

# Mutual Aid Societies

## A Brief Guide

Michigan Family Forum

# Overview

Mutual aid societies are no new invention. The origins of these organizations can be traced back to the 1800 century, when they were known as 'fraternal organizations' or 'friendly societies'. Some of the most popular and well-known societies included the Order of Saint Luke, the United Order of True Reformers, The Loyal Order of Moose, The Security Benefit Association, the Ladies of the Maccabees.

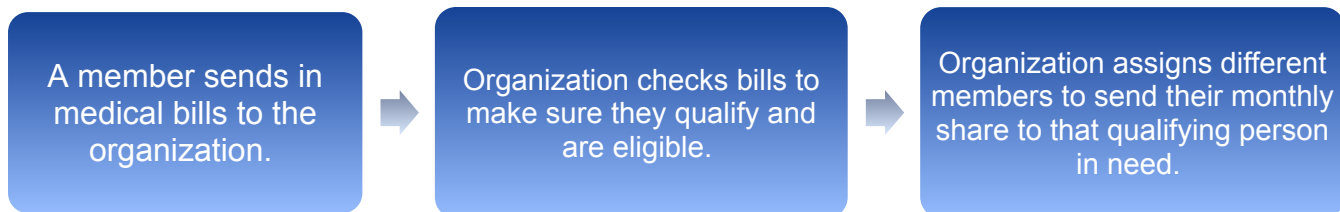
The purpose of these societies was to provide both tangible support, moral support, and some specialized education to middle class and low-income workers and families. Some of the tangible benefits provided by the societies included life insurance, medical benefits, and burial arrangements. Moral support was given through both the codes of the societies as well as in teachings of fraternalism, self-control, self-reliance and good moral character. Moral support would also be shown through helping displaced members find homes or work, punishing members who were negligent toward their wife or family, and visiting sick member at the hospital or at home. Some societies also taught basic skills in business training, leadership, and accounting. During the early 20<sup>th</sup> century, the popularity and enrollment in these societies began to wane due to the growth of institutional medicine, commercial life insurance, and employer-sponsored health benefits. Though these societies laid dormant for most of the mid-1900s, towards the end of the century, a more modern version of mutual aid societies arose in the form of Christian healthcare sharing organizations. Currently, the three most prevalent and largest mutual aid societies are; Medi-Share, Christian Healthcare Ministries, and Samaritan Ministries.

## What are Mutual Aid Societies?

Mutual aid societies are non-profit organizations, often faith based, that pay for medical expenses by pooling and distributing members' monthly shares.

## How do Mutual Aid Societies Work?

Though each organization is slightly different in their process, a general concept involves:



As with conventional insurance, most mutual aid societies do have a pseudo deductible that must be paid before coverage from the ministry begins.

## How are mutual aid societies different than normal insurance?

Since most mutual aid societies are not insurance companies and are not subject to the federal and state insurance regulations there are a number of components that differentiate them from conventional health insurance. Mainly:

- Pre-existing conditions can be excluded from coverage.
- Most organizations have a set of guidelines members must adhere to, often involving a profession of faith, a regular church attendance, abstention from drugs and pre-marital sex, and discipline involving tobacco and alcohol use.
- They can impose limits to coverage per illness. However, some organizations have special plans that will cover illnesses exceeding certain limits.
- Claims can be rejected if they do not meet the eligibility requirements of the organization.

### Benefits of mutual aid societies over traditional insurance:

1. Generally, cheaper monthly payments
2. Allows members to share similar values and views. i.e. Christian healthcare ministries.
3. Exemption from the Affordable Care Act's Individual Mandate

### Drawbacks of mutual aid societies over traditional insurance:

1. No protection under State or Federal regulations
2. Bills can be rejected.
3. Most mutual aid societies are not regulated for solvency.

### Current mutual aid societies:

Currently, the most prevalent examples of mutual aid societies exist in the form of Christian healthcare sharing organizations. For the sake of this guide, we will be focusing on the three largest of these organizations; Medi-Share, Samaritan Ministries, and Christian Healthcare Ministries. However, smaller and local societies might exist in your area.

