

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE

In re: Alliance for Shared Health, Inc. and
Christian Discount Alliance, LLC
d/b/a Shared Health Alliance

Docket No. INS-21- 203

CONSENT AGREEMENT
AND ORDER

INTRODUCTION

Alliance for Shared Health, Inc. (“ASH”); Christian Discount Alliance, LLC d/b/a Shared Health Alliance (“SHA”); the Superintendent of the Maine Bureau of Insurance (the “Superintendent”); and the Office of the Maine Attorney General (the “Attorney General”) hereby enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without resort to an adjudicatory proceeding, violations of the Maine Insurance Code. As set forth in more detail below, a Maine Bureau of Insurance investigation has found that Respondents ASH and SHA violated the Maine Insurance Code by, among other things, advertising ASH as an IRS-approved health care sharing ministry and enrolling members and offering products to Maine residents when ASH did not meet Maine’s statutory requirements for operating as a health care sharing ministry.

APPLICABLE LAW

1. The Maine Insurance Code, Title 24-A M.R.S., regulates entities that transact insurance in the State.
2. Pursuant to 24-A M.R.S. § 3, “insurance” is a contract “to pay or indemnify another as to loss from certain specified contingencies or perils.”
3. Pursuant to 24-A M.R.S. § 4, every person engaged as a principal and indemnitor, surety, or contractor in the business of entering into contracts of insurance is an “insurer.”
4. Pursuant to 24-A M.R.S. § 704(1), “health insurance” includes “insurance of human beings against bodily injury, disablement...by accident or accidental means, or the expense thereof, or against disablement or expense resulting from sickness.”
5. Pursuant to 24-A M.R.S. § 9, “transacting insurance” includes, “whether by mail

or any other means,” solicitation or inducement, negotiations, effectuation of an insurance contract, or transaction of matters after the effectuation and arising out of such a contract.

6. Pursuant to 24-A M.R.S. § 404(1), no person shall act as an insurer, and no insurer shall transact insurance in this State, by mail or otherwise, without a certificate of authority issued by the Superintendent pursuant to Title 24-A M.R.S.

7. Pursuant to 24-A M.R.S. § 8, a person engaged in the business of insurance without a certificate of authority issued by the Superintendent is an “unauthorized insurer.”

8. Pursuant to 24-A M.R.S. § 2101(1), no person shall “directly or indirectly act as an agent for, or otherwise represent or aid on behalf of another” any unauthorized insurer in the transaction of insurance, including without limitation the dissemination of information about such unauthorized insurance or the collection of payment for such unauthorized insurance.

9. Pursuant to 24-A M.R.S. § 2154, no person shall “place before the public, or cause, directly or indirectly to be made” any advertisement or statement regarding the person’s insurance business that is untrue, deceptive, or misleading. Pursuant to 24-A M.R.S. § 2167, the prohibition applies to unauthorized insurers.

10. In Maine, to qualify as a health care sharing ministry (“HCSM”) exempt from regulation by the Bureau of Insurance, an entity must satisfy the definition of an HCSM set forth in 24-A M.R.S. § 704(3).

11. Pursuant to 24-A M.R.S. § 12-A, for a proven violation of Title 24-A M.R.S., a Bureau rule, or a lawful order of the Superintendent, the Superintendent may issue a cease and desist order, impose a monetary civil penalty, and/or order restitution to any injured consumer.

FACTS

Background

12. In October 2015, Corey M. Durbin registered with the Missouri Secretary of State articles of organization for Christian Discount Alliance, LLC. In October 2016, he registered with the Missouri Secretary of State an assumed or business name for Christian Discount Alliance, LLC: Shared Health Alliance (“SHA”). Then, in November 2016, Christian Discount Alliance, LLC d/b/a Shared Health Alliance obtained a Missouri business entity producer license. Listed as responsible individual producers are Leslie Hunsel and John Lewis. Listed as President and 60% owner is Corey M. Durbin; listed as COO and 40% owner is John B. Lewis. The license did not expire until November 2020.

13. In August 2017, three residents of St. Thomas, U.S. Virgin Islands established

Island Healthcare, Inc., a non-profit corporation whose stated purposes included the raising of funds to help “improve the health and health care services for all Virgin Islanders.”

