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Budget and Taxation Committee

Health and Human Services
Subcommittee

Joint Committees
Administrative, Executive,
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Audit

Children, Youth, and Families

Fair Practices and
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Pensions

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Testimony for Senate Bill 543
Insurance - Health Care Sharing Ministries - Exemption
Finance Committee
February 17, 2021

Madam Chair Kelley and Members of the Committee:

Thank you for the opportunity to present Senate Bill 543 - Insurance - Health Care Sharing Ministries - Exemption.

In Maryland, eight federally-recognized Health Care Sharing Ministries (HCSMs) operate, serving nearly 7,000 Marylanders for over 40 years. Under current law, Maryland provides a “safe harbor” and HCSMs are defined as voluntary non-contractual religious publication arrangements with 11 criteria. Recently, however, there have been concerns that HCSMs may cease to operate, due to ambiguity in the interpretation of current Maryland law.

Under the Affordable Care Act (ACA), HCSMs are defined as organizations that:

1. Are tax exempt, 501c3 nonprofit organizations;
2. Have members who share a common set of religious or ethical beliefs and share medical expenses in accordance with those beliefs;
3. Retain members after developing a medical condition;
4. Have continuously shared medical expenses for the past 20 years; and
5. Conduct an annual, independent audit that is made publicly available.

Our initial bill aimed to match Maryland law and federal law, as well as clarify that HCSMs are not insurance, and therefore not subject to insurance law. We have recognized, however, the many concerns of stakeholders in this process. There has not been agreement between parties, nor do we believe this language is sufficient in clarifying their status.

We, therefore, are recommending the parties meet in a work group and make recommendations to this committee by December 1, 2021. We will be submitting amendments to this bill establishing the work group.

Thank you for your consideration and I respectfully ask for a favorable report of Senate Bill 543.

Best regards,

A handwritten signature in cursive script, reading "Addie C. Eckardt". The signature is written in black ink and is positioned below the "Best regards," text.

Senator Addie C. Eckardt