

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

[Home](#) → [Model Legislation](#) → [Health and Human Services](#)

Health Care Sharing Ministries Freedom to Share Act

Did you know that global pharmaceutical company Bayer Healthcare was the corporate co-chair in 2011?

Findings and Purpose

Members of health care sharing ministries financially assist fellow members with large medical expenses with a result usually provided by health insurance. Due to their voluntary and ministerial nature, these ministries should be recognized in the insurance code as ministries and not as health insurance companies.

A health care sharing ministry (HCSM) is a health care cost sharing arrangement among persons of similar and sincerely held beliefs, administered by a not-for-profit religious organization. Those sharing through HCSMs are called members, and the money sent by members to other members to help pay for their medical expenses is called a share. The sharing is accomplished through members' monthly gifts directed to families in financial distress and not to an insurance reserve fund. In addition to addressing the financial needs of those facing health challenges, HCSMs also seek to help meet spiritual and emotional needs as of part the sense of community that exists among members.

HCSMs represent over 100,000 members in all fifty states. HCSMs share over 60 million dollars per year for health care costs.

Since 1981, formalized HCSMs have played a vital role in assisting tens of thousands of individuals emotionally, spiritually, and financially through medical crises and the accompanying expenses.

Since HCSMs engage in voluntary sharing and not a contractual transfer of risk, they are not insurance. The regulatory requirements of insurance, if imposed on HCSMs, would destroy the voluntary, ministerial nature of the organizations. The public good would be served by explicitly acknowledging this through a specific exemption in the state's insurance code to avoid uncertainty and waste of legal expenses.

HCSMs are under the oversight and general regulation of both the Internal Revenue Service and the states' Attorneys General since they are 501(c)(3) charities.

Ten states have already exempted HCSMs from their insurance codes, including Iowa, Kansas, Kentucky, Maryland, Missouri, Oklahoma, Pennsylvania, Utah, Virginia, and Wisconsin.

This legislation is designed so that the state insurance code specifically recognizes HCSMs as ministries and not insurance, and not subject to the additional requirements of the state insurance code.

Model Legislation

Section 1. {Short Title} This Act shall be known as the "Health Care Sharing Ministries Freedom to Share Act."

Section 2. {Exemption of Health Care Sharing Ministries from the Insurance Code} A health care sharing ministry shall not be considered to be engaging in the business of insurance for purposes of this [insert code, title, chapter, or appropriate description that describes the state's regulation of health insurance statutes].

Section 3. {Definitions} As used in this Act, the following definition applies:

A. "Health care sharing ministry" means a health care cost sharing arrangement among persons of the same religion based on their sincerely held religious beliefs, administered by a not-for-profit religious organization.

(Drafting Note: The following language may be used as an alternate Paragraph A.)

A. "Health Care Sharing Ministry" means a faith-based, non-profit organization that is tax-exempt under the Internal Revenue Code which:

1. Limits its membership to those who are of a similar faith;

2. Acts as an organizational clearinghouse for information about members/subscribers who have financial, physical or medical needs, matching them with members/subscribers with the present ability to assist those with financial or medical needs, all in accordance with the organization's criteria;

ALEC's Corporate Board

--in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

3. Provides for the financial or medical needs of a member/subscriber through payments directly from one member/subscriber to another. The requirements of this Subsection can be satisfied by a trust established solely for the benefit of members/subscribers, which is audited annually by an independent auditing firm;

4. Provides amounts that members/subscribers may contribute with no assumption of risk or promise to pay among the members/subscribers and no assumption of the risk or promise to pay by such organization to the members/subscribers;

5. Provides a written monthly statement to all members/subscribers, listing the total dollar amount of qualified needs submitted to such organization, as well as the amount actually published or assigned to members/subscribers for their contribution; and

6. Provides in substance the following written disclaimer on or accompanying all promotional documents distributed by or on behalf of the organization, including applications, and guideline materials:

"Notice: This publication is not an insurance company nor is it offered through an insurance company. Whether anyone chooses to assist you with your medical bills will be totally voluntary, as no other subscriber or member will be compelled by law to contribute toward your medical bills. As such, this publication should never be considered to be insurance. Whether you receive any payments for medical expenses and whether or not this publication continues to operate, you are always personally responsible for the payment of your own medical bills."

Section 4. {Severability Clause}

Section 5. {Repealer Clause}

Section 6. {Effective Date}

Were your laws repealed?

Adopted by the Health and Human Services Task Force at the Spring Task Force Summit on May 17, 2008. Approved by the ALEC Board of Directors June 2008.

About Us and ALEC EXPOSED. The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish www.PRWatch.org, www.SourceWatch.org, and now www.ALECexposed.org. For more information contact: editor@prwatch.org or 608-260-9713.