

Too Good to be True:
The False Promise of Health Care Sharing Ministries



CONCORDIA PLANS

The complexity and expense of quality health care has many Lutheran Church–Missouri Synod ministries and church workers searching for options that solve both challenges. They seek peace of mind that workers receive the health care they deserve while managing the increasing costs for the ministry budget.

However, if well-meaning LCMS ministries focus solely on cost savings, they may not fully realize the risks of dropping their group insurance plans for too-good-to-be-true alternatives like Health Care Sharing Ministries (HCSM).



*"We just feel helpless. We feel like nobody's looking out for us. But what can we do? At this point, I signed that contract."**

– Paloma Munoz, HCSM member

WOLVES IN SHEEP'S CLOTHING

In the 10 years since Obamacare passed, HCSMs have proliferated. They promise affordability while meeting federal insurance mandates. In truth, HCSMs are not insurance. They do not offer the accountability or legal protections that come with real health insurance.

This decision to drop real health insurance shifts the burden of choosing the right plan (and high-quality care) to workers, many of whom do not have the time or industry knowledge to fully evaluate the true costs and risks. The promise of coming together to share in health share costs among like-minded Christians is appealing. But our workers often are unaware that they lose the essential benefits of real insurance coverage until it's too late.

"Beware of false prophets, who come to you in sheep's clothing but inwardly are ravenous wolves." Matthew 7:15

POCKETING MEMBERS' MONEY INSTEAD OF PAYING CLAIMS

Group insurance plans – like the coverage 16,000 LCMS workers receive from the Concordia Health Plan – pay **at least 80%** of premium dollars for their members' claims.

As a self-funded plan, Concordia Plans spends 90% of CHP contributions on member claims.

HCSMs are unregulated, so many spend much less. Investigators found some spend only 20% on members' medical bills**, while putting the remaining 80% in their own pockets.

When members fall seriously ill, HCSMs often make their pain and suffering worse:

- **\$325,000 unpaid for emergency brain surgery on a child.**

"We had a life-threatening emergency. They failed us, and [our daughter]." – HCSM member, GA

- **\$200,000 unpaid for back surgery after pre-approval.**

"I feel like I was sold a bad bill of goods. I had no idea." – HCSM member, NH

- **\$195,000 unpaid surgery and radiation for breast cancer.**

* *"We just feel helpless": Complaints mount against CT health care sharing ministries,* **Connecticut Post Feb. 5, 2021**

***Colorado lawmakers want to crack down on companies that look like health insurers but aren't,* **Colorado Sun, Feb. 4, 2020**



PUTTING CHURCH WORKERS AND THEIR FAMILIES AT RISK

Many HCSMs sacrifice their members' health to avoid paying out claims. HCSMs can pick and choose what is reimbursed and who is eligible for reimbursement. Some don't cover preventive care, life-saving screenings, pre-existing conditions or mental health claims. They do not guarantee payment of any claims or negotiate network provider fees in advance. Often, they tell members they must negotiate prices with their providers before considering a claim. Many HCSMs impose steep limitations – buried in fine print – that put families at risk of ruining their physical and financial health.

Younger, healthier workers may find this risk acceptable, making HCSMs disproportionately attractive to healthy individuals. But if an unexpected crisis or accident occurs, members may not receive full coverage for their medical expenses as many HCSMs have maximum payout caps that limit reimbursement.

Key Protections	Insurance	HCSMs
Covered services guaranteed	✓	✗
Pre-existing condition coverage	✓	✗
Out-of-pocket expense cap	✓	✗
Preventive care coverage	✓	✗
Prescription drugs at all levels	✓	✗



DID YOU KNOW?

HCSMs can impose per-incident or lifetime benefit caps that deny coverage to members who need it most?



CAUSING HARM TO OUR MINISTRIES

With more workers choosing HCSMs, the risk pool becomes smaller, sicker and more expensive for the collective care of other church workers. In this way, HCSMs harm our ministries, too. What appears to be an option that offers greater affordability and choice actually undermines the risk pool that protects the entire family of church workers under our self-insured employee benefit trust.

Dropping real, employer-sponsored insurance makes it harder for ministries to attract and retain church workers. Employees value employer insurance plans that meet their families' needs. Once they understand the risks and consequences of other alternatives, consumers often purchase coverage even when health insurance gets more expensive.



CONCORDIA PLANS CARES FOR LCMS CHURCH WORKERS

The good news is that Concordia Plans stands as an ally for LCMS ministries and church workers, and we continue to evolve the options within our health insurance plans to care for them. We "walk together" under a guaranteed, values-aligned denominational health plan.

