

Insurance and Real Estate Committee

SENATE FAVORABLE REPORT

Bill No.: SB-209
Title: AN ACT REQUIRING HEALTH CARE SHARING MINISTRIES TO COMPLY WITH THE PATIENT PROTECTION AND AFFORDABLE CARE ACT.
Vote Date: 3/10/2020
Vote Action: Joint Favorable
PH Date: 2/25/2020
File No.:

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

To require health care sharing ministries to comply with the Patient Protection and Affordable Care Act.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

NATURE AND SOURCES OF SUPPORT:

Ted Doolittle Healthcare Advocate, State of CT feels this bill offers important consumer protections to individuals who may be exploring coverage of their health care expenses through health care sharing ministries rather than purchasing traditional health insurance.

Under federal law, an HCSM is defined as an organization: a) that is exempt from taxation under the federal tax code, b) members of which share a common set of ethical or religious beliefs and share medical expenses among members in accordance with those beliefs, c) members of which retain membership even after they develop a medical condition, d) which has been in existence since December 31, 1999, and whose members have shared medical expenses continuously without interruption since that date, and e) which conducts an annual independent audit that is made available to the public upon request.

HCSMs sometimes become an appealing alternative for individuals who are looking to save money on their up-front premium costs, often in spite of – or without being informed of – these substantial risks. In recent months, OHA has seen an uptick in the number of complaints made against HCHMs by their members. In particular, members have complained that they were not fully advised that the plan they had joined is not insurance, or that they were inadequately advised of the plan's limitations on preexisting condition coverage or other benefits.

These complaints have underscored the need for further scrutiny and regulation of HCSMs.

SB 209 would address these concerns by imposing on HCSMs that operate in Connecticut a requirement that they afford their members the same critical protections enjoyed by members of traditional insurance plans, including preexisting condition coverage and coverage of essential health benefits. With these additional consumer protections in place, Connecticut consumers will have much reduced exposure to the arbitrary and unregulated claim decisions imposed by HCSMs.

Scott Walter, M.D. CT Medical Society this bill will bring Health Care Sharing Ministries in line with the health care consumer protections afforded under the ACA. This legislative action is crucial to protect consumers from enrolling in Health Care Sharing Ministries which are in the business of denying coverage for pre-existing conditions and limiting access to health care by instituting exorbitant deductibles.

Shanee Tracey, Director of Government Affairs of Christian Care Ministry testified that healthcare ministries are faith-based communities that facilitate the voluntary sharing of medical costs between its members. Each month, a member's monthly share is matched with another's eligible medical bill. We recognize that health care ministries are not well understood by some people. Insurance commissioners in several states, including Connecticut, have made findings that newly-formed organizations, which is not covered the ACA exemptions, has engaged in unauthorized practices under the banner of health care sharing.

NATURE AND SOURCES OF OPPOSITION:

Art Clef the 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 February 25, 2020 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.

Reported by: Diane Kubeck

Date: March 20,2020