

A background image showing a medical billing statement, a calculator, a pen, and a stethoscope. The billing statement is the central focus, with various fields and text visible, including 'Billing Statement', 'Account No.', 'Statement Date', and a table of services with dates and amounts. The calculator is on the left, the pen is in the foreground, and the stethoscope is on the right.

## It's Not Broken—It Was Built That Way

### Understanding the Economics of the Medical Industry

By Merle Herr

We live in an age of unprecedented healthcare. Helicopters swoop down to the accident scene and whisk away the seriously wounded to trauma hospitals. Advanced imaging equipment spots early-stage diseases, enabling better diagnoses and early treatments. New medical breakthroughs bring hope, healing, and extending life. Modern medicine with its centuries of learning and discoveries is a precious gift of God's sovereign grace. On one hand, we feel gratitude. On the other hand, a growing frustration is felt, particularly in the last decade. Something has shifted—or drifted from its moorings.

The American healthcare system offers world-class medical care but simultaneously feels like a broken economic machine. Medical prices have skyrocketed over the past several decades, outpacing average inflation rates by approximately 150%.<sup>1</sup> If you're like many, you live with a sense of fear should you need hospital services because of the economics of the system. However, investigative journalists like Marshall Allen and surgeons-turned-advocates like Dr. Marty Makary argue a more sobering thesis: the system isn't broken at all. It is functioning like it was designed—as a sophisticated revenue-extraction engine.

#### Evolution of an Extraction Engine

In his seminal work, *Never Pay the First Bill*, Marshall Allen notes that the complexity of the system is its greatest feature for those who profit from it. When we call healthcare "broken," we imply an unintended malfunction. But for the insurance conglomerates and hospital monopolies, the lack of transparency and obscure costs are the very gears that drive high profits.

While the title of this article might imply the system was intentionally "built" to be broken, it's likely an unintended consequence. Most people don't typically

set out to be ill-motivated or explicitly selfish. But due to passively choosing to not push against the tailwinds of self-interest and greed, people end up building something worse than they intended. In this sense, the medical system evolved over time with the push and pull of various forces molding it into its current twisted shape. The net result is a stealthy financial extraction by an industry that historically was a non-profit endeavor.

#### The Mirage of Pricing Transparency

The foundation of any functional market is the ability of the consumer to know the price of a service before purchasing it. In healthcare, this logic is inverted and keenly felt by most patients. The calls for reform have reached the highest levels of government, with Robert F. Kennedy Jr. emphasizing the systemic nature of the problem, stating upon his appointment to Health and Human Services, "We need a radical revolution of healthcare transparency!"

As Allen highlights, the price for a simple MRI can vary by thousands of dollars within the same ZIP Code, or even within the same building, depending on who is paying. This isn't an accidental variance; it is a calculated strategy. Without a fixed price, there is no ceiling on what can be charged to the uninformed. Dr. Marty Makary, in his book *The Price We Pay*, exposes the "chargemaster"—the internal, inflated price list used by hospitals. Makary writes, "The chargemaster is a list of phony, high prices that no one actually pays, except the most vulnerable—the uninsured and those who accidentally go out-of-network."<sup>2</sup> This dual-pricing system creates an environment where the least capable of paying are billed the most. Research published in *Health Affairs* has shown that some hospitals mark up their services by more than 1,000% over the actual cost of care,<sup>3</sup> a practice that would be considered price gouging in any other sector of the economy.

### In This Issue

Medical Industry Economics	1-3
Reference-Based Pricing	3-4
Updates and Reports	5
Balance Billing	6
Uncoded Bills & Lack of Transparency	7

### The Self-Pay Discount: A Deceptive Deal

For those in the self-pay world, a specialized form of opaque pricing exists. Hospitals often present a "self-pay discount" of 50%, 60%, or even 70% as a gesture of goodwill. However, when the starting point is a chargemaster rate inflated by 1,000% over the actual cost, a 50% discount isn't a bargain—it's just a slightly more polite form of price gouging. It's like marking a \$20 toaster up to \$200, then offering it to a neighbor for the "special price" of \$100.

A stark example of this can be found with a large healthcare system in the Mid-Atlantic region of Pennsylvania, specifically aimed at the large concentration of the Anabaptist community. They market a "Plain Community Discount Program" specifically targeting Amish and Mennonite families. The program is presented with high-touch marketing, including a published annual booklet featuring an Amish quilt on the cover. While it offers a straightforward 45 to 50% discount from the chargemaster, it is a strategic maneuver to harvest inflated prices from a group that is conscientious about paying their bills.

