CENTER FOR INQUIRY
EXECUTIVE OFFICES

Office of Consumer Protection from Pseudoscience

November 6, 2026

Submitted via email

Senator Steve Wilson
Chair, Committee on Financial Institutions, Insurance, and Technology
The Ohio Senate
1 Capitol Square
Columbus, Ohio 43215

Re: Call to Reject HB 21

Dear Chair Wilson:

The Center for Inquiry (CFI) writes to urge the Senate Committee on Financial Institutions, Insurance, and Technology to vote against HB 21. **This bill would allow "health care sharing ministries" to operate freely in Ohio, subject to minimal governmental regulation, even though they routinely shortchange consumers and engage in fraudulent activity.**

CFI is a national nonprofit organization dedicated to advancing science, reason, and secularism in American law and policy. We have numerous supporters in Ohio.

Problematic Elements of the Bill

HB 21 defines health care sharing ministries to include any nonprofit organization that "limits its participants to those members who share a common set of ethical or religious beliefs," "retains membership for participants who develop a medical condition," and "acts as a facilitator among participants who have financial or medical needs to assist in meeting those financial and medical needs."

The bill makes clear that while a health care sharing ministry "provides amounts that participants may contribute" to the program, the ministry undertakes "no assumption of risk or promise to pay" specific medical costs.

Next, HB 21 states that a health care sharing ministry "is not considered to be engaging in the business of insurance and is not subject to the insurance laws of this state."

HB 21 additionally provides that any state university requiring students to have health care coverage "shall accept, in satisfaction of such requirement, the student's participation in a health care sharing ministry."

Lastly, the bill stipulates that, among the adjustments Ohio residents may make to their annual income for state income tax purposes, they may deduct the amount they paid for

membership in a health care sharing ministry "for participation by the taxpayer, the taxpayer's spouse, and the taxpayer's dependents."

CFI's Analysis

CFI opposes this legislation because health care sharing ministries have been shown time and again to be fraudulent business practices. **They promise consumers health care coverage in lieu of traditional insurance but routinely deny coverage or engage in financial fraud – leaving patients in a lurch while they encounter high medical expenses. Ohio residents deserve better, and it is incumbent upon their policymakers to protect them.**

Health care sharing ministries are membership organizations where individuals make monthly or periodic payments to cover the health care expenses of all members. Membership in these arrangements typically requires a shared system of religious beliefs. However, what consumers often fail to understand is that these arrangements are not required to comply with consumer protection laws, are largely unregulated, and provide limited patient benefits. While their features may mimic health insurance companies, they are not traditional health insurance and they do not guarantee payment of claims.[1]

Even worse, they are often outright scams. One such example in Ohio is illustrative: Liberty HealthShare, owned and operate by the Beers family, based in Canton, Ohio. The Beers family marketed Liberty HealthShare as a cheap alternative to health insurance but allowed its members' medical bills to languish and to be referred to collections. According to a *ProPublica* report, **Liberty HealthShare paid at least $140 million to vendors owned by members and friends of the Beers family, who then "funneled the money through a network of shell companies to purchase scores of businesses."[2] As these individuals and businesses amassed considerable wealth, "Liberty's finances were depleted and thousands of members' medical bills went unpaid."[3]**

It is difficult to overstate the staggering scale – and moral bankruptcy – of the Beers family's and Liberty HealthShare's financial fraud. While thousands of members' medical bills went unpaid, the family used the money to build a private business empire that included a boutique airline, a bank, carpet stores, real estate, and a marijuana farm.[4] Eventually, the Ohio Attorney General's Office reached a settlement with Liberty HealthShare, forcing the family to completely sever ties with the ministry and pay $5 million in collective damages.[5]

Ohio's lawmakers should be doing all they can to prevent these types of abuses from taking place, not passing legislation to allow health care sharing ministries free entry into the marketplace.

Other, similar examples abound. Medical Cost Sharing, a ministry run by Craig Reynolds of Saint Joseph, Missouri, pleaded guilty in 2023 to wire fraud conspiracy and making false

[1] https://www.commonwealthfund.org/publications/fund-reports/2018/aug/health-care-sharing-ministries
[2] https://www.propublica.org/article/liberty-healthshare-beers-family-insurance-ppp-ohio
[3] *Id.*
[4] *Id.*
[5] *Id.*

statements on tax returns, admitting to defrauding members of $8 million.[6] The ministry only spent 3.1 percent of members' funds on actual health care claims, while Reynolds and his business partner spent roughly $5 million on personal expenses.[7]

In New York state, Trinity Healthshare, Inc. filed for bankruptcy amid an investigation by the state's Department of Financial Services that Trinity was "engaged in a fraudulent and illegal health insurance business."[8] According to the state of New York, Trinity "dropped its current members and asserted that it had no obligation to pay members' medical claims, leaving millions of dollars in outstanding claims."[9]

These and other examples should be concerning to Ohio lawmakers, patients, consumers, and voters, as they expose the abuses that are common among health care sharing ministries.

In addition, HB 21 would give those operating health care sharing ministries the best of all worlds. Under the bill, a health care sharing ministry undertakes "no assumption of risk or promise to pay" specific medical costs borne by a patient and member, and a ministry "is not considered to be engaging in the business of insurance and is not subject to the insurance laws of this state." This arrangement gives those operating health care sharing ministries full autonomy to run their fraudulent business as they see fit and, moreover, exempts them from legal oversight on the part of the Ohio state government.

At the same time, HB 21 requires state universities to accept a student's membership in a health care sharing ministry in lieu of traditional health insurance. The bill also allows Ohio residents who make membership payments to a health care sharing ministry to deduct those amounts from their annual income for state income tax purposes. These two stipulations give Ohio residents financial incentives to join a health care sharing ministry.

It is difficult to imagine a more favorable set of arrangements under state law for those running health care sharing ministries than what is provided under HB 21.

Conclusion

For the reasons provided in this testimony, CFI urges the Senate Committee on Financial Institutions, Insurance, and Technology to reject HB 21. Thank you for your time.

Sincerely,



[6] https://www.kmbc.com/article/st-joseph-missouri-medical-charity-founder-pleads-guilty/45839746
[7] https://ministrywatch.com/owner-of-medical-cost-sharing-pleads-guilty-to-fraud
[8] https://www.dfs.ny.gov/reports_and_publications/press_releases/pr202109281
[9] *Id.*



Azhar Majeed
Director of Government Affairs and Policy

cc:
Members, Senate Committee on Financial Institutions, Insurance, and Technology