cost-sharing organizations, not insurance companies, and generally differ from health insurance in these important ways:

- HCSMs do not have to follow the same coverage requirements or consumer protection requirements as health insurance plans that are compliant with the Patient Protection and Affordable Care Act (ACA). For example, HCSMs may not pay for preventative care services, may limit or exclude payments for services relating to a member's pre-existing condition(s), and may exclude payment for services to treat mental/behavioral health or substance use disorders. Members may be subject to medical screening, pay higher membership rates tied to health status, or may be denied membership based upon health status. Members may be required to refrain from certain behaviors to be eligible for payments, such as using tobacco or drinking alcohol.
- HCSMs are usually not legally bound to pay claims and members are not usually guaranteed payment for services. HCSMs may not guarantee full payment or even partial payment of a member's medical claims. For example, a HCSM may provide that, in months where need exceeds sharing payments, members only receive a prorated amount. Some HCSMs may limit the amount a member can receive and provide that members are responsible for bills exceeding that limit. HCSMs may set monthly, annual, or lifetime caps on coverage.



- HCSMs may, or may not, maintain a provider network that includes negotiated rates available to their members.
- Monthly costs for HCSMs may be lower than monthly premiums for traditional health insurance, but the members may not have the same level of coverage with a HCSM as what is provided by traditional health insurance.
- The OIC may be able to assist consumers with issues regarding their health insurance, but the OIC does not regulate HCSMs. Complaints concerning a HCSM should be reported to the West Virginia Attorney General's Office.
- Effective May 26, 2024, a HCSM must provide a written disclaimer on or accompanying all applications and guideline materials distributed by or on behalf of the organization that is substantially similar to the following: ***Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant will be compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payments for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills. Complaints concerning this health care sharing ministry may be reported to the Attorney General of your state.***

Consumer protection laws govern many types of health insurance coverage, like plans purchased through an employer, purchased directly from a licensed insurer, or ACA plans purchased in the health insurance marketplace. Some people look to HCSMs because of their typically lower up-front costs compared to traditional health insurance. However, since HCSMs are not insurance they are not required to protect consumers through the application of state or federal insurance laws. Consumers who use HCSMs can best protect themselves by understanding their plan and the coverage they participate in to make sure the plan purchased meets or exceeds their overall needs and expectations for both coverage and price.

If you need assistance regarding your health insurance, you may contact the OIC's Life & Health Consumer Services Division at (304) 558-3386 or 1-888-TRY-WVIC. You may also contact the OIC via email to [OICConsumerServices@wv.gov](mailto:OICConsumerServices@wv.gov) or file a consumer complaint online at [https://www.wvinsurance.gov/Consumer\\_Services](https://www.wvinsurance.gov/Consumer_Services).

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