As Makary notes, such "discounts" are sometimes higher than the rates negotiated by big insurance companies. For the self-pay consumer, the hospital is not always offering a deal; they are simply anchoring the negotiation to a phony price so that the final bill—even after a "Plain Community" discount—may still represent an exorbitant profit margin. In this "stunted, irrational cash market," the patient is thanked for paying a price that would be considered extortion in any other industry.<sup>4</sup>

Medical Billing Comparison: The Illusion of the 50% Discount

Service	Medicare + 50% (Brotherhood's Rate)	Hospital Chargemaster (500% Markup)	50% Discount from Chargemaster
CT Scan	\$975	\$3,250	\$1,625
ER Visit	\$570	\$1,900	\$950
Lab Work	\$210	\$700	\$350

### Balance Billing

Balance billing is designed to reclaim the "lost" profit when a medical sharing plan pushes back against the elevated chargemaster pricing by paying a fair price using Reference-Based Pricing (RBP)—a method where payments are set against an objective benchmark like Medicare rates rather than a hospital's arbitrary chargemaster.

The balance bill relies on two tactical maneuvers:

- **The Rejection of a Generous Price:** After the patient's sharing plan issues a payment based on pricing benchmarks (Medicare plus a generous margin), the provider ignores the legitimacy of that Reference Price. They treat the fair payment as a mere deposit rather than a paid-in-full transaction.
- **The Acceptance of Partial Payment:** Once the provider has accepted the fair and reasonable payment, they send a secondary bill directly to the member to make payment for the "balance." This is an attempt to make the case that the original elevated price was a legitimate price and only partial payment was made.

This is not a clerical error. Balance billing is an unprincipled practice that ignores the reality of fair economic exchange. As Marshall Allen notes, the patient is not expecting the balance bill while on the gurney. By the time the bill arrives, the service is rendered, and the hospital claims the debt is owed. Dr. Marty Makary describes this as a moral decoupling where "the surprise bill is the dividend of a predatory investment."<sup>5</sup>

For the members of Anabaptist Brotherhood, this is the moment where stewardship meets advocacy. To quietly pay a balance bill is to deny the call to stewardship. True stewardship requires standing on the truth of what the Scripture calls a "fair weight and measure." Once a true, reasonable, and generous payment has been made based on objective pricing data, the "balance" is a phantom debt.

### Predatory Debt

Medical debt is a leading cause of bankruptcy in the United States, yet it is unique among debts. Unlike a mortgage or a car loan, medical debt is often non-consensual. One does not typically shop for the best price while experiencing a myocardial infarction.

The industry has leveraged this lack of choice. Investigations have revealed that nearly 100 million Americans are saddled with medical debt, often due to aggressive collection tactics.<sup>6</sup> Hospitals have transitioned from sanctuaries of healing to aggressive creditors. "The predatory nature of medical billing is a moral crisis disguised as an economic one," Makary argues.<sup>7</sup> The system relies on the fact that patients are too sick, too tired, or too intimidated by billing complexity to solve the problem.

### The Physicians' Dilemma: Good Hearts in a Bad System

It is a mistake to conflate the greed of the medical-industrial complex with the intent of the individual clinician. The majority of doctors and nurses enter the field driven by a genuine desire to heal, only to find themselves as cogs in a machine that uses billing practices that are not ethical.

Many good-hearted doctors are the loudest critics of this economic structure. Dr. Makary emphasizes that physicians are often just as victimized by the lack of pricing transparency as patients. "Most doctors hate the billing games as much as patients do. They went into medicine to treat people, not to be the front-office for a debt-collection agency."<sup>8</sup> Many doctors in the private primary care sector are operating with fair, transparent pricing. Some have moved entirely away from outside pricing structures by using a transparent fee for service.

### Reforms and Progress

We live in a country that still grants religious freedom and fosters free-market enterprise. Political leaders like Robert F. Kennedy Jr. (Health and Human Services) and Dr. Marty Makary (recently appointed as FDA Commissioner) are calling the medical industry to embrace free-market pricing reforms. Change is occurring. Pockets of economic innovators are creating true pricing transparency; companies like MDSave.com, CashMD.com and CadetCare.com have recently innovated pricing tools to reveal actual prices. Hospitals and outpatient facilities willing to set themselves apart from the mainstream can join what Kennedy calls the "radical revolution of healthcare transparency."

In addition, several communities of Anabaptists have accomplished a radical change in a quiet, non-political, yet faithful way. Plain Church Group Ministries (Amish-operated) in northern Indiana has worked relentlessly within a 30-mile radius. As a third-party bill management service serving hundreds of Anabaptist church sharing plans, they have achieved the unthinkable after nearly ten years of effort. They hold mutual agreements with hundreds of hospitals and outpatient facilities that have agreed to reject inflated chargemaster pricing in favor of Reference-Based Pricing (RBP) at a rate slightly above Medicare or "flat Medicare"—meaning pricing is based on Medicare rates without an additional percentage added.

