

**From:** [David Tschantz](#)  
**To:** [OIC Rules Coordinator](#)  
**Subject:** Proposed HCSM Rule R 2021-17 for new sections WAC 284-43-8210 through 8230  
**Date:** Wednesday, May 25, 2022 12:53:07 PM  
**Attachments:** [20220525 Christian Healthcare Ministries.pdf](#)

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External Email

Good afternoon!

Comments respectfully submitted for your department's review.

Thank you,

Dave Tschantz

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**Please note:** Those who call or email the CHM office detailing their circumstances and asking if medical expenses qualify for sharing will be given an opinion, not a decision. All medical bills are shared in accordance with the CHM Guidelines. Additionally, the information in this email may be confidential and/or privileged. This email is intended to be reviewed only by the individual or organization named above. If you are not the intended recipient or an authorized representative of the intended recipient, you are hereby notified that any review, dissemination or copying of this email and its attachments is prohibited. If you have received this email in error, please immediately notify the sender by return email and delete this email from your system.

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# Christian Healthcare Ministries

## *The biblical solution to healthcare costs*

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May 24, 2022

MS. JANE BEYER  
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**Re: Comments on Proposed HCSM Rule R 2021-  
17 for new sections WAC 284-43-8210  
through 8230**

Dear Ms. Beyer:

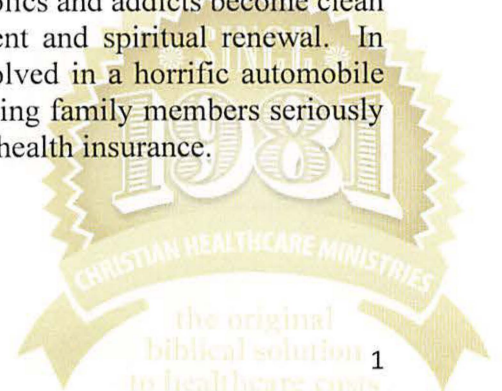
This letter serves as our offer of comments on your department's proposed rules pertaining to health care sharing ministries. We appreciate the opportunity to offer comments.

As an initial matter, let me say that we are happy and more than willing to share relevant documents and information with any regulator who seeks to protect the consumers of their state. We strongly believe in the transparency of our entire operation, both to our membership and to the general public, so we view these proposed rule sections as a reasonable exercise of your authority.

We also view this as an opportunity to demonstrate that not only are we conducting our operations in a way that benefits Washington consumers, we are actively advocating for more transparency in our industry throughout the nation and in Washington.

### **i. CHM's History**

CHM began 40 years ago as an arm of a not-for-profit organization in Barberton, Ohio, called the Barberton Rescue Mission (BRM). BRM's mission, begun in 1965, was—and still is, under its modern name of New Destiny Treatment Center—to help alcoholics and addicts become clean and sober through a combination of counseling, medical treatment and spiritual renewal. In October of 1981, BRM's director Rev. Bruce Hawthorn was involved in a horrific automobile accident in which his wife and daughter were killed and the surviving family members seriously injured. Adding to this tragedy was the fact that the family had no health insurance.



BRM published an account of the tragic circumstances in its newsletter, and the outpouring of financial support for the family from his fellow Christians in the Barberton area inspired him the following year to set up a separate operation within BRM called the Christian Brotherhood Newsletter. The arrangement was simple: If you subscribed to the newsletter, and an eligible need developed while you were a subscriber, other subscribers would voluntarily share their gifts to the ministry with you until all those eligible medical expenses were reimbursed. The arrangement operated then, as it does now, on several basic principles:

- 1) A member has no basis on which to claim that this arrangement is insurance.
  - a) No promises are made, either verbally or by contract, to accept the members' responsibility to pay their own expenses.
  - b) The ministry strictly avoids use of insurance terms such as premium, reserves, surplus, policy, and coverage.
  - c) The member acknowledges in writing as part of the application process that CHM is not insurance.
  - d) The arrangement operates similarly to a church benevolence fund. If the fund can help, it likely will, but there's no guarantee of help, ever.
- 2) Because there are no guarantees, joining this ministry and making an informed decision to forgo traditional insurance is an act of faith based on the common religious beliefs of the members.
- 3) The ministry deals directly with its members; not through insurance agents or brokers or other commissioned parties.
- 4) The ministry sets standard sharing amounts based on the members' preferred level of participation, regardless of age, weight, or health status.
- 5) The ministry does not underwrite in any fashion, nor adjust rates based on a member's usage or medical condition.
- 6) The three levels of participation are based solely on the members' choices, not on health-related characteristics.
- 7) Providing religious ministry and spiritual support, beyond financial sharing, to the member who is suffering is a critical part of the mission of the organization.
- 8) The ministry makes clear which expenses are eligible and which are not—so prospective members can make an informed decision whether to join.
- 9) The overall objective of the ministry is for Christians to assist their brothers and sisters in their faith---not to build wealth. Therefore, the key metric for this ministry is the number of days between receipt of an eligible expense and when that expense is shared. Another important metric, in view of this motivation, is the percentage of administrative costs to overall members gifts. At CHM, this percentage has historically stayed around 6%.

In 2001, CBN was incorporated as a separate not-for-profit organization from BRM and recognized as a 501(c)(3) organization by the IRS. In 2006 it changed its corporate name to Christian Healthcare Ministries, Inc.

## **ii. CHM's Operations Overview**

CHM, in its operations, not only continues to adhere to the above traditional standards, it has taken additional measures to enhance and increase consumer protections and awareness. Some of these measures are the following:

- 1) CHM annually files a Form 990 with the IRS, even though it is not required to do so.
- 2) It applied for and received a letter of certification from the Centers for Medicare & Medicaid Services which confirms that the ministry complies with 26 USC §5000A(d)(2)(B)(ii) as a federally recognized health sharing ministry under the Affordable Care Act.
- 3) It publishes and informs prospective members of its Statement of Beliefs and requires prospective members to confirm their personal adherence to those beliefs at the time of application.
- 4) It emphasizes in its marketing and other materials that it is not insurance.
- 5) All statements concerning its history of sharing are backed up by independently audited financial statements.
- 6) All financial statements, including funds paid to share members' medical expenses, are annually independently audited, and audit results are reported to the ministry board of directors. The board also annually meets with the audit team independent of management. Audit results are available to the public upon request.
- 7) CHM does not use outside vendors to administer the core functions of member service, including medical bill eligibility determinations, payment of sharing amounts, marketing, or onboarding of new members.
- 8) No outside vendor used by the ministry has a personal or outside business relationship with any CHM officer or director.
- 9) Directors are independent. None of them act in an operational capacity as officers or employees of the ministry.
- 10) CHM strives to keep its expenses as low as possible to free up the maximum amount of money for sharing of medical expenses. Its budgeted expenses for 2022: 6.5% of total member gifts.
- 11) Income from investments is used for sharing the same as gift amounts remitted by the members.
- 12) CHM has taken, and continues to upgrade, its cyber defenses to protect its members personally identifiable information and its data systems.
- 13) CHM does not use or advocate use of a preferred provider network, nor does it penalize in any way a member who uses the licensed medical care professional of their choice. CHM does provide a method for members to recommend providers to other members.

## **iii. Specific Comments on the Proposed Rule**

- 1) Regarding proposed section WAC 284-43-8220 Prompt reply to the commissioner required:

We recommend and respectfully request that this time period be lengthened to twenty business days from receipt, and request that the rule note that “in writing” includes via electronic mail.

- 2) We recommend that the rule use the defined term “independent certified public accounting firm” instead of the other definition found therein of “certified public accounting firm.”

Again, we appreciate the opportunity to provide these comments.

Regards,



David E. Tschantz  
Vice President and General Counsel  
Christian Healthcare Ministries, Inc.