# Medi-Share

<https://mychristiancare.org/medi-share>

## History:

Founded in 1993, Medi-Share is administered by the non-profit organization, Christian Care Ministry. They are self-regulated by a Board of Directors and are headquartered in West Melbourne, Florida. As of June 30<sup>th</sup>, 2017, they had over 290,000 total members. They have roots in the Bible verses of Acts 2:42-47, and Acts 4:32-35.

## How it Works:

From the Medi-Share website:

“Each month, your monthly share is matched with another’s eligible medical bills. Through a secure online portal, Medi-Share publishes the bills eligible for sharing and coordinates the direct sharing of medical costs between members. You will know every month whose bills you are paying, and when you have eligible bills, your fellow believers will be sharing those and praying for you.”

## Programs and Plans:

With Medi-Share, the amount you pay each month, depends on the amount of people that will be participating in the plan as well as the age of the oldest applicant. Depending on this information, members are able to choose which Annual Household Portion- a dollar amount that the member pays before bills can be shared- that best fits their current situation. A share calculator is available at Medi-Share’s website.

Medi-Share also has a program called “Health Incentive” which can save members up to 20% on their monthly shares by meeting certain criteria in the areas of blood pressure, abdominal circumference, and BMI.

Another Medi-Share program is called “Health Partner” which is a mandatory program for members with elevated risk factors. These members still enjoy the medical bill sharing but because of certain health factors, must participate as a Health Partner. The Health Partnership program fee is another \$80 per month added to the original monthly share, however members can graduate from this program if certain program goals are achieved and verified.

## Membership Requirements:

As with most Christian healthcare ministries, certain guidelines must be met to ensure eligibility to join Medi-Share. As a part of joining Medi-Share all adult members must:

- Profess to Medi-Share’s Statement of Faith
- “Agree to living by biblical standards, and bearing one another’s burdens.”
- “Attend and actively support a fellowship of believers regularly.”
- Agree to live a healthy lifestyle including abstention from tobacco and illegal drugs.
- “Only engage in sexual relations within a biblical Christian marriage.”

For more detailed information on Medi-Share Requirement’s, Pricing, and Membership:

<https://mychristiancare.org/globalassets/media/medi-share/medi-share-guidelines.pdf>

# Samaritan Ministries

<https://www.samaritanministries.org/>

## History:

Like Medi-Share, Samaritan Ministries is a biblically based Christian healthcare sharing organization citing Galatians 6:2 as their basis. According to their website, Samaritan Ministries has over 250,000 member that share over \$27 million per month in medical expenses.

## How it Works:

From the Samaritan Ministries website-

“When a member has a health care Need, he receives health care treatment from a provider of his choice, collects the bills, and sends them to Samaritan Ministries. Samaritan Ministries verifies that the Need meets the Guidelines. Then, in the monthly newsletter mailing, Samaritan Ministries directs some members to send their Shares to the member with the Need. The member with the Need receives the Shares to pay his health care bills along with prayer and notes of encouragement.”

## Programs and Plans:

Samaritan Ministries has two main memberships levels; Samaritan Classic and Samaritan Basic. Each level has an “unsharable” amount, or the amount that medical bills must exceed for the sharing process will commence.

The pricing for the Classic level is based on number of people you want on the plan, with categories for one, two, and three or more people, as well as categories for individuals under 29 years of age and widowed/divorced people with children.

The pricing for the Basic level is based on the number of people you want included in the plan as well as the age of the oldest member, with different price ranges for an oldest member of under 29, 30-44, 45-59, and 60 plus years of age.

The main differences between the plans are in the “unsharable” amount, the percentage of bills covered, and the sharing limit. With the Classic plan, members have relatively low \$300 “unsharable” amount they must pay before outside sharing begins, whereas Basic level members have a \$1,500 “unsharable” amount. Furthermore, once the “unsharable” amount is passed, Classic level member’s will have 100% qualifying bills, while Basic members will only have 90% qualifying bill percentage. Lastly, the Classic plan has a \$250,000 maximum sharing amount, while the Basic plan has a lower \$236,500 maximum. However, members with needs above this sharing limit can opt into the “Save to Share” program. The “Save to Share” program is an optional program for members with expenses exceeding the maximum sharing limit. Membership in the program involves paying an extra, yearly share, in addition to the current monthly share.