Vernon Beachy, the administrator, notes that they didn't accomplish a flat Medicare rate overnight. Years ago, they shifted to Reference-based Pricing by paying bills at Medicare plus 35%. Gradually they earned the trust of local providers and moved the price down to current affordable

rates. In 2025, they managed \$71 million in medical expenses for the Plain community. Ohio Medical Aid Services (the main Amish sharing plan for the state of Ohio) has also shifted away from the deceptive discounts of inflated chargemasters. Using RBP, they have achieved an average rate of Medicare plus 20% to 25%. Managing nearly \$70 million in 2025, Ohio Medical Aid Services has reached a remarkable pricing milestone.

Both of these Amish-led organizations are active reformers, leading a much-needed quiet economic change in their respective spheres of influence. Meanwhile, grassroots Anabaptist medical aid plans like Weaverland Medical (Weaverland Conference) are extending noble efforts in the Mid-Atlantic area of Pennsylvania. They are humbly requesting an end to exorbitant chargemaster pricing and the associated "Plain Community" discounts. In the past several years, this effort has required patience, hard conversations, and persistence. This is understandable because millions of dollars are at stake for hospital systems if they cooperate with the Anabaptists' quiet determination to shift medical pricing to a transparent pricing model of Reference-based Pricing.


### Conclusion: Reclaiming the Truth

As Marshall Allen argues in *Never Pay the First Bill*, the first step toward reform is to stand in the gap and not accept the status quo as "broken." If we passively shrug our shoulders and say "it is what it is," we are left with plagued consciences by doing nothing. The Amish medical aid organizations mentioned above have started a graceful, yet corrective movement that others should follow.

Borrowing heavily from the economic innovation the Amish have accomplished with their medical aid plans in Ohio and Indiana, Brotherhood is modeling its nationwide efforts on the same premise. Rather than playing the hospital's game of arbitrary self-pay discounts from exorbitantly priced chargemasters, Brotherhood has pivoted away entirely. By using objective benchmarks—such as Medicare rates and the hospital's actual cost basis—Brotherhood bypasses the inflated 10x

chargemasters to arrive at a reference-based price that is both true and reasonable—even generous—for the provider.<sup>10</sup>

Furthermore, Brotherhood recognizes that the balance billing problem is far too complex for an individual to navigate alone. By providing strong member advocacy, they step into the gap, negotiating directly with providers on the members' behalf using advanced pricing data to reach the truth about fair pricing. This advocacy is backed by data-informed negotiations and financial tools to ensure that providers are paid a reasonable price by an organization that understands the complexities of the industry's economics.

The medical system may have been unintentionally built by industry leaders, but its result is widespread frustration and economic complexity. We have an opportunity for a Christian response! Through truth, transparency, and collective advocacy, we can respond and be a beacon of Christ's light to an industry that lives in economic shadows. Anabaptists are a people committed to godly stewardship of resources. Sometimes it's hard to face the truth: the self-pay discount from elevated chargemasters has silently bled our communities economically. Suffering is an appropriate posture, and so is a humble appeal for "fair weights and measures." Whether we suffer or appeal, the hymn we often sing comes to mind: "Rise up, O men of God!" 

### End Notes and Citations

- 1 Bureau of Labor Statistics; January, 2000 to June, 2023.
- 2 Makary, M. (2019). *The Price We Pay*. Bloomsbury Publishing, p. 18.
- 3 Bai, G., & Anderson, G. F. (2015). "Extreme Markup: The Fifty US Hospitals With The Highest Charge-To-Cost Ratios." *Health Affairs*, 34(6).
- 4 Makary, M. (2019). *The Price We Pay*. Bloomsbury Publishing, p. 142.
- 5 Makary, M. (2019). *The Price We Pay*. Bloomsbury Publishing, p. 86.
- 6 Kaiser Health News (KHN). (2022). "Diagnosis: Debt." Joint investigation with NPR.
- 7 Makary, M. (2019). *The Price We Pay*. Bloomsbury Publishing, p. 210.
- 8 Makary, M. (2019). *The Price We Pay*. Bloomsbury Publishing, p. 114.
- 9 Centers for Medicare & Medicaid Services (CMS). (2024). National Health Expenditure Data.
- 10 For an in-depth understanding of Reference-Based Pricing, see article in this newsletter.

## What is Reference-Based Pricing and Why it Matters? *Solving the problem of self-pay discounts*

One of the core tenants of Anabaptist theology is the concept of "bearing one another's burdens." This is not a metaphor; it is our spiritual DNA. We covet the opportunity to bear a brother's overwhelming burden. To turn the responsibility of medical payments over to the government would rightly offend our forefathers who laid the foundational doctrinal stone of mutual aid. It is a sacred privilege to negotiate fair medical payments between providers and patients and bridge the complex gap with mutually agreed upon payment solutions.

