

Thank you for the opportunity to testify on H.585.

My name is Josh Hlavaty, and I serve as the Director of Policy at Christian Healthcare Ministries (CHM), headquartered in Ohio. CHM is a nonprofit 501(c)(3) organization and the nation's first and longest-serving health cost-sharing ministry. Since our founding in 1981, we have shared 100% of eligible medical bills and have satisfied over \$13 billion in healthcare costs for our members. CHM provides a faith-based framework that allows believers to assist one another in times of medical need.

My testimony today will briefly explain how CHM works, why Section 10 of H.585 is harmful to health care sharing ministries, and share a real story from a Vermonter who relied on CHM during her time of need.

Let me briefly explain how CHM operates in Vermont.

Members contribute monthly based on the program they choose.

They select their preferred doctors and medical providers and often receive cash-pay discounts for services.

Members then submit eligible medical bills for sharing.

We have successfully operated this way for nearly 45 years. During that time, our members have shared more than \$13 billion in medical bills at a total cost of less than ten cents on the dollar.

The language currently in Section 10 of H.585 would make it more difficult to serve our members in Vermont by imposing burdensome and unnecessary reporting requirements on health care sharing ministries. As a 501(c)(3) ministry, CHM already conducts audits and publicly shares annual information for tax purposes. We also provide clear disclaimers explaining that we are not insurance in Vermont, just as we do in every state.

While Vermont is one of the smaller states in the union, CHM has made a meaningful impact for Vermonters. One example is a 64-year-old member from Chester, Vermont.

In 2024, this member, whom I will call Rachel to protect her privacy, was diagnosed with a dural arteriovenous fistula of the spine. This is a rare vascular condition involving an abnormal connection between an artery and a vein in the dura mater, the tough outer membrane that covers the spinal cord.

Surgery is available to treat this neurological vascular disorder, but the complexity and rarity of the condition made the procedure very costly. Delaying treatment could have led to permanent nerve damage. Rachel moved forward with surgery. The total cost was \$527,000. Because she did not have traditional insurance, self-pay discounts were applied, reducing her out-of-pocket responsibility to \$119,917.

Because she was a CHM member, and after paying her personal responsibility under her Bronze membership, CHM members shared the full remaining amount. This allowed Rachel to pay off the entire bill.

Rachel's story is just one example of how Vermonters benefit from health care sharing. In 2024 alone, CHM shared more than \$430,000 across 306 total needs for our Vermont members. We have also seen an increase in bills shared year over year in Vermont, which demonstrates that CHM is working for Vermonters.

While traditional insurance models often view increasing medical bills as a negative, CHM welcomes the opportunity to serve members during times of medical need.

What we do not welcome are additional regulatory requirements placed on a ministry that is already working for Vermonters. At a time when healthcare costs and insurance premiums continue to rise, CHM has faithfully served Vermonters for decades at a significantly lower cost. However, the proposed language would impose reporting requirements that would increase costs and make it harder for ministries like ours to operate.

We respectfully ask that CHM and other health care sharing ministries be allowed to continue operating freely in Vermont so that we can preserve our ability to serve our members.

Thank you for your time and consideration.



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