



CONSUMER ADVISORY

The Maryland Insurance Administration warns of risks involved in crowd-funding healthcare payment platform CrowdHealth

The Maryland Insurance Administration has become aware of a healthcare payment platform called CrowdHealth, which uses peer-to-peer crowdfunding to fund members' healthcare expenses. While similar in design to healthcare sharing ministries, which are permitted to operate under Maryland law in certain circumstances, CrowdHealth has a for-profit structure that does not require that members have common ethical or religious beliefs. There may be other non-religious healthcare payment sharing platforms that operate in Maryland or that may do so in the future.

It is important to know that these types of arrangements do not meet many requirements for health coverage under Maryland law, that these arrangements are not insurance, and that they do not guarantee payment. More information about how these entities work, and important considerations for consumers, are below.

How Healthcare Sharing Ministries work

Healthcare Sharing Ministries (HCSMs) are faith-based, nonprofit organizations whose Members agree to make contributions to help pay all or some portion of certain health care expenses of fellow members, through voluntary contributions. HCSMs that meet certain requirements are not considered health insurance, and members are not guaranteed that any part of their own health care expenses will be paid by fellow members.

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How CrowdHealth works

CrowdHealth's platform offers a healthcare expense reimbursement design similar to HCSMs, but CrowdHealth is a for-profit entity, without a faith-based component. CrowdHealth members pay a monthly administration fee, and contribute to the expenses of other members up to a monthly cap.

For routine, non-emergency healthcare a CrowdHealth member will negotiate the cost of service with healthcare providers, pay the bill in cash, and submit the receipts to CrowdHealth for peer-to-peer crowdfunding-based compensation. Other members can then agree to or decline to pay part of the healthcare bill, and funding for any claim is not guaranteed.

The service is not available to everyone. You cannot be a past or present tobacco user, 65 or older, and there are weight limits for both men and women. For previously diagnosed health conditions, no costs associated with the condition are eligible for crowdfunding in the first or second year, and limited in later years. Fertility treatments, prescription drugs taken on a long-term basis, and many other procedures and treatments are not eligible for crowdfunding.

What to consider

Before joining a Healthcare Sharing Ministry or other expense - sharing plan like CrowdHealth, be sure to understand how the plan works and what benefits you or your family can count on. Consider that these entities:

- do not have to comply with the consumer protections of the federal Affordable Care Act (ACA), like covering treatments for pre-existing conditions or capping your out-of-pocket costs
- are not insurance, and do not guarantee payment. If you do not receive payment for your health care or have other complaints about the plan, the Maryland Insurance Administration or your own state's regulator cannot assist you.
- generally do not have healthcare provider networks, so members may be charged prices higher than the negotiated rates charged to consumers who have insurance coverage.

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Health Coverage Assistance Team (H-CAT)

If you have any questions or concerns, the Maryland Insurance Administration's **Health Coverage Assistance Team (H-CAT)** can assist you. H-CAT can help you:

- Get answers to your health insurance questions.
- Address health insurance problems or concerns.
- File a complaint about your health insurance issue or concern.
- Connect you to resources.

Visit our website or call (410) 468-2442.



hcat.mia@maryland.gov



410-468-2442



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