As the American healthcare system has evolved into a billing industrial complex, the simple act of paying a medical bill has become a frustrating navigation through a minefield of obscure, inflated prices and deceptive "discounts." To protect the integrity of the church's role in medical aid, Anabaptist Brotherhood has taken a humble stand. Thanks to the Amish sharing plans that have pioneered the way, a much-needed alternative to the traditional "self-pay discount off the chargemaster" model is possible. Instead of using a discount approach, we utilize **Reference-Based Pricing (RBP)**.

### The Myth of the "Self-Pay Discount"

For decades, the currency of the self-pay arrangement has been the "negotiated discount." In some regions, it is even marketed as the "Plain

Community Discount." For example, a hospital produces a bill for \$100,000 with a self-pay discount of 50%. The patient feels they have "saved" \$50,000.

Various Amish medical sharing plans have already rejected this logic as a violation of "just weights and measures." Brotherhood is following suit. The self-pay discount is too unreliable and misleading because the starting point—the Hospital Chargemaster—is an exorbitantly elevated price. The chargemaster is a list of prices that "do not tie to the cost of delivering care, and which vary wildly among providers, even within the same market."<sup>11</sup>

Research reveals that over the last five years, increased chargemaster prices (not increased use of care) accounted for 75% of healthcare inflation. Hospitals often set chargemaster rates at 400% to 1,000% of their actual costs.<sup>2</sup> By rejecting the chargemaster as a reference point, Brotherhood stands with Scripture: "A false balance is an abomination to the Lord" (Proverbs 11:1). We recognize that the current billing system is not an accident; rather, as researchers have observed, "Today, we have a disorganized overlapping multisystem approach to medical billing, representing the unsurprising result of decades of siloed approaches to the task of billing for medical services."<sup>12</sup>

Recently, in a large Anabaptist community in northern Missouri, Brotherhood helped members discover the exorbitant medical prices that they have been paying. The elevated price was around 150% about the hospital's cost but felt like a good price because of a 30% self-pay discount. With the data of true cost on the table, the hospital realized the 30% discount deception was revealed and agreed to an average price of 50% above cost instead of 150%. This is not an isolated pocket of deception; it is a nationwide reality.

### What is Reference-Based Pricing (RBP)?

- **It's an Alternative:** RBP is a departure from accepting the Hospital's Chargemaster as the source of truth. While bills may still arrive with discount language, we do not use that as our anchor or reference point. We avoid discount terminology because it is typically associated with the deception of an inflated starting price.
- **It Requires Organizational Capability:** While any individual can accept a self-pay discount and pay the medical bill, RBP is nearly impossible to execute alone. It is an advanced approach that requires deep organizational knowledge, customized technology, and access to national medical pricing data.
- **It's a High-Stakes Responsibility:** RBP takes on the responsibility of naming a fair and reasonable price. We cannot simply guess at a payment; instead, we use a Triangle of Reference Points to calculate a price that honors the provider's profit margin without wasting the church's resources.

### The Triangle of Reference Points: A Threefold Weight

#### 1. Medicare: The Gold Standard

Medicare is the only medical pricing system in the U.S. that is transparent, publicly audited, and rooted in the actual cost of care. It provides a rational, external benchmark worthy of trust.

The credibility of the Medicare rate is based on a calculation using national average costs plus 8%, then adjusted by five specific factors to align with each facility's unique costs. One of the five specific adjusted factors in the Medicare rate is quality care outcomes. If a hospital is a "5-star" facility versus a "1-star" facility based on clinical outcomes, the Medicare rate calculates additional payment for that added value. We have seen reimbursement rates vary by as much as 70% for the same procedure based on these value-adjustments, making it a highly sophisticated "just weight."

When Brotherhood pays 150% of Medicare for facility bills, we are not being cheap. We are anchoring our payment in a benchmark that is "designed to cover hospitals' variable cost at a rate of 108 percent, plus a generous margin for overhead and other fixed expenses." To the point: Brotherhood's payments to providers translates into a **58% profit margin** on facility services and a **28% profit margin** on physician services. This ensures the provider is honored with a high profit while ensuring church resources do not fund unsubstantiated price points.

#### 2. The Truth-Teller: Cost-to-Charge Ratio (CCR)

Every hospital must report its costs to the government. With advanced software, the Brotherhood has electronic access to this financial data for every hospital in America. The CCR allows us to see through "obscure pricing" and base our payments on actual costs plus a fair profit. Knowing the real cost of a service provides a critical second window of truth. The Scriptures echoes this principle in Romans 12:17: "Provide things honest in the sight of all men."

#### 3. Competitive Pricing

Every businessman knows the fairness of competitive pricing. Unless unique value is added, similar products should have similar prices. The Brotherhood tracks paid prices on medical services and compares

one hospital to the next within the same region. Additionally, we plan to publish these paid rates in an annual publication so members can see actual pricing paid across hospital systems and clinics. This is the ultimate pricing transparency solution—members knowing the price differences between hospital. Stewardship requires that we pay the price that reflects the competitive market.

