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From Claimants to Consumers: The Impact of a Health Share

Presentation by Michael D. Jacobson, DO, MPH

Michael Jacobson, DO, MPH knew he wanted to pursue family medicine from the time he was an undergraduate at Seattle Pacific University. Working as a summer tour guide in the rugged Alaska wilderness, Jacobson was surprised by how much he enjoyed spending time with his clients on extended days of touring. "I realized that I wanted continuity of relationships and I liked getting to know people," he recalled. "With that experience, I decided to pursue the track in family medicine." Jacobson is now the medical director at Christian Health Care Ministries (CHM) based in Barberton, OH, where he's worked since 1995. Jacobson told his listeners how CHM founder Bruce Hawthorn of Cincinnati started the New Destiny Treatment Center, a homeless shelter for alcoholics in 1961, when Hawthorn was still a college student (Jacobson also serves as its medical director.)

In 1981, while on a routine fundraising trip, Hawthorn was involved in a tragic car accident that killed his wife and young daughter. Faced with a personal financial crisis, Hawthorn turned to the 13,000 readers of New Destiny's newsletter, where he shared his story. "There were a lot of people out there before the Affordable Care Act who had no health insurance working for nonprofits like his. And so, they were just one accident like that away from financial bankruptcy," Jacobson observed.

The response from Hawthorn's readers was immediate as a surge of donations came in. "So Hawthorn drove over to the hospital in Toledo, and he literally dumped out the many checks and coins onto the clerk's desk and paid for all of his medical bills," Jacobson said, adding that CHM was formally launched as a health share soon after. More than 200 people initially volunteered for the newly-formed health share, with members agreeing to fully pay for each other's medical bills. "You need to understand this about health shares," Jacobson pointed out. "There is no transfer of risk. The patient is 100% responsible for their bills all the time."

Members in the early days of the health share would receive newsletters with a requested dollar amount. "If you had broken an arm, let's say, and you had \$3,000 in bills and the gift amount for that month was \$100, 30 subscribers would get your name stamped on their newsletter with 'broken arm' written on it," Jacobson explained. The patient would then receive a list of the 30 individuals to whom members would share their gift, and checks would be sent to CHM which would function as a clearing house for donations. Jacobson said that as of 2025, CHM has shared \$12 billion in its 40 years of existence and is currently passing \$60 million per month. "You choose your own doctor or facility. You shop around, negotiate discounts based upon your cash pay or self-pay if you do incur bills. Then you submit them for sharing."

Jacobson acknowledged what he called "a downside" to the story. "Our members have been told for over forty years you don't need to bother calling us. Just send us the bills when you're done and we'll help them get shared. So, the problem is, they don't know who to call." Members often don't see primary care doctors and some are skipping early screenings and are then diagnosed with late-stage cancers, Jacobson lamented.

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He also described a downturn in the marketplace within the larger community of family physicians. Jacobson said that the average wait for a family physician visit is currently 28 days and the average face-to-face time with a family medicine doctor is 8 minutes. "What I see happening is family doctors' skill sets are going through attrition because they're not using them. It's quicker and easier just to refer them out." The result, Jacobson emphasized, is that family medicine physicians then lose their passion for their jobs, inevitably leading to burn out.

Jacobson encouraged his listeners to attend the Free Market Medical Association's annual conference, which features prominent authors and speakers who address larger workforce issues. At a recent FMMA meeting that he attended with CHM's president, Jacobson met physician Firzouz Daneshgari, MD, author of "Health Guardianship: The Remedy to the Sick Care System." Daneshgari introduced Jacobson to his "bowtie model," which is also a risk management model. "The knot in the bowtie is your medical event and then you've got downstream effects of that. Did the patient get well or did they have a disability?"

Jacobson showed the bowtie model to CHM's executives and told them they had been focused exclusively on cost. "The first thing we began to realize is that we could do better on preparing for cost if we put together reference-based pricing....and paid for all services upfront with no downstream billing coming in." CHM then partnered with a concierge nurse navigator and started incentivizing their members with an offer for expectant mothers. "If you call within your first 16 weeks of pregnancy and talk to us, we will waive \$500 of your personal responsibility amount," Jacobson said. As a result of high patient satisfaction, CHM created more programs, beginning with complete surgical care solutions.

Jacobson relayed the story of a young woman from Indiana who was initially told she would have to pay \$85,000 for a cardiac ablation and would have to pay upfront before CHM could reimburse her. CHM was able to pay for her procedure at an Oklahoma hospital, cover her travel costs and reduce the amount of her surgery's expense to \$27,000. Similar new CHM programs include a maternity care solution, a cancer care solution and a newly launched telehealth initiative called HealthTap, started by a former co-founder of Web MD, Dr. Geoffrey Rutledge.

Jacobson concluded, "There's been incredible change based upon what we've done in the last three years compared to our first 41 years, and I think we have a model that we can use to try to go into the future. Our health share started off with tragedy...but it has led to innovation."