

Alaska State Legislature

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Health Care Sharing Ministry Not Insurance Version H

Senate Bill 18 defines and exempts. It defines what health care sharing ministries are, and exempts them from the insurance statutes because they are charitable organizations. HCSMs are an alternative to federally-mandated insurance plans and are distinctly different from insurance:

- HCS is a payment arrangement for health care among persons of similar beliefs, administered by a not-for-profit organization.
- HCS is voluntary; there are no guarantees; this is not insurance.
- No HCSM participant is compelled by law to pay anyone's medical bills. They do not assume any risk and do not transfer risk through contracts.
- Participants are exempt from the individual mandate in the ACA. They do not have to purchase health insurance, and they will not be penalized for not purchasing it.

In addition, HCSMs seek to meet spiritual and emotional needs as a part of the sense of community which exists among participants, who pray for one another and send notes of encouragement.

Despite 375,000 individuals participating in HCSMs in all 50 states (including an estimated 3,400 Alaskans), overzealous insurance regulators occasionally attempt to subject HCSMs to the same requirements as insurance companies. It is impossible to meet such standards without destroying the voluntary, ministerial nature of these ministries. Because the ACA specifically exempts HCSM members from obtaining coverage, it seems appropriate for Alaska to join the majority of states in exempting HCSMs from insurance codes because HCSMs are not insurance.