### Navigating Balance Billing

The most common concern with RBP is the risk of **Balance Billing**—when a hospital demands the remaining "balance" after Brotherhood has paid a fair, Medicare-based rate, plus a generous multiplier.

Industry research shows balance billing is often a "paper tiger." Vendors using RBP report that approximately 2% of total bills result in a balance bill<sup>1</sup>.

**The Advocacy Shield:** Brotherhood protects its members through respectful balance bill and debt collection resolution. Members should never pay a balance bill, but instead send it to the Brotherhood office. Additionally, if you receive a collections notice, forward it to the office. This allows the community to stand together, using data and a humble commitment to the truth in paying a fair price.

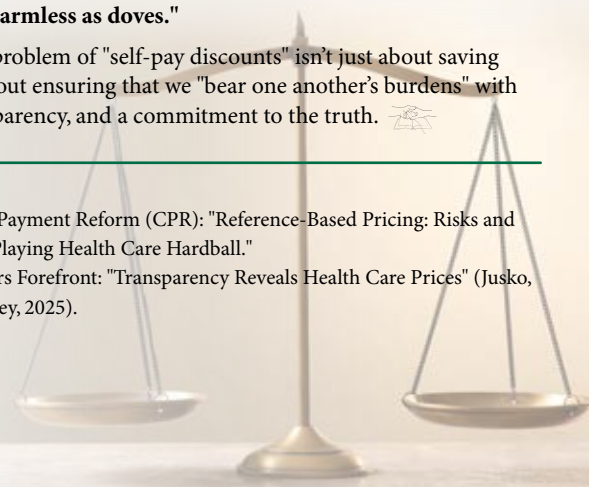
### Why It Matters: Stewardship and the Future

Reference-Based Pricing is a credible and transparent way to restore pricing honesty to the medical marketplace. By embracing fair prices instead of "deceptive discounts," we achieve four critical goals:

1. **Preservation of Resources:** RBP typically saves 10% to 20% compared to traditional self-pay discount pricing, ensuring medical aid remains affordable for future generations.
2. **Truth in Business:** It bases the price on the truth of costs and invites an honest conversation about the economic value of care, resulting in mutually agreed upon payments.
3. **Conscientious Stewardship:** It bears the burden of complex medical billing, allowing members and church leaders to feel relief from the weight of false balances and the peace of stewarding resources with a clear conscience.
4. **Satisfied Providers:** The Amish sharing plans that have used RBP for nearly a decade have demonstrated that in the end, providers are very satisfied. In Vernon Beachy's words: "They **love us** because we pay promptly with fair pricing."

### Conclusion: A Faithful Response to a Complex System

The modern healthcare system is designed to maximize revenue through complexity. The Anabaptist response is to simplify with the age-old practice of cost accounting. By using Medicare as a gold pricing standard, alongside of Cost-to-Charge ratios and competitive pricing, Anabaptist Brotherhood is living out the Biblical mandate to be "**wise as serpents and harmless as doves.**"

Solving the problem of "self-pay discounts" isn't just about saving money—it's about ensuring that we "bear one another's burdens" with integrity, transparency, and a commitment to the truth. 

#### References

- 1 Catalyst for Payment Reform (CPR): "Reference-Based Pricing: Risks and Rewards of Playing Health Care Hardball."
- 2 Health Affairs Forefront: "Transparency Reveals Health Care Prices" (Jusko, Mehta, Whaley, 2025).

# Updates & Reports

## Membership Update

As of April 1, 2026, 489 households are participating in Anabaptist Brotherhood from 113 churches. Of those churches, 18 have chosen to reach the 70% participation threshold.

## Billing Report

For the last four quarters, the chargemaster price of medical bills equaled \$1,283,961. After calculating a Referenced Based Price, the price was reduced in the amount of \$753,369 or 59% of the chargemaster price. We paid a fair and reasonable price of \$530,591 for those medical bills. See chart below.

Year	Quarter	Chargemaster Price	Reduction Amount	Percentage of Reduction	Amount Paid
2025	2nd	\$9,941	\$3,900	39%	\$6,040
2025	3rd	\$136,682	\$65,160	48%	\$71,522
2025	4th	\$591,308	\$433,448	73%	\$157,860
2026	1st	\$545,729	\$250,861	46%	\$294,869
<b>Total</b>		<b>\$1,283,661</b>	<b>\$753,369</b>	<b>59%</b>	<b>\$530,291</b>

## Accounting Correction

In the last quarterly newsletter, we mistakenly reported an inaccurate reduction percentage from chargemaster pricing. We reported an 85% reduction. The correct percentage was a 68% reduction.

## Delayed Explanation of Sharing (EOS)

We are experiencing difficulties in software development resulting in our inability to send weekly Explanation of Sharing (EOS) reports to members. We apologize for this delay. A solution is being applied to the situation, but we ask for patience with this delay.