14. In February 2018, SHA registered with the Washington Department of Revenue under the business designation “Insurance Agencies and Brokerages.” Corey Durbin and John Lewis are listed as Managers of the LLC. They are CEO and COO, respectively, of SHA.

15. In April 2018, Island Healthcare, Inc. changed its name to Alliance for Shared Health, Inc. (“ASH”), and its filing with the Government of the Virgin Islands lists the following principals: Corey Durbin, President; John Lewis, Treasurer; and Leslie Hunsel, Secretary.

16. In January 2019, ASH began to offer memberships as an HCSM.

17. In March 2019, the Internal Revenue Service granted ASH an exemption from taxation as a public charity under 26 U.S.C. § 501(c)(3). The exemption has an effective date in July 2017.

18. On one of its websites, <https://www.ashcommunity.org>, ASH describes itself as “an IRS-approved 501(c)(3) health sharing ministry that adheres to the federal ACA requirements for health share programs as well as seeks to cooperate with various state safe harbor provisions that have recently been adopted by certain states.”

19. The claim that ASH is an “IRS-approved” HCSM appears frequently in the ASH Member Guidelines, “a description of how membership in ASH works,” as well as in online presentations by both ASH and SHA.

20. The Internal Revenue Service does not approve health care sharing ministries. In October 2019, the Centers for Medicare and Medicaid Services advised counsel for ASH, “The IRS does not have a process for [an] HCSM to apply for approval or certification.”

21. The ASH Member Guidelines provided to Bureau Staff and other publications of ASH and SHA have “Legal Notices” that purport to list summaries of state law “safe harbors” allowing ASH’s operation. Included in the listings is 24-A M.R.S. § 704(3).

22. On September 3, 2019, ASH received from the Missouri Secretary of State a certificate of Authority to transact business as a foreign nonprofit corporation. It had been transacting business since January 1, 2019. Officers listed on the application are Corey Durbin, President and Director; John Lewis, Treasurer and Director; and Leslie “Hummel” (apparently a misspelling Leslie Hunsel’s surname), Secretary. Durbin is listed as a resident of Washington state; Lewis and Hunsel are listed as residents of Missouri.

23. ASH has operated in all 50 states and the U. S. Virgin Islands.¹ It has multiple websites. It also has a presence on YouTube and Facebook.

24. As of November 1, 2020, ASH had 345 active members and 315 “inactive” members in Maine. ASH defines an “inactive member” as an individual who has terminated membership. From January 1, 2019 to November 1, 2020, ASH’s Maine members paid monthly contributions totaling \$174,972.09. In that same period, ASH distributed \$22,449.57 in “shareable needs” to Maine residents.

25. In its “About Us” online presentation, ASH claims that it has enrollees in 34,000 households.

26. To qualify for medical expense sharing benefits offered by ASH, individuals must “agree to be bound by the established member guidelines and sharing levels,” commit to a monthly monetary contribution level correlated to the amount of sharing sought from others, attest to ASH’s “core beliefs,” and attest to their “understanding” that ASH is not insurance.

27. The 2020 Member Guidelines ASH provided to Bureau Staff state:

ASH shares 100 percent of bills for any medical incident exceeding the MRA (Member Responsibility Amount) up to the annual sharing max as long as all other Guidelines are met, up to the agreed upon Network Rate or Referenced Based-Pricing Allowance for that service. Any medical expense less than the MRA per incident is the member’s responsibility. For services shared at the reference-based pricing level, you may be responsible for balance billing amounts.

Through its outside vendors, ASH does offer, but does not require, access to a national PPO Network. When a medical need is submitted to ASH from a network provider, ASH will share the need directly with the Provider of the services up to the discounted rate, less any MRA.

If a member does not seek care through a network provider, ASH will share eligible needs at reference-based pricing reimbursement levels, less the MRA. Members may be responsible for any amounts a provider balance bills over and above the reference-based pricing level.

In at least one version of the Guidelines, a chart setting out ASH’s “Sharing Level Options” notes that a member’s MRA “works like a deductible in insurance.”

