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March 6, 2020

The Honorable Pamela Hunter
Chair
The Honorable Deborah Ferguson
Vice Chair
National Council of Insurance Legislators
Health Insurance & Long-Term Care Issues Committee
2317 Route 34 S, Suite 2B
Manasquan, NJ 08736

RE: NCOIL's Health Care Sharing Ministry Registration Model Act

Dear Chair Hunter and Vice Chair Ferguson:

On behalf of the American Medical Association (AMA) and its physician and student members, I am writing to state our concerns with the National Council of Insurance Legislators' (NCOIL) current draft of the Health Care Sharing Ministry Registration Model Act (draft model act). The AMA appreciates and encourages NCOIL's ongoing engagement on this issue, as state legislatures should act to increase the transparency of health care sharing ministries (HCSMs) to help ensure that potential enrollees are making informed health care decisions. It is also critical that state regulators have information pertaining to the enrollment and operations of HCSMs, to better understand how these entities are functioning in their states and impacting the public—those purchasing a HCSM and those opting for comprehensive coverage. As such, the AMA urges the Health Insurance and Long-Term Care Issues Committee (Committee) to strengthen the draft model act to include greater transparency requirements and additional public disclosures.

First, the AMA urges the Committee to require transparent and public notice and disclosures from each HCSM so that consumers are able to assess whether a HCSM is the right choice for them or whether they should consider comprehensive health insurance coverage. The draft model act provides a good starting point for such notice, but the language should be expanded to explicitly include information related to the HCSM's coverage of pre-existing conditions. Research from the Commonwealth Fund¹ shows a wide variance in the key features of HCSMs and notably with pre-existing condition coverage policies. For example, some HCSMs consider such conditions when assessing eligibility, while others allow coverage related to pre-existing conditions up to a specified dollar amount. Still others identified in the research required a symptom- or treatment-free period for certain conditions like cancer, genetic defects, hereditary disease and heart conditions. As a result of differing policies and the likelihood of restrictions, consumers with pre-existing conditions must be able to determine the health and financial ramifications of enrolling in a HCSM.

¹ JoAnn Volk, Emily Curran, & Justin Giovannelli, *Health Care Sharing Ministries: What Are the Risks to Consumers and Insurance Markets?*, THE COMMONWEALTH (Aug. 8, 2018), <https://www.commonwealthfund.org/publications/fund-reports/2018/aug/health-care-sharing-ministries>. (referencing Appendix 2: Key Features of Health Care Sharing Ministries).

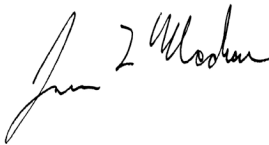
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Second, the AMA suggests that additional reporting requirements be placed on HCSMs, beyond those included in the draft model act, to allow regulators and other policymakers to evaluate the impact, risks and need for intervention related to HCSMs in their markets. For example, it is vital that regulators are aware of the enrollment numbers for each HCSM; the benefits that each HCSM purports to offer; the provider networks that each HCSM makes available to enrollees; and the medical expenses that are submitted, covered and denied each year. Regulators should also have access to information on marketing techniques and the brokers selling HCSMs, as well as financial and solvency information.

Finally, the AMA urges the Committee to ensure strong enforcement provisions are included in the legislation, allowing State departments of insurance to meaningfully enforce the provisions of the draft model act, as well as address harmful or deceptive activity that may be perceptible through consumer complaints, data collection or other reporting.

The AMA appreciates the opportunity to engage in this important effort by the Committee and looks forward to working with NCOIL to strengthen this draft model act. If you have any questions or need additional information, please contact Emily Carroll, JD, Senior Legislative Attorney, AMA Advocacy Resource Center, at 312-464-4967 or emily.carroll@ama-assn.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim L. Madara". The signature is written in a cursive, flowing style.

James L. Madara, MD