



**Insurance – Health Care Sharing Ministries - Exemption
SB 543
Senate Finance Committee Hearing
February 17, 2021
Unfavorable**

The Legal Action Center (LAC) is a non-profit law firm that uses legal and policy strategies to fight discrimination, build health equity, and restore opportunity for people with substance use disorders, criminal records, and HIV or AIDS. LAC convenes the Maryland Parity Coalition and advocates for laws and policies in Maryland that will improve access to health care and end discrimination for people with mental health and substance use disorders. **LAC opposes SB 543 as it would exempt Health Care Sharing Ministries (HCSMs) from the definition of insurance under state law and thereby bar the Maryland Insurance Administration from regulating HCSMs. It would also incentivize these entities to offer health expense sharing options to Marylanders that will neither cover the benefits mandated under state law nor provide the consumer protections required under the Affordable Care Act (ACA) and state law.**

As Maryland struggles to recover from COVID, tens of thousands of individuals now have a new pre-existing medical condition, and more individuals need care for mental health and substance use disorders. **Steps must be taken to ensure that Marylanders have access to State-regulated health insurance rather than products that “look like” insurance but provide none of the guaranteed benefits or consumer protections that are required for affordable access to care.**

HCSMs offer their members the ability to have the cost of certain health care services covered by the payments of their members but, critically, they impose significant limitations on their health coverage. HCSMs exclude payment for pre-existing conditions, cap the amount of reimbursement per incident, and frequently exclude reimbursement for the treatment of substance use disorders, preventive health care services and most prescription drugs. (Christina Lechner Goe, Non-ACA-Compliance Plans and the Risk of Market Segmentation: Considerations for State Insurance Regulators (March 2018), p. 21). These limitations are inconsistent with the mandatory coverage of substance use disorder treatment at parity under Maryland law (Ins. § 15-802) and the ACA (42 U.S.C. § 18022) and the consumer protections adopted under state and federal law to ensure affordable and comprehensive care.

As enacted, the ACA does not bar states from regulating HCSMs. (Goe at p. 20). Indeed, Maryland currently defines certain HCSMs – “a voluntary noncontractual religious publication arrangement” that meets specific requirements – as not subject to the Insurance article. Ins. § 1-202. **SB 543 would go far beyond the current statutory standard and allow other HCSM arrangements to be exempt from the MIA’s regulation, regardless of how much their practices align with insurance.** Such action would harm Marylanders who, based on cost concerns, participate in an HCSM that limits essential coverage of pre-existing conditions and treatment of mental health and substance use disorders.

In the face of the worst pandemic in over 100 years, Maryland must ensure that all residents have

access to affordable and comprehensive care. The federal government is now exploring ways to address cost barriers to insurance coverage under the ACA and will likely offer new options for comprehensive insurance coverage. Lifting critical insurance protections at this time would be counter-productive and could undermine Maryland's recovery from the pandemic. For these reasons, we urge the Committee to issue an unfavorable report on SB 543.

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