¹ In June 2021, Maryland restricted ASH’s activities to serving existing members until December 31, 2021, when it must terminate all business in that state. In July 2021, Washington did the same. Both states found that ASH operates as an unauthorized insurer. Maryland imposed a fine of \$30,000.00; Washington imposed a fine of \$80,000.00. See *Maryland Insurance Administration v. Alliance for Shared Health*, Case No. MIA-2021-06-022 (June 22, 2021); Office of the Washington State Insurance Commissioner, *In the Matter of Alliance for Shared Health, Inc.*, Order No. 20-0336 (July 7, 2021).

28. Sharing level options set forth in the Guidelines are supplemented by offerings through SHA's websites. ASH's literature asserts that it "is in the process of rolling out a catastrophic member to member health care sharing solution."

29. On September 10, 2019, agents of SHA filed with the Missouri Secretary of State articles of organization for SHARx, LLC. Listed as its registered agent is John Lewis. An ASH website credits Corey Durbin with founding SHARx. Leslie Hunsel, a founding principal and former Secretary of ASH, is SHARx's COO.

30. ASH's website describes SHARx as providing discounted or free access to prescription medications, "an integral part of the ASH program serving nearly 50,000 households." At <https://www.ashcommunity.org/access-to-prescription-drugs/>, Internet advertising promotes SHARx as an integral offering of ASH. Until ASH recently changed its headquarters' telephone greeting, members and prospective members calling ASH at (573) 818-7100 would receive an automated prompt instructing them to "dial 4" to reach SHARx "for high cost prescription assistance." A SHA brochure describes SHARx as "A Shared Health Alliance Product."

31. Effective September 15, 2019, ASH and SHA executed finally their "Alliance for Shared Health Vendor Consulting Agreement." Signatories are Michael Hentges as President of ASH; two ASH Board members; and John Lewis, COO of SHA and a founding principal and former Treasurer of ASH. (According to ASH's website, Hentges became President of ASH "[a]t the beginning of 2019.")

32. By the Alliance for Shared Health Vendor Consulting Agreement, ASH cedes to SHA (closely held by ASH founders Corey Durbin and John Lewis) obligations including, but not limited to:

- a. Development of need sharing levels;
- b. Securing "vendor relationships";
- c. Website development;
- d. Creation of "marketing partnerships" for referrals to both ASH and SHA "programs"; and
- e. Collection of members' sharings and their subsequent remittance to ASH, less "fixed costs."

In the Agreement, ASH and SHA stipulate that "business written together stays the property of both ASH and SHA" "[s]hould the need arise to move business from current vendors."

33. For performance of functions pursuant to the Alliance for Shared Health Vendor

Consulting Agreement, SHA charges ASH a monthly \$10.00 per member household fee. Based on ASH's website representation that it serves 34,000 households, this fee would constitute at least \$4,080,000.00 in annual revenue for SHA.

34. Corey Durbin, majority owner and CEO of SHA, is an advisor to the ASH Board of Directors.

35. Corey Durbin has at various times been registered as an insurance producer with regulators in Arkansas, Idaho, Illinois, Indiana, Iowa, Georgia, Michigan, Missouri, and Texas.

36. SHA has multiple websites. It also has a presence on YouTube and Facebook.

37. SHA's websites promote ASH's "sharing options," referring to them as "Offered through Shared Health Alliance." Additionally, SHA offers "vendor programs" identified in relatively small print as "not a need shared by ASH Members." SHA is a for-profit entity, and its "vendor programs" are its products for sale.

38. Examples of SHA "vendor programs" include "SHARE Connected Care" for communicating with a primary care physician; "SHARE Labs," described as offering discounts on medical testing; "SHARE Imaging," described as offering discounted procedures including MRI, PET/CT, x-ray, ultrasound, and nuclear medicine; and SHARE Scripts "Powered by SHARx."

39. In an effort to satisfy the requirement in federal law that an HCSM (or a predecessor of the HCSM) has operated since at least December 31, 1999, ASH executed a "Predecessor Agreement and Conjoining" with the Ethiopian Bible Army International Church ("BAIC") dated September 11, 2019 but executed by ASH on September 16, 2019 and by BAIC on November 9, 2019.

40. The "Predecessor Agreement and Conjoining" between ASH and BAIC requires that ASH members become "de facto members of BAIC" by paying \$1.00 from the monthly household membership fee to "conjoin them with BAIC" and refers to ASH as the "U.S. based ministry of BAIC." Nonetheless, ASH does not espouse BAIC's evangelicalism, stipulating that:

- a. ASH members "shall not be required to adhere to any specific religious or denominational beliefs of BAIC"; and
- b. ASH and BAIC are "independent contractors" and each shall each "[m]anage its own operations autonomously at its own discretion."

