

Members of the Insurance and Real Estate Committee,

My name is Art Calef from Lebanon, CT. I was NOT paid in any way for my testimony to this committee. I simply come to you as a very satisfied long-time member of a health care sharing ministry.

I appreciate the opportunity to be heard in this assembly regarding **SB 209 - AN ACT REQUIRING HEALTH CARE SHARING MINISTRIES TO COMPLY WITH THE PATIENT PROTECTION AND AFFORDABLE CARE ACT** (which I'll refer to as the ACA throughout this testimony).

My plain reading of this bill as drafted is as follows (please correct me if I'm way off base): **"Health care sharing ministries in CT shall comply with every applicable provision of the ACA."** That's all there is. It looks like a placeholder or a concept bill – to be fleshed out later (after the public hearing). Based on this lack of definition, I present the following opinions based on the future iterations of this bill:

1. Assuming the final version of the bill stays as is I'm okay with the bill. It seems to me, based on that plain reading, that if our federal government approves a particular HCSM, and certifies that they meet the requirements of the federal act, that passing this bill in CT will require CT to accept any determination by the federal government regarding health care sharing by that organization. In fact, the three largest HCSMs and several smaller ones all fully comply with every part of the applicable portions of the ACA and the federal government has issued letters to each of them to certify their compliance and validity as an HCSM as defined in the ACA. If that's the final intent of the bill, I'm okay with that interpretation, **as long as there are no further edits to the bill.**
2. On the other hand, CT **could** go the route of 30 other states (including NH, ME, and PA), that have created legislation clarifying that HCSMs are **not** insurers and therefore not regulated under the state's insurance code. These states recognize that the ministries are under the oversight of the IRS and the states attorney generals (as nonprofit charities). As these states see it, these organizations are definitely NOT insurance companies and in that case this committee wouldn't even have jurisdiction over this matter. I don't have enough knowledge of the specific language each state has used, so I couldn't advise further on this option.
3. If, however, there is intent to change the bill into some form that somehow restricts the freedom these credible and valuable ministries currently enjoy to operate here in CT, I would definitely **oppose** that. All of the "big three" ministries I'm most familiar with already highly value compliance with the federal and state laws and demonstrate accountability and transparency in their finances. Their reputation precedes them as they each have over 30 years of experience and thousands of satisfied sharing members.

I understand several states have had issues recently regarding noncompliance of one or more of the newer HCSMs, and perhaps that is the motive for raising this bill. I want to remind the committee that there is sufficient legislation already in effect, some of it carefully laid out by the

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federal government in the ACA, others laid out in IRS laws, and still others in Consumer Protection and other areas, that sufficiently cover this contingency, and can be used by a state attorney general to litigate against an offending organization. There's no need to add further complexity to this mix. In fact, I believe the offending organizations, Alera and its parent Trinity Healthshare, have already been dealt with and successfully banned from CT using the existing mechanisms available to the state regulators.

Based on the lack of definition of this bill available to me, I would suggest the best option here is to drop this bill completely. I see no need for it (as a very satisfied member of one of these groups). I urge you all to use discretion in any further development work on this bill.

Thank you for your consideration.

Art Calef  
Lebanon, CT

Note: I want to thank the committee for hearing my verbal testimony given at the public hearing on February 25<sup>th</sup>. I was pleased to discover Shannee Tracey (representing an Alliance of these HCSMs) was also scheduled to testify and I assumed she would get into the technical aspects of this legislation, so I chose instead to deviate from my prepared script as written here and instead elaborate on my personal (and very positive) experience with one of these organizations. I was able to talk about how roughly \$150,000 in medical bills my family has submitted over the past several years has been cheerfully reimbursed to the last dollar by fellow members and the process of how my particular organization handles that.

For those members of the committee that missed it, my verbal testimony can be found on CT-N here: <http://ct-n.com/ctnplayer.asp?odID=17196> at timestamp 5:37:30.

Shannee Tracey's testimony follows mine at 5:45:50.