

HB 474 Proponent Testimony
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Alliance of Health Care Sharing Ministries (HCSMs)
House Insurance Committee
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Chairman Lampton, Vice Chairman Barhorst, Ranking Member Jarrells and Members of the Committee, thank you for allowing me to testify today as a proponent of HB 474. My name is Katy Talento and I am the Executive Director of the Alliance of Health Care Sharing Ministries (HCSMs). The Alliance serves the majority of the ministries defined by the Affordable Care Act and that have large, nationwide memberships. There are just over a million members of Health Care Sharing Ministries in the US, including more than 25,000 members here in Ohio.

Health care sharing ministries have been formed to help meet the health care cost needs of members by sharing funds voluntarily among other members of similar beliefs. The monthly amounts, or shares, each member contributes are sent to other members to help pay for their medical expenses and are administered by the health care sharing ministries, who act as clearinghouses for the shares.

Health care sharing ministries are 501(c)(3) nonprofit charities and do not assume any risk or guarantee payment of medical bills and operate with voluntary cooperative sharing without a contractual transfer of risk. Health care sharing ministries also put a heavy priority on seeking to meet the spiritual and emotional needs of members through prayer and notes of encouragement from member to member.

The bill under consideration today, HB 474, introduced by Rep. King and Rep. Mathews, who testified here last week, is a proven model that is working in dozens of other states. Indeed, thirty-three other states have adopted similar legislation, including three just this past year in West Virginia, Tennessee and Utah.

What the bill does is very simple. It recognizes and defines Health Care Sharing Ministries as what they are - religious charities that are regulated under the charitable organization section of Ohio code and not the insurance code. It will also exempt public university students who are members of HCSMs from their school's insurance coverage requirement. These students are already having their health care expenses shared by their fellow HCSM members and should not be required to increase their higher education financial burden by being forced to purchase unnecessary insurance. Additionally, it is common for the entity that is processing the insurance waiver request to be the same company that sells university insurance.

Finally, it solves the unfairness in the tax code whereby Ohioans who buy insurance are able to deduct their monthly spending on that insurance from their taxes, whereas Ohioans who join a Health Care Sharing Ministry are not able to do the same.

Because of the unique nature of health care sharing ministries, well meaning insurance regulators occasionally attempt to subject HCSMs to the same requirements as insurance companies. It is impossible to meet such standards without destroying the voluntary, ministerial nature of these ministries, and fighting the regulators in court is extremely expensive and strains the finances of the HCSM membership—who are already chosen, in many cases to live on a minister's salary. Additionally, the uncertainty created by such litigation can also harm the functioning of the ministry.

Health Care Sharing Ministries are not for everyone. They serve a niche population of Christians who express their religious obligation to one another through the sharing of medical bills. But they are certainly not insurance, and they deserve to be recognized for what they are and what they're not.

Thank you for your time and consideration, and I'm more than happy to answer any questions that you may have.