The ASH Guidelines do not mention BAIC.

41. According to the Guidelines, "ASH reaches across all races, denominations.

political spectrums, and all beliefs in God.” In its “Statement of Beliefs,” ASH explains “[o]f supreme importance to ASH members is the need to unite in a spirit of compassion, regardless of...denomination,” among other things.

42. In August 31, 2020 correspondence with Bureau Staff, counsel for ASH conceded that ASH and BAIC had not fully merged.

43. No ASH member is enrolled without completing an “E-Signature document.” That enrollment application does not inform consumers that, by enrolling in ASH, they also become “de facto” members of BAIC with \$1.00 of their monthly contributions being used to support BAIC financially.

44. The Superintendent has never issued a license or certificate of authority of any kind to Alliance for Shared Health, Inc.; Christian Discount Alliance, LLC d/b/a Shared Health Alliance; Corey Durbin; John Lewis; or BAIC.

45. As of February 26, 2021, ASH agreed to stop enrolling new members in the State of Maine.

46. On March 30, 2021, SHA agreed that it would ensure that vendors were notified that plans were no longer available to Maine residents and that marketing websites were updated to reflect this change.

47. In late June 2021, the Bureau of Insurance received a complaint from a Maine consumer who had been enrolled in ASH with coverage effective June 15, 2021.

48. On June 29, 2021, the Bureau of Insurance notified ASH in writing that timing of the anticipated termination of ASH’s current Maine enrollees’ coverage would depend on the Bureau’s ability to obtain a special federal enrollment period offering alternative coverage for those individuals. Also expressed was an expectation that the Superintendent would review any notice of termination before ASH issued it.

49. On August 4, 2021, ASH President Michael Hentges sent 282 then-current Maine ASH members written notice of coverage terminations effective September 1, 2021. The notice cited as support language within quotation marks with the attribution “Per the State of Maine.” The notice is in fact an incomplete and otherwise misleading variation of language which was then under confidential consideration for inclusion in this Consent Agreement. Neither the Superintendent nor any other State official approved use of that language or termination of ASH enrollees’ coverage to be effective September 1, 2021.

ASH Does Not Qualify as A Health Care Sharing Ministry under Maine Law.

50. ASH fails to meet at least two of the criteria for an HCSCM set forth in 24-A M.R.S. § 704(3).

51. ASH has not been in existence “continuously since December 31, 1999”

facilitating the sharing of medical expenses “without interruption” since that date as required by § 704(3)(A). ASH began offering memberships in January 2019. Title 24-A M.R.S. § 704(3) contains no provision allowing ASH to claim BAIC’s history as its own.

52. ASH does not limit membership to “individuals who have a particular religious affiliation” as required by 24-A M.R.S. § 704(3)(B).

ASH Has Transacted Unauthorized Insurance.

53. Statements disclaiming that ASH is insurance appear frequently in materials published by ASH and SHA. *E.g.*, “Members do not have a contract.” However, ASH’s fourth “core belief” states, “ASH members agree to be bound by the established member guidelines and sharing levels, as well committing to monthly contribution levels based upon the sharing level they individually choose.”

54. If an ASH member fails to make the chosen “monthly financial gift” for three months, ASH automatically cancels that individual’s membership, just as an insurer would cancel coverage for failure to pay premiums.

55. Member Guidelines direct members to a “highlight sheet,” which provides an overview of coverage available depending on the sharing level a member has selected. The Guidelines provide as examples:

[A] **non-exhaustive** list of the types of conditions for which bills are regularly shared by ASH members:

- Preventive Care Needs
- PCP Needs
- Specialist Needs
- Urgent Care Needs
- Diagnostic & X-ray Needs (not performed in the hospital)
- Cat Scan Needs (not performed in the hospital)
- MRI Needs (not performed in the hospital)
- Outpatient Testing Needs
- Maintenance Prescription Needs
- Specialty Medication Needs.

(emphasis in original) SHA supplements this coverage with its “vendor programs.”

