



## Learn the Pros & Cons of Christian Health Insurance

### Description

Healthcare sharing ministries have been a popular healthcare alternative since the passage of the Affordable Care Act (ACA). While most healthcare sharing ministries were formed for companies as a benefit for their own members, a handful, including Medishare, allow open membership.



Members' costs are often lower than those of other health insurance alternatives since these organizations are non-profit and do not finance the cost of some medical procedures that violate their religious or spiritual views. Before you join a healthcare sharing ministry, you should understand how it works. This article will define a healthcare sharing ministry, as well as its benefits and drawbacks, as well as various alternative health plan possibilities.

### What exactly are health-sharing ministries?

A medical sharing plan or private healthcare system is what a healthcare sharing ministry is (PHCS). It began as a faith-based 501(c)3 non-profit organization in the 1990s. Members use their shared identical ideas and values as the foundation for medical expense allocations.

The great majority of known and active healthcare sharing organizations are religiously based. In

contrast to the typical health insurance plan acquired through the federal or state exchanges, you can join a healthcare sharing ministry at any time without waiting for an open enrollment period or a qualifying life event.

- Christian Healthcare Ministries
- Medi-Share, Samaritan Ministries
- Liberty HealthShare
- United Refuah HealthShare
- MCS Medical Cost Sharing
- Altrua HealthShare
- Freedom HealthShare
- Trinity HealthShare Inc

## What is the operation of healthcare sharing ministries?

Members of healthcare sharing ministries make a certain monthly monetary contribution to their own savings account. When a member of the ministry community becomes ill and needs assistance with medical expenditures, the individual submits a request for the amount needed to meet the bill.

If the request is approved, either by a person assigned to an administrative position or by a committee vote, funds from other members' savings accounts are transferred directly to the healthcare provider. Like with typical health insurance coverage, each family or individual is normally required to pay a predetermined sum before filing a request for help to the program.

This sum can range from \$500 and \$10,000. Members belong to a preferred provider organization (PPO), which means they get pre-negotiated pricing when they use providers in that network.

A member who visits a non-PPO physician or facility may be required to pay out-of-network fees or pay the entire amount. Because participants must follow the rules of Religion, many people refer to healthcare sharing ministries as Christian health insurance or Christian care ministries. This usually means that there are no payments for procedures that violate religious values.

## What are the benefits and drawbacks of healthcare sharing ministries?

Healthcare sharing ministries, like any other health benefit, have advantages and disadvantages. This section will outline the primary benefits and drawbacks of healthcare ministries so that you can make the best selection for you and your organization.

## Advantages of Healthcare Sharing Ministries

While reduced prices are an advantage of healthcare sharing ministries, some groups also offer membership benefits such as dental and vision reductions, disability sharing, and free telehealth. The following are some additional benefits of healthcare sharing ministries:

- Healthcare sharing ministries are cost-effective since each family contributes a set monthly monetary amount based on program options.
- Membership cannot be discontinued due to the development of a medical condition.
- There are no annual or lifetime limits imposed by healthcare sharing ministries.
- Healthcare sharing ministries may be able to cover approved adoption and funeral costs.
- Membership is not affected by where you live or your employment position.
- Healthcare sharing ministries can be audited annually by an independent accounting firm to assure financial stability.
- Healthcare sharing ministries offer a realistic alternative to buying on the ACA Marketplace.
- Participants of these ministries can support one another through personal notes of encouragement, fostering a sense of community and family among themselves.

## **The disadvantages of healthcare sharing ministries**

Medishare groups, like any health insurance plan, have various drawbacks. Members must be aware of the limits so that individuals contemplating the benefit are aware of the complete process and may make the best option for their health and family. The following are some of the drawbacks of healthcare sharing ministries:

- Because many regulations do not take healthcare sharing insurance into account, consumers have little or no legal protection if a claim is not paid, coverage is rejected, or the ministry goes bankrupt.
- Treasury memo 2016-0051 affirms that healthcare sharing ministries do not qualify as MEC under the ACA's employer mandate.
- There are some limits and payment caps in place for pre-existing conditions.
- Some pre-existing diseases, such as diabetes, may necessitate an additional monthly price in addition to ordinary membership expenses.
- Because healthcare sharing ministries are faith-based groups, they may have certain membership rules. Members may, for example, be obliged to attend church on a regular basis, refrain from tobacco and illegal drugs, and attest to a certain declaration of faith.

## **Can you combine an HRA and a Medishare?**

Membership fees for healthcare sharing ministries cannot be paid under a health reimbursement arrangement (HRA), such as the eligible small employer HRA, according to IRS limitations (QSEHRA). This is because U.S. Code 2131 governs the expenses and health insurance premiums that can be reimbursed through an HRA. Because healthcare sharing ministry programs are not provided by a

health insurance business, they are not considered insurance.

As a result, according to the IRS, membership fees or gifts are not deductible. Employees may, however, be entitled to reimbursement for other forms of qualified medical expenses.

Participation in a QSEHRA, for example, is not essential to have health insurance. Workers can utilize their HRA allowance to cover out-of-pocket expenses such as prescription pharmaceuticals, counseling, over-the-counter medication, and other items.

If you're weighing the two options and looking for a more comprehensive healthcare option with more freedom and fewer restrictions for your employees, an HRA may be the way to go. Your employees will have more influence over their healthcare decisions, and you will have a tax-free and cost-effective alternative to your company's typical health insurance plan.

## **Can a health stipend be used in conjunction with healthcare sharing ministries?**

While membership fees for healthcare sharing ministries cannot be reimbursed through an HRA, they can be reimbursed through a health stipend. Because a health stipend is not a recognized health benefit, there are fewer constraints on how it can be used.

A health stipend functions in the same way as an HRA does. Workers submit reimbursement claims for medical expenses, and their employers compensate them up to the amount of their monthly allowance. Health stipends, on the other hand, are taxable and must be reported as income on an employee's W-2.

Employers can use health stipends to compensate employees for health, dental, and vision insurance premiums, chiropractic care, medical services such as office visits and medications, healthcare sharing membership fees, and other expenses.

While most health stipend expense reimbursements do not require proof of purchase, an employer may request proof of purchase for healthcare sharing ministries membership fees. A healthcare sharing ministry is not subject to HIPAA requirements because it is not a formal group health plan under IRS Publication 502.

When you submit a receipt for your membership fees, your employer might approve or reject the charge. When you are authorized, your company reimburses you up to your monthly allowance. Although some administrators may process a separate payment, most employers repay employees through payroll.

## **Conclusion**

If you're unfamiliar with healthcare sharing, it's fair to be wary. Yet, it is still relatively popular, with over 1.5 million people taking use of the benefit. Healthcare sharing can be a viable alternative to traditional health insurance, but it is not without limitations.

You should look over the Medishare membership requirements to see if the terms are acceptable to

you. Failing to abide by these terms may result in a denied application or cancellation of membership.

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