## Delayed publication of the Preferred Providers & Treatments

The first publication of a list of alternative, functional, and natural therapies and treatments was projected for the Spring of 2026. We discovered that the evaluation of these therapies and treatments required hiring a registered nurse to research and lead this project in conjunction with the Therapies Evaluation Committee. We hired Ethan Zook, RN, in April. With Ethan, we anticipate moving forward with the project. We don't have a projected publication date.

## Administrative Activities Statement

Income <small>Jan. 1, 2026 to Mar. 31, 2026</small>	
Administration	\$56,999
Donations	\$2,000
<b>Total Income</b>	<b>\$58,999</b>
Expenses	
Office	\$41,860
Payroll	\$70,877
Software	\$20,681
<b>Total Expenses</b>	<b>\$133,418</b>
<b>Net</b>	<b>-\$74,419</b>

## Medical Aid and Alms Plan Activities Statement

Income <small>Jan. 1, 2026 to Mar. 31, 2026</small>	
Contributions	\$452,762
Reserve Contributions	\$0
<b>Total Income</b>	<b>\$452,762</b>
Expenses	
Medical	\$294,869
Alms	\$11,000
Administration	\$40,749
<b>Total Expenses</b>	<b>\$346,617</b>
<b>Net</b>	<b>\$106,145</b>

## Medical Aid and Alms Plan

### Activities Report

From January 1, 2026, through March 31, 2026, the income from quarterly contributions equaled \$452,762. The total expenses equaled \$346,617. The net income equals \$106,145.

### Position Report

As of March 31, 2026, cash on hand equals \$596,512. Accounts Receivable equaled \$13,993, resulting in total net assets of \$818,427. By comparison, as of December 31, 2025, total net assets equaled \$584,519.

## Administrative Financial Position

Assets <small>as of March 31, 2026</small>	
Cash on Hand	\$27,456
Accounts Receivable	\$46
Software & Other	\$222,304
<b>Total Assets</b>	<b>\$249,805</b>
Liabilities	
Due to Medical	\$207,923
Due to Other	\$39,390
<b>Total Liabilities</b>	<b>\$247,313</b>
<b>Net</b>	<b>\$2,493</b>

## Medical Aid and Alms Plan Financial Position

Assets <small>as of March 31, 2026</small>	
Cash on Hand	\$596,512
Accounts Receivable	\$13,993
Due from Admin	\$207,923
<b>Total Assets</b>	<b>\$818,427</b>
Liabilities	
Bills Ready for Payment	\$0
<b>Net</b>	<b>\$818,427</b>

## Hiring a Chief Financial Officer

Brotherhood is seeking a management level person to serve as the Financial Officer. The organization is rapidly growing and looking for an experienced person to oversee the financial aspects of the organization. This role requires experience in accounting, IT, and office software. In addition, it requires in-person presence at the organization's headquarters in Guys Mills, PA. For a complete job description, contact our office.

# Member Advocacy: Understanding and Responding to Balance Billing

## What is Balance Billing?

Balance billing occurs when a provider or hospital receives a fair payment from Brotherhood but chooses to reject that payment as full settlement. Instead, they bill the member directly for the remaining balance.

At Brotherhood, we operate on the principles of **Truth, Transparency, and Trust**. We use **Reference-Based Pricing (RBP)**, which calculates payments based on three points of reference. These objective pricing benchmarks are Medicare rates, cost basis, and competitive pricing. When a hospital sends you a balance bill, they are rejecting a price backed by true data in hopes of collecting an inflated, exorbitant chargemaster price.

## Our Stand: Truth, Transparency, and Trust

We believe a fair price should be determined by industry-standard data while providing a generous profit for providers. **The price that we pay to providers averages approximately 40% above their actual cost.** Is not paying an average of 40% profits bordering on violating the conscience guided by biblical stewardship? When a provider sends you a balance bill they are attempting to leverage their elevated price and justify charges above 40% profits. If you receive notice that a balance bill is "outstanding" after Brotherhood has issued a generous payment, **forward it to our office immediately.** Once we receive the unsubstantiated balance bill, we initiate a formal legal dispute process to protect your credit but more importantly your conscience.

## Our Advocacy: The FCRA Dispute Process

When the Brotherhood represents a member that has received a balance bill, we issue a formal **Fair Credit Reporting Act (FCRA) Dispute Letter**. This notifies the provider that we are formally contesting the "accuracy, fairness, and rationale" of their balance bill on your behalf.