56. One exemplar of ASH marketing materials provided to Bureau Staff alleges that “alternative language” distinguishes ASH membership from insurance and sets forth the “Key Health Share Terminology Guide” whose copy follows below. That Guide demonstrates the functional equivalency of ASH and insurance.

Key Health Share Terminology Guide

INSURANCE TERM	ASH TERM
Claim	Need
Deductible	Member Responsibility Amount (MRA)
Explanation of Benefits	Sharing Summary Statement (SSS)
Monthly Premium	Monthly Contribution
Annual (lifetime) Benefit Maximum	Annual (lifetime) Sharing Limit
Benefits	Sharing Levels
Plans	Sharing Options
Commissions	Marketing Fee

“2020-AHCM/ASH Marketing Brochure Choice-Classic-ProShare” at 4.

VIOLATIONS OF LAW

57. ASH violated 24-A M.R.S. § 404 by transacting the unauthorized business of insurance in Maine.

58. On August 4, 2021, ASH violated 24-A M.R.S. § 2154 by sending 282 then-current enrollees notice terminating coverage effective September 1, 2021. That notice falsely implied that the State of Maine supported ASH’s termination of coverage effective September 1, 2021.

59. SHA violated 24-A M.R.S. § 2101 by aiding or abetting the unauthorized transaction of insurance in Maine by ASH.

60. ASH and SHA violated 24-A M.R.S. §§ 2101 and 2154, by advertising and/or aiding and abetting advertising that falsely represented that:

- a. ASH is not insurance;
- b. ASH is “IRS-approved”; and
- c. Title 24-A M.R.S. § 704(3) provides a “safe harbor” for ASH’s operation in Maine.

COVENANTS

61. ASH and SHA agree to the Facts set forth above in Paragraph 12 through Paragraph 56.

62. ASH and SHA accept as discipline the imposition of joint and several liability for a civil penalty in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00). They agree that, no later than twenty-one (21) days after executing this Consent Agreement, they will each remit to the Maine Bureau of Insurance a company check in the amount of Seventy-Five Thousand Dollars (\$75,000.00) payable to the Treasurer of the State of Maine.

63. ASH and SHA shall immediately cease and desist enrollment, whether done directly or through others, of Maine residents in its alleged "health sharing ministry" and SHARx.

64. ASH and SHA shall immediately cease and desist all solicitation, whether direct or indirect, of Maine residents for purchase of any health care related program, plan, product, or service.

65. ASH and SHA shall immediately place in their marketing materials a prominent and easily understood statement in no smaller than 14-point type that they do not offer any health care related program, plan, product, or service to Maine residents. The requirement of this Paragraph applies to marketing materials used by BAIC and by any agent, employee, or other person promoting, advertising, or selling an ASH or SHA program, plan, product, or service. ASH and SHA shall also ensure that their social media platforms include a prominent statement informing consumers that their programs, plans, products, and services are not available to Maine residents. The requirements of this Paragraph are not limited to written marketing promotions.

66. ASH and SHA shall immediately remove from all marketing materials references to 24-A M.R.S. § 704(3) as among state laws that purportedly allow ASH to conduct business as an HCSM. ASH and SHA shall also ensure that their social media platforms make no reference to § 704(3). The requirements of this Paragraph are not limited to written marketing promotions.

67. ASH and SHA shall no later than October 20, 2021 provide a copy of this Consent Agreement to every insurance agent and other person who since January 1, 2019 has enrolled an ASH member; has sold one of their programs, plans, products, or services to a Maine resident; or has marketed one of their programs, plans, products, or services to a Maine resident.

68. ASH and its Co-Respondents agree that terms and conditions of this Consent Agreement shall apply to their successors, assigns, agents, and employees and to BAIC if a merger of ASH or ASH and BAIC occurs.

69. No later than October 27, 2021, ASH and SHA shall provide the Superintendent with verifiable written confirmation of measures which they have taken to comply with each term and condition set forth above in Paragraph 61 through Paragraph 68.

70. ASH and ASH shall not market to Maine residents any health care program, plan, product, or service unless it qualifies to conduct business under Title 24-A M.R.S.

71. No later than 90 days prior to commencing the marketing of any health care product, program, plan, or service to Maine residents, ASH and SHA shall advise the Superintendent of such intent, regardless of whether the product or service will be provided or advertised by themselves, through others, directly or indirectly.

72. This Consent Agreement is not subject to appeal