

**Testimony by Randy M. Hultgren, Executive Director,
Alliance of Health Care Sharing Ministries
VT House Committee on Health Care
Hearing on H.585, Section 10
March 11, 2026, 10:30 a.m.**

Good morning, Chair Black and House Health Care Committee Members. My name is Randy Hultgren, and I have the privilege of serving as the Executive Director of the Alliance of Health Care Sharing Ministries (HCSMs). The Alliance represents the majority of the ministries defined by the Affordable Care Act (ACA) that have large, nationwide memberships. There are just over a million members of Health Care Sharing Ministries in the US, including 442 members living in more than 188 households here in Vermont. In fact, I understand that a member of your Committee is a member of a health care sharing ministry.

For those who are curious, Health Care Sharing Ministries are 501(c)(3) nonprofit charities that facilitate communities of like-minded religious believers who come together to share in each other's medical bills, pray for one another, and support each other in our health journeys. Each member agrees with a statement of shared religious beliefs, the sharing guidelines for how the sharing process works, to live healthily, and, as Scripture commands, to treat our bodies as temples of the Holy Spirit. Our Alliance ministries' members share more than a billion dollars each year, including expensive bills like chemotherapy and heart bypasses, as well as routine procedures.

I should know. I have been a Samaritan Ministries member for over 12 years. During my time in the U.S. Congress, representing my district in the great state of Illinois, my family and I chose to opt out of the Congressional insurance exchange and join Samaritan Ministries International because it aligned with our religious beliefs and so much more. We have found a sweet, like-minded community that, in addition to choosing to share the financial burden of health care, prays *with* us and

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for us. I wish all of you could experience the joy and peace that comes from this type of community.

I do want to underscore that Health Care Sharing Ministries are not insurance. Our members make a moral, not contractual, commitment to each other. **Here's how it works:** as a member with a medical need, I go to my doctor for care and ask for an itemized bill after the appointment. I uploaded the itemized bill to the ministry's portal, and the ministry reviews it to confirm the charges are eligible for sharing strictly based on the ministry's publicly available guidelines. Based on the approved total, it is then assigned to other members who send their monthly commitment amounts to me. We usually receive several checks in the mail, along with notes and cards of encouragement. Some ministries may gather monthly contributions from specifically assigned members and send them as one payment directly to a health care provider, often after helping negotiate a discount off the sticker price. Each Alliance ministry member plainly explains their processes on their individual websites.

Recognizing that while such Health Care Sharing memberships are not insurance, but still a reasonable choice that many religious believers make, the ACA framers chose to accept them as an alternative under the ACA mandate rules. Thirty-four states have gone a step further to specifically clarify that HCSMs are not transacting the business of insurance and, therefore, are not subject to the insurance code.

Colorado, unfortunately, chose in 2022 to go in a different direction. It's imposing an elaborate reporting and registration scheme on Health Care Sharing Ministries. Two national atheist/humanist groups have campaigned to introduce Colorado-like bills

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in several states, including Vermont. **In fact, in 2025, HB 102, a mirror of the Colorado bill, was introduced in both the House and Senate, but failed to move.** This year, H102 was quietly added as section 10 of H.585 without debate.

So, why do we oppose Section 10 of H.585, which supporters characterize as just a “reporting” bill or a “transparency” measure? The bill actually demands that all HCSMs turn over to the state extensive and intrusive information about those with whom we affiliate and associate, including our actual contracts and names of all vendors and partners that help us carry out our programs, our communications to current and prospective members of the ministry, our operational, statistical and financial information, including which members needs we assist and how we staff our ministry. These requirements are akin to subjecting a church to a comprehensive inquiry and monitoring how it spends its collection basket, how much the pastor is paid, who its HVAC vendor is, how it evangelizes, and how it distributes from its collection basket for religious programs for its own members.

Similar to the Colorado law, Section 10 of H.585 also requires the state insurance commissioner to issue its own report using all this data. As we’ve experienced in Colorado, such reports can be both factually wrong, biased, and misleading. Here’s a real-life example: Colorado requires reporting of *gross* bills (in other words, “pre-discount”) alongside the total dollars provided to participants. Here’s how it’s misleading: The reported *gross* bill is not the *actual* amount the participant ultimately owes. A HCSM member might submit a \$10,000 bill, receive a 50-percent cash-pay discount, and end up paying \$5,000. However, under Colorado’s reporting structure, HCSMs must report \$10,000 in billing and \$5,000 shared, rather than the true \$5,000

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paid/\$5,000 shared. Colorado then reports that HCSMs only “covered” 50 percent of the need when, in reality, it was **shared 100 percent**.

Surprisingly, Section 10 also grants the Department unlimited rulemaking authority, so the future cost and scope of potential burdens are unspoken and potentially endless.

All this is not to say that HCSMs should be totally unregulated or allowed to engage in misdeeds or fraud. **Quite the opposite**. Indeed, HCSMs are already overseen by the Attorney General (AG) of every state, who has jurisdiction over all charities and nonprofits and who has broader experience balancing constitutional religious liberty interests with consumer protection. Vermont is no exception. Religious charities in Vermont are not above the law. They remain subject to Vermont’s broad consumer protection laws, outlined in Title 9 of Vermont’s Statutes, which prohibit deceptive or fraudulent conduct. The Vermont Department of Justice also retains full authority to investigate and take action against any organization, religious or secular, that lies, misuses funds, or exploits the public’s trust. Indeed, the Division of Insurance has previously taken action against entities that have engaged in bad behavior, *as it should have*. Vermont’s existing legal framework is robust and already provides sufficient tools to hold bad actors accountable, without the need to single out or impose additional burdens on faith-based organizations acting in good faith.

When it comes to transparency, we believe that public protection interests are best served by private accreditation entities. Two such entities have launched in recent years to evaluate ministries and provide reliable information to serve the public

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interest. One of them, the Health Care Sharing Accreditation Board (HCSAB), imposes more than 65 accreditation standards, including governance, religious identity, transparency, internal process, and much more. The three largest HCSMs, serving the vast majority of ministry members in the U.S., along with two smaller ministries, have already received accreditation by these bodies.

The most frequent concern we hear from regulators is that they do not want consumers to be confused and think HCSMs are insurance. We wholeheartedly agree since we are not insurance. However, placing us under the agency that regulates insurance (DFR) itself will mislead Vermonters into believing that HCSMs **are, in fact**, insurance. The very thing we are trying to avoid.

The Alliance believes there is a better way for the public to have confidence and transparency regarding HCSMs. Prospective and current members can review:

- Accreditation Status
- Annual 990s (available on IRS website and several other websites)
- CMS Certification Letters
- IRS 501(c)(3) Determination Letters
- Annual Audits (available upon request)
- Sharing Guidelines Published on Ministry Websites

These tools already provide strong transparency without infringing on religious freedom. And these are tools the AG and DFR can reference in consumer bulletins if they choose to warn Vermonters that HCSMs are not insurance.

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In closing, I strongly encourage the Committee to strike Section 10 of H.585 due to the aforementioned reasons, and because it is on desperately shaky constitutional grounds, as outlined in our attorney's memo, dated Jan. 31, 2025, which will be submitted with my testimony. Our federal lawsuit against Colorado's law is now at the Tenth Circuit Court of Appeals, awaiting its latest ruling. This is not a legal challenge Vermont can afford to take. And the Courts have been clear that it's impermissible

Thank you again for your kind attention during this time and consideration of our concerns about the bill. We stand ready to assist you and answer any questions.