Our advocacy efforts with providers follow a formal legal and ethical framework:

- 1. Formal Dispute Notification:** We notify the provider that under the FCRA, they are prohibited from reporting inaccurate or unverified information to collection agencies.
- 2. Requirement for Justification:** We invite the provider to the negotiation table to justify why a payment of 40% above their cost is not considered beyond reasonable, and fair—even generous. We make it clear to the provider that simply resending the bill to the member does not satisfy their legal obligation under FCRA to engage Brotherhood in a legitimate dispute.
- 3. Protection of the Member:** Our letter to providers requests that the provider cease sending unsubstantiated balance bills to the member. The FCRA process requires providers to engage in a fair and truthful dispute process. They are legally restrained from sending the balance bill to collections for at least 90 days to allow ample time for Brotherhood to demonstrate that our payment was based on true and credible pricing standards.
- 4. Weekly Member Updates:** Once a dispute is active, our office will provide a **weekly email or fax to members**, keeping you fully apprised of every step we take and all correspondence received from the provider.
- 5. Your responsibility:** If a provider calls you or sends you repeated invoices for a balance bill, always forward them immediately to our office.

**Summary: Under the FCRA,** providers must acknowledge that in good faith Brotherhood made payment based on credible pricing data and the unsubstantiated remaining balance is under dispute. They must engage in an honest and truthful conversation using industry standard medical pricing data to verify the truth. If the provider cannot substantiate and verify that additional payment is warranted, they do not have a legal premise to send a balance bill to collections.

## Our Advocacy: Collections Resolution and The FDCPA

Should a disputed balance be moved to collections, our strategy shifts from substantiating a just payment with providers to regulatory validation with collectors under the **Fair Debt Collection Practices Act (FDCPA)**. While the FCRA process ensures the accuracy and data-based evidence of the payment, the FDCPA governs the conduct and communication of the collection agency itself. Upon receiving a collections notice, we immediately initiate a formal **Debt Validation Notice** on your behalf. These letters legally compel the agency to "cease and desist" collection efforts until they provide definitive proof of the debt's legitimacy and show the pricing data behind the alleged balance bill. In other words, after we submit a Debt Validation Notice, the collection agency must stop attempting to collect the unsubstantiated debt and first validate whether or not the alleged debt is legally binding. It is illegal for a collector to harass members to make payment if they have not validated the accuracy and legitimacy of the alleged debt they are attempting to collect. To date, efforts with collectors have resulted in 100% elimination of alleged debt. Upon realizing that we already made payments averaging 40% above cost, collectors admit that the alleged debt cannot be validated.

Our advocacy efforts with collectors follow a formal legal and ethical framework:

- 1. Formal Debt Validation Notification:** We notify the collector that under the FDCPA, they are prohibited from reporting inaccurate or unverified debt to credit agencies.
- 2. Requirement for Validation:** We engage the collector and inform them of the data-backed pricing standards that govern the payment to provider of an average of 40% above the provider's costs.
- 3. Protection of the Member:** Our Debt Validation Notice to collectors reminds them that they are legally compelled to "cease and desist" collection efforts until they provide definitive proof of the debt's legitimacy and credible pricing data behind the alleged balance bill. Legally, collectors are not allowed to post an unvalidated debt, thereby damaging a person's credit.
- 4. Weekly Member Updates:** Once a collection dispute is active, our office will provide a **weekly email or fax to members**, keeping you fully apprised of every step we take with collectors.
- 5. Your responsibility:** If a collector calls you or sends you repeated collection notices, always forward them to us immediately.

**Summary: Under the FDCPA,** collection agencies cannot legally report an unvalidated (false) debt to credit agencies. This is why our role is so important. When Brotherhood demonstrates that a fair market price was paid to providers, collectors soon realize that the alleged debt they were attempting to collect cannot be validated and is therefore legally indefensible.

## Peace of Mind

It is natural to feel a sense of urgency when you receive a balance bill marked "past due" or "final notice." Worst, it can be emotionally alarming when you receive a collection notice. Keep in mind that **unsubstantiated balance bills and unvalidated debt** are tactics designed to create fear and worry. However, we ask you to trust in this process that stands on the side of truth. Providers and collectors sometimes use these aggressive notices as a psychological tactic to bypass our professional advocacy efforts on your behalf.

By following the FCRA and FDCPA dispute processes, we create a legal shield against the predatory practice of balance billing from providers and false debt from collectors. Rest assured that if a provider does not engage in a fair and reasonable dispute, it is unethical for them to send that balance to collections. Approximately 4% of medical bills result in balance bills.


As a last-ditch effort, a provider may sell the balance bill to a collection agency for pennies on the dollar. If you receive a notice from a collection agency, be assured that these inaccurate charges cannot be validated as

legally defensible debt. We are standing between you and these unfair practices and will keep you in the loop as we deal with any balance bill sold to a collection agency.

