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Kentucky court decision won't affect Samaritan members

Yesterday the Kentucky Supreme Court rendered a 5-2 split decision finding that Medi-Share, a health care sharing ministry, was insurance and did not qualify for a "Religious Publication Exemption." (An exemption crafted for charities operating a health care sharing ministry.) The decision overturned contrary findings by the circuit and appellate courts.

Samaritan Ministries International (SMI) general counsel, Brian Heller, noted that the court based its decision on the voluntary agreement by Medi-Share members to help one another by sending funds to Medi-Share to administer as a trustee, and the court concluded that this procedure resulted in the "pooling" of funds, and "risk shifting", an essential element to an insurance contract.

Heller added, "What the court did not explain is how a pooling arrangement can "shift risk" when all participation in the pool is voluntary and thus no member of the pool has any legal responsibility for any other member's medical expense. Taken literally, the court's decision would require religious communities like the Amish to comply with insurance regulations before they can help each other with medical bills."

The Kentucky case is not final as Medi-Share can ask for a "rehearing," and the decision failed to even mention the religious freedom issues which Medi-Share raised in its defense. In any event, the Kentucky decision has no direct effect on SMI members since Samaritan members mail their assistance directly to the member family in need. Thus Samaritan members do not "pool" their money, and the direct mailing of assistance also meets the requirements for the "Religious Publication Exemption" for which Medi-Share's procedures were declared insufficient.

Samaritan Ministries Vice President James Lansberry commented, "The Kentucky decision is unfortunate, and we'll be praying for our brothers and sisters at Medi-Share for a quick, just resolution to the matter. Samaritan will be doing what we can to help any Medi-Share members should the decision stand."

Samaritan Ministries is a 501c3 religious, member-directed organization located in Peoria, Illinois. Founded in 1994, SMI publishes a monthly newsletter through which it operates a Health Care Sharing Ministry. It includes more than 15,000 member households who live in all 50 states and around the world. For more information call (877) 764-2426, send e-mail to mikemiller@smchcn.net, or view www.samaritanministries.org. We can also be found on Twitter (SamaritanMin) and Facebook (Samaritan Ministries).

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