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AMERICAN LEGISLATIVE EXCHANGE COUNCIL
ALEC

Prepared Statement on House Bills 30 and 153

of

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submitted to the

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Introduction

My name is Christie Herrera and I am the director of the Health and Human Services Task Force at the American Legislative Exchange Council, or "ALEC." ALEC is the nation's largest nonpartisan individual membership association of state legislators, with 2,000 state legislator members from all 50 states and more than 100 members of Congress. Since 2005, 38 states have enacted model legislation drafted by ALEC's Health and Human Services Task Force.

ALEC Commends House Bill 30 and House Bill 153

House Bills 30 and 153 are modeled after ALEC's model legislation, the *Health Care Sharing Ministries Freedom to Share Act*, and the *Health Care Sharing Ministries Tax Parity Act*. Both measures protect health care sharing ministries (HCSMs), which are voluntary, healthcare cost-sharing arrangements among those who share similar religious beliefs.

House Bill 30 would exempt HCSMs from regulation in the state insurance code, and House Bill 153 would give HCSM members a state income tax deduction for health care sharing expenses. More than 100,000 Americans share more than \$60 million in health costs through HCSMs nationwide.

House Bill 30 Protects Health Care Sharing Ministries from Overregulation

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.

Members of health care sharing ministries financially assist fellow members with large medical expenses with a result usually provided by health insurance. 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 which exists among members.

ALEC supports House Bill 30 because we believe that HCSMs are voluntary and ministerial in nature—so they should be recognized as ministries, not as health insurance companies. In fact, 11 states have explicitly recognized this and have exempted HCSMs from their insurance codes.

House Bill 153 Helps Support Those Who Pay Medical Bills Through Health Care Sharing

At a time of economic instability and rising costs, ALEC believes that health care sharing ministries (HCSMs) must be supported—as many Montanans rely on HCSMs to pay their medical bills. House Bill 153 would allow personal and business deductibility for HCSM payments; a tax-free fringe benefit for employer provided HCSM memberships; and non-taxability of gifts received from HCSM members to assist with medical expenses.

ALEC believes that HCSMs are an important tool in ensuring that families of faith may continue to pay for medical care through voluntary cooperation, not taxpayer dollars. HCSMs receive no government funding, and often provide low-income families with an alternative to Medicaid or other forms of government-run health care. Employees in a business receive their health benefits

tax free—and so it is only fair that the hundreds of Montanans in HCSMs receive those same tax breaks.

Conclusion

ALEC applauds House Bill 30 and House Bill 153 because we support health care sharing ministries as a way for families of faith to pay for medical bills. We look forward to working with the Montana Legislature in the weeks ahead to develop this proposal. I would be pleased to answer any questions you might have at 202-742-8505 or christie@alec.org.