### Summary: How to Handle Balance Bills or Notice of Collections

If you receive a statement from provider showing a remaining balance or notice of unpaid debt from a collection agency:

- **Do not pay it.**
- **Forward the bill** or notice to us immediately via email ([info@anabaptistbrotherhood.org](mailto:info@anabaptistbrotherhood.org)), or fax (**814-529-0068**), or mail.
- **Rest easy** knowing that we are engaging the provider or collector in a Truth-based dispute to demonstrate that a generous and fair payment was already made.

We are committed to standing with you. Together, we ensure our collective resources are following the principles of truth and transparency and that no member is forced to bear the burden of exorbitant pricing. 

## Member Advocacy: Uncoded Bills and Lack of Transparency

### The Challenge

Despite the clear instructions on your Member ID Card, some healthcare providers disregard the directive to send coded bills directly to Anabaptist Brotherhood. Instead, they send "uncoded" or non-itemized statements directly to your home.

There is a strategic reason for this tactic. Transparent, coded bills are the key required to unlock the pricing data that governs Reference-Based Pricing (RBP). By sending you a simplified statement, providers bypass billing transparency. This limits our ability to audit discounted chargemaster pricing against fair, data-informed pricing benchmarks.

### Understanding the Process

The process of obtaining a properly coded bill typically takes two weeks, after which the bill is promptly paid. However, providers may ignore requests for coded bills in hopes that we will pay blindly. During this time, they may repeatedly send you uncoded bills featuring a self-pay discount and urgent messages stating the bill is "due immediately." If a provider is intentionally committed to anti-transparent billing and continues to send uncoded bills, it can take several months till they realize that we will never pay uncoded bills.

By ignoring our request for coded bills, providers are side-stepping their legal obligation to provide transparent, itemized bills. **A bill will remain unpaid as long as a provider refuses to supply the proper medical codes.**


### Our Advocacy: The Four-Step Request Process

When our office identifies an uncoded or non-itemized bill, we initiate the following advocacy process:

1. **Consent to Release:** We send you a *Member Consent to Release* form. This allows us to advocate on your behalf and permits the provider to legally send bills directly to us. Please return this signed form promptly.
2. **Direct Contact:** We call the provider's billing department directly to request transparent, standardized bills.
3. **Formal Written Notice:** We send a formal request for standardized, coded forms (such as a CMS-1500 or UB-04) along with your signed consent form.
4. **Escalation:** If the provider does not respond within 10 days, we resubmit and escalate the request every 10 days to ensure it is not overlooked.

### Doing Your Part

To ensure your medical bills are handled with integrity and speed, we need your assistance:

- **Present Your ID Card:** Remind the provider to send bills directly to the Brotherhood electronically using **Payer ID: ANB25** or our physical mailing address. Both are listed on your card.
- **Forward All Correspondence:** If you receive a medical bill, a text message, or multiple statements for the same service at your home address, **promptly forward ALL bills to Brotherhood's office.** Always keep a copy for your own records. 

### Contact Information:

- **Email:** [info@anabaptistbrotherhood.org](mailto:info@anabaptistbrotherhood.org)
- **Fax:** 814-529-0068
- **Mail:** P.O. Box 144, Guys Mills, PA 16327

# Anabaptist Brotherhood

caring for our own



P.O. Box 144 • Guys Mills, PA 16237  
AnabaptistBrotherhood.org

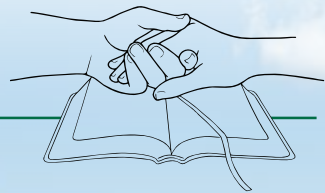
# Newsletter

Volume 2, Issue 2 | 2nd Quarter 2026

*Newsletter Editor* Merle Herr  
*Content Editor* Samuel Stoltzfus  
*Reviewers* Board of Directors

# Anabaptist Brotherhood

caring for our own



By this shall all men know that ye are my  
disciples, if ye have love one to another.  
John 13:35

## Appreciation for Donors

We launched in 2025 and invested heavily in building organizational infrastructure that will last for years to come. Various donors made this possible with their combined generous gifts totaling **\$376,500**. While much of the infrastructure is complete, throughout 2026 we plan to continue building out our software—the engine that enables us to process medical bills using the Reference-Based Pricing approach. The budgeted cost for the software development this year is **\$200,000**. If you have financial capacity to help with these costs, please consider giving to this cause. The organization is a 501(c)(3) non-profit entity, and donations will receive a tax-deductible receipt.

*Make contributions to:*  
**Anabaptist Brotherhood**  
P.O. Box 144, Guys Mills, PA 16327

## The Board of Directors

**Thomas Mast** *Chairman*  
**Jonathan Lehman** *Vice Chairman*  
**Mark Martin** *Treasurer*  
**Loren Strickler** *Secretary*  
**Ivan Hochstetler** *Board Member*

## The Staff

**Merle Herr** *Administrator*  
**Samuel Stoltzfus** *Office Manager*  
**Ethan Zook** *Medical Manager*  
**Niall Yoder** *Secretary*