

H.585 Testimony re: Sec. 10 on Healthcare Sharing Plans

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

My name is Representative Rob North from Ferrisburgh, Vermont.

The top 6 reasons why section 10 of H.585 should be removed are:

1. The language will immediately be challenged in court as unconstitutional thus driving legal costs for the state. This same language (enacted in Colorado) is being reviewed for constitutionality by the 10th Circuit US Court of Appeals, *Alliance of Health Care Sharing v. Conway*;
2. This language singles out the arrangements in Healthcare sharing groups, but these are not unique business models. They are part of a broader category of membership-based, non-insurance, mutual-aid business models that Vermont already allows to operate without insurance-style reporting in a variety of business sectors;
3. These types of health care sharing arrangements are specified with clear criteria and protected in federal law where they are identified as satisfying the requirement for “Minimum Essential Coverage” in the Affordable Care Act;
4. The current regulatory regime is working, DFR can regulate groups that act like insurance (Note: DFR cease and desist letter to Sedera from 2019);
5. If the sponsors of this language are worried about giving legitimacy to healthcare sharing arrangements then having them report to the state financial regulator has the opposite effect as it makes them look more like insurance and validates their legitimacy.
6. Healthcare sharing plans work great and are currently serving over a 1000 Vermonters enabling them to enjoy the healthcare they chose in Vermont. I am one of those. Any attempt to thwart their usage in Vermont should be removed.

Many other Healthcare sharing plans exist in the US. Some are faith-based and some are not. They each attract and serve their various members by their various benefits and cost models. Here’s a brief list of some of them:

- [Medi-Share](#): One of the largest, with over 400,000 members, offering comprehensive, faith-based plans.
- [Liberty HealthShare](#): Offers plans for a range of ages, including specifically for those 35 and younger.
- [Samaritan Ministries](#): A Christian ministry focusing on member-to-member sharing for medical needs.

- [Christian Healthcare Ministries \(CHM\)](#): One of the oldest faith-based sharing ministries.
- [Altru HealthShare](#): Provides various health sharing options, with a focus on community principles.
- [Zion HealthShare](#): A non-profit that offers more flexible, less restrictive membership options.
- [Sedera Health](#): A prominent non-religious, medical cost-sharing community.
- [OneShare Health](#): Offers flexible, faith-based cost-sharing programs.
- [Solidarity HealthShare](#): A community that does not require a statement of faith but shares Catholic/Christian values.
- [netWell Healthshare](#): Known for comprehensive plans, including options for daily, routine care.
- [United Refuah Health Share](#): Tailored to the Jewish community.
- [Universal Healthshare](#): Open to all applicants, initially founded by members of the Unitarian Universal church.
- [DPC Direct & HSA Secure](#): Specialized options that often pair with Direct Primary Care.

The following are examples of membership-based, non-insurance, mutual-aid healthcare business models that Vermont already allows to operate without insurance-style reporting, that many of our constituents are currently enjoying:

Health Care Cooperatives

- These are Member-owned organizations that pool resources to purchase or organize care.
- Operate under cooperative or nonprofit law—**not insurance law**—unless they underwrite risk.
- Reporting is typically limited to **corporate, tax, and nonprofit disclosures**, not solvency or actuarial filings.

Direct Primary Care (DPC) Practices

- Patients pay a monthly membership fee directly to providers.
- Explicitly defined in many states' statutes as **not insurance**. Maybe that's the consumer protection approach we ought to take with all such similar arrangements?
- No special reporting beyond ordinary business and consumer disclosure requirements.

Concierge / Membership Medical Practices

- These are Annual or monthly membership models providing enhanced access.
- They are voluntary, contractual arrangements outside the insurance system.

- Not subject to insurance-style regulation.

Self-Funded Employer Health Plans

- Employers pay claims directly rather than buying insurance.
- Involve large-scale risk pooling.
- Largely exempt from state insurance regulation under federal law.

Key Point: If these models that address health care costs are not treated as insurers, it is inconsistent to single out “health sharing plans and arrangements” for heightened reporting simply because they involve health costs.

There are also Non-Healthcare analogues in other business sectors such as:

Farm & Agricultural Cooperatives

- Members pool financial risk and resources.
- Governed by cooperative law.
- No special financial reporting unless operating as a bank or insurer.

Electric and Utility Cooperatives

- Member-owned, cost-sharing entities.
- Regulated for service quality and governance—not as financial institutions.

Housing Cooperatives & Community Land Trusts

- Where there is Shared financial responsibility and collective ownership.
- These are Regulated under housing and corporate law, not insurance law.

Mutual Aid & Benevolent Associations

- Longstanding, voluntary member-funded support systems.
- Operate without insurance-style regulation unless selling regulated products.

Crowdfunding Platforms (that Include Medical Fundraising!)

- These Raise funds for medical expenses with no guarantee of payment.
- These have No insurance oversight and far less transparency than health sharing models.

And, of course, CHURCHES.

Personal Experience

My personal experience with CHM has been fantastic. I belong to Christian Healthcare Ministries (CHM) which is headquartered in Ohio. I initially became a member after I retired from my engineering job at age 55 and needed some form of healthcare coverage. I heard an advertisement on the radio, checked it out, compared CHM with other similar sharing organizations as well as traditional health insurance and found CHM to be the best fit for me and far less expensive than traditional insurance. In fact, once I got on and started using it, I wished I had rejected my company-offered plan while I was working and used CHM all along. Even with my company paying 70% of my traditional high-deductible plan premiums, it still would have been less expensive for me to switch to CHM, all on my own, than stay on the company plan. Primarily because of the huge \$12,000 annual deductible that I had to satisfy every year on my traditional high deductible plan before I got any reimbursement from them. My experience with CHM is that it is essentially a 0 deductible operation once all is said and done.