Ministries evaluating their insurance plans are encouraged to reach out to their account manager for a deeper conversation about how we might be able to make Concordia Plans work for you. We are committed to helping your ministry weigh options and make the right decision for your workers and ministry.



CONSUMER PROTECTIONS AND EMPLOYER CONSIDERATIONS

As a decision maker for your ministry, you are likely to be a participant, too. When considering your health plan options, this chart can help you sort the traits of these options and easily identify the deficiencies of HCSMs that put church workers' physical and financial health at risk.

Consumer Protections	Insurance ¹	CHP	HCSMs ²
Is coverage for health care services guaranteed?	Yes	Yes	No
Is coverage for health care services defined up front?	Yes	Yes	No
Are prescription drugs covered in all options?	Yes	Yes	No
Are there any per-incident or lifetime benefit caps?	No	No	Yes
Are out-of-pocket expenses for the participant capped?	Yes	Yes	No
Are network provider fees negotiated in advance?	Yes	Yes	No
Can rates vary by a participant's health status?	No	No	Yes
Are preventive care services covered?	Yes	Yes	No
Are wellness benefits included?	?	Yes	?
Is assistance available to find high-quality providers?	?	Yes	No
Is coverage compatible with personal spending accounts?	?	Yes	No
Are mental health services covered in all options?	Yes	Yes	?
Are pre-existing conditions covered?	Yes	Yes	No

Employer/Fiduciary Matters	Insurance	CHP	HCSMs
Are employer contributions taxable to the worker? ³	No	No	Yes
Can worker contributions be made pre-tax?	Yes	Yes	No*
Are required contributions defined for fixed periods?	Yes	Yes	No
Are there regular independent financial audits?	Yes	Yes	?
Are contributions actuarially determined?	Yes	Yes	No
Are benefits aligned with LCMS theology?	No	Yes	?

- **GREEN** shaded boxes indicate a trait favorable to the member or employer, whether Yes or No.
- **RED** shaded boxes indicate a trait that is unfavorable to the member or employer, whether Yes or No.
- **YELLOW** shaded boxes with question marks mean that more research is needed.

* Worker contributions cannot be made pre-tax, but new regulations qualify the contributions as medical expenses that may be tax deductible if more than 7.5% of adjusted gross income is spent on unreimbursed medical expenses.

1. Assumes ACA-compliant health insurance or HMO offerings
2. Health Care Sharing Ministries
3. <https://www.irs.gov/pub/irs-wd/16-0051.pdf>

WHAT HEALTH CARE SHARING MINISTRIES "FORGOT" TO TELL YOU



Services that are often not included in coverage:

- Routine and preventive care including, but not limited to, all well-patient care and screening tests and procedures, such as:
 - > Physicals.
 - > Immunizations and vaccinations.
 - > Lab studies.
 - > Screening mammograms.
 - > Screening colonoscopy.
- Mental health
- Care for symptoms that's not connected to an easy to diagnose disease or injury (like ongoing fatigue).
- Medical supplies/equipment (may not be covered or may have extremely low lifetime coverage limits) including:
 - > Diabetic supplies.
 - > Supplies for wound care.
 - > Ostomy supplies.
 - > CPAP therapy machines and supplies.
- Medical support for weight control and management.



Morality clause limitations include:

- Smoking or tobacco use.
- Treatment needed while under the influence of alcohol.
- Motorcycle injuries.



Prescription medication limitations

Prescription medications, including maintenance medications and allergy injections, are eligible for six months per each new condition that is not pre-existing.

While HCSMs may seem like an attractive alternative, it's important to consider these risks before dropping group insurance plans. To discuss which health plan options would be best for your ministry, contact your Account Manager or call **888-927-7526**.

Bryan Kassing, MBA, FSA, MAAA

Bryan Kassing is the Assistant Vice President, Pricing and Actuarial Services for Concordia Plans. With an extensive background in health plans (prior to joining Concordia Plans in 2008, Bryan spent five years at Mercy Health), Bryan has a passion for helping ministries and their workers be healthy so they can serve in what they were called to do.



In the event of emergency/urgent care, the member or provider needs to provide notification within 72 hours of when care was given. Pre-notification of medical bills does not guarantee eligibility.

Members who were cancelled for non-payment may reapply. If approved for membership, eligible medical bills will be shared after the first three months of the new membership term. All medical conditions before the date of reapplication will be subject to the guidelines. This includes the medical conditions that happened during the prior Medi-Share membership. (If there is a gap in coverage, any coverage period are considered pre-existing conditions).



QUESTIONS?

CALL 888-927-7526 **EMAIL** info@ConcordiaPlans.org

1333 South Kirkwood Road • St. Louis, MO 63122