**Membership Requirements:** Like Medi-Share, Samaritan Ministries has a set of guidelines members are required to follow in order to be a part of the sharing ministry. Requirements include but are not limited to:

- Be a professing Christian and agree to Samaritan Ministry’s statement of faith.
- Attend a Church at least three weeks per month.
- Agree to abstain from illegal drugs and frequent tobacco use.
- Practice good health measures, limit consumption of alcohol, and never drink to drunkenness.
- Abstain from sexual activity outside the traditional Biblical marriage.
- Have your pastor sign a statement confirming that you meet all the requirements.

For a more in-depth guide to membership requirements:

# Christian Healthcare Ministries (CHM)

<https://www.chministries.org/>

## History:

Christian Healthcare Ministries is the first, modern healthcare sharing organization for Christians. Since their founding in 1981, they have shared over \$2.5 billion in healthcare costs. They are based on the Bible verses of Galatians 6:2 and Acts 2 and 4.

## How it Works:

CHM operates very much like both Med-Share and Samaritan Ministries. Members pay a monthly share that is sent into the ministry. When medical expenses arise, the bills are sent into CHM from members, where they are thoroughly reviewed and then inputted into a computer database. The bills are then approved and CHM sends out funds from their audited bank account reflecting the amount eligible to share. The main difference between CHM and other Christian sharing organizations, is that the money for medical expenses comes from CHM rather than directly from other members.

## Programs and Plans:

CHM offers three plans to choose from Gold, Silver, and Bronze. They each are priced by unit, with one unit representing one individual, two units representing two individuals, and three units representing three or more individuals.

The Gold program is \$150 per unit, per month. Silver is \$85 per unit, per month, and Bronze is \$45 per unit, per month. Each program has a personal responsibility per incident (PRI), or amount you must pay before coverage begins. The Gold program's PRI is \$500, the Silver Program's PRI is \$1,000, and the Bronze Program's PRI is \$5,000. The Gold Program also includes incident-related doctor visits, prescriptions, and physical therapy/ home healthcare. All programs have a sharing limit of \$125,000. For expenses exceeding \$125,000 there is a program available called "Brother's Keeper".

Similar to Samaritan Ministries' Save to Share program, "Brother's Keeper" is a program member can choose to be a part of in coordination with their current membership. In the program, members pay an extra quarterly fee for increased coverage in expenses exceeding \$125,000. In the Gold Program with "Brother's Keeper", members receive unlimited cost support per illness. While in the Gold and Silver programs, members with "Brother's Keeper" receive an additional \$100,000 to \$1 million per illness. Extra fees for "Brother's Keepers" depends on the level of program, a member is enrolled in.

For more information on CHM's programs: <https://www.chministries.org/programs.aspx>

For more detail on the Brother's Keepers program: <https://www.chministries.org/catastrophicbills.aspx>

## Membership Requirements:

Like Samaritan Ministries and Medi-Share, CHM also has certain guidelines members must follow in order to participate in the ministry. Participating adults in CHM must

- Be a Christian, living by biblical principles.
- Abstain from tobacco and illegal drug use.
- Follow biblical teaching regarding alcohol.
- Regularly attend group worship if health permits.

For more information on CHM membership, plans, and pricing: <https://www.chministries.org/guidelines.aspx>

# Sources and Additional Information

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## Additional Information:

Medi-Share Sources: <https://mychristiancare.org/globalassets/media/medi-share/medi-share-guidelines.pdf>

<https://mychristiancare.org/our-ministry/>

Samaritan Ministries Sources: [https://www.samaritanministries.org/why\\_samaritan/sharing](https://www.samaritanministries.org/why_samaritan/sharing)

[https://www.samaritanministries.org/uploads/documents/SMI-Guidelines-Feb2018\\_download.pdf](https://www.samaritanministries.org/uploads/documents/SMI-Guidelines-Feb2018_download.pdf)

Christian Healthcare Ministries Sources: <https://www.chministries.org/default.aspx>

<https://www.chministries.org/howitworks.aspx>

<https://www.chministries.org/programs.aspx>