I made use of my CHM benefits on 2 separate occasions for my own healthcare: COVID-19 and Lyme disease. I chose to participate in the highest level sharing plan with CHM. That suited me the best. With the \$500 per incident deductible, and the significant discount offered by the health service providers for the cash payment upon service, which CHM counted entirely towards my deductible, thus completely satisfying my deductible in every case, I essentially had all my bills paid 100% for each of these two incidents!

How do Healthcare sharing groups work?

CHM is a nonprofit 501(c)(3) organization and the nation's first and longest-serving health cost-sharing ministry. CHM provides a faith-based framework that allows believers to assist one another in times of medical need. Since its founding in 1981 (that's 45 yrs), CHM has shared 100% of eligible medical bills and satisfied over \$13 billion in healthcare costs for its members at a total administrative operating cost of less than 10%. Insurance companies are typically in the range of 12-18% overhead operating costs.

CHM operates in all 50 states. CHM has ~300 members in Vermont and ~400,000 country wide. There is only 1 state (Colorado) that has any legislation remotely like what Vermont is looking at right now, and that law is currently being litigated in court due to alleged violations of religious liberty under the first amendment. All other states are happy to enjoy the benefits that CHM brings to their citizens.

As a 501(c)(3) ministry, CHM already conducts audits and publicly shares annual information for tax purposes. CHM also provides clear disclaimers explaining that they

are not insurance in Vermont, just as they do in every state. While Vermont is one of the smaller states in the union, CHM has made a meaningful impact for Vermonters.

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 they can preserve their ability to serve their members.

How CHM operates.

CHM, like other healthcare sharing groups, is NOT insurance. They don't "work with" certain healthcare providers, thus they don't directly bill and pay for members' services at the providers.

Members contribute monthly based on the level of sharing they'd like to participate in.

Members select their preferred doctors and medical providers, whoever they want to use, MDs, DOs, Naturopathic, holistic, whomever they want to use, no affiliations necessary. And there is generally no pre-approval required, unlike insurance companies. Members present themselves as "uninsured" and pay cash or use credit card or work out a payment plan themselves directly with the providers. Members usually, therefore, receive cash-pay discounts for services because they relieve the providers from having to work through the insurance company bureaucracy to get approvals and get paid. The providers are usually quite happy to see us as customers!

Because CHM's members recognize "we're all in this together", they treat each other like a community and want to make sure we each get the healthcare we need, and we are also sensitive to the costs we incur because we know these will be shared with our fellow members (not some big impersonal and often adversarial insurance company). So members do often try to seek cost effective solutions to their healthcare needs. CHM offers tools and on-line services to help members reduce their costs and find providers in their areas, but these tools are all voluntary and helpful, never burdensome

or required or get in the way of care or its availability. You don't need to use them if you don't want to.

Once treated, members receive their itemized bill and then submit their eligible medical bills for sharing. Once submitted, CHM typically pays the entire balance within 2-3 months. Once received, it is up to the member to use that to pay off any remaining balances at the provider.

Vermont CHM Member Testimonials:

Member testimony – 64-year-old CHM 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.

Member Testimony – Kathy (fake name used to protect identity), Weston, VT

Received 2/1/26

I decided to join CHM when the cost of health insurance through the state exchange became too expensive for me to also make mortgage payments. I have come to really like CHM better than health insurance because I can pick where I get care and am learning on to be more proactive about getting the care I feel I deserve. I work in health care and I see how many of my clients can't get the care they want when they go through their insurance, more and more are starting to pay cash for better services.

A few years ago, I found out I had a large tumor on my ovary that required surgery. This tumor ended up being cancerous, and it was a very scary time. CHM was there for me and covered much of my care. It was so easy to upload bills and know CHM would be sending me a check to cover costs. I felt so loved and supported by CHM when my bills were shared. I think this is how health care should be going forward. We should

promote each other to make healthy choices but when there are those unexpected health issues, we can rest in the support of a community to help up out with the bills.

I recommend CHM to others when they can't afford health insurance premiums. I share how easy it has been for me the savings I have had.

Member Testimony – Jeremy (fake name used to protect identity), Waitsfield, VT

Received 1/27/26

I joined CHM when I became self-employed and the options available in the healthcare exchange were outside of my budget at the time so I was looking around for alternatives. Another self-employed individual at our church recommended looking into a HCSM. Between the cost savings, flexibility and the personal touch of a community sharing model, I would never go back to traditional insurance.

Only once during my time as a CHM member have I needed to share medical bills but it was a doozy. In the Fall of 2023, I was in a bicycle accident on a group training ride landing head first on the pavement doing 34 mph and resulting in an ambulance ride, a few days in the ICU and almost a week in the hospital in total as well as over two months out of work due to a fractured clavicle, ruptured ear drum, fractured skull and bleeding on the brain in five spots. Thankfully, I was wearing a top of the line helmet and have made a full recovery with no lingering issues other than the bump that everybody that has broken their collarbone has.

My experience with CHM was beyond amazing throughout that ordeal. Submission of bills for both my original hospital stay as well as my follow up appointments was incredibly easy and all were approved for sharing by CHM beyond my personal responsibility portion. It was such a more pleasant experience than dealing with traditional insurance, I would absolutely recommend CHM. In fact, with the recent premium increases for traditional insurance on the health exchange, I did suggest to a friend struggling with the new premiums switching to CHM and I believe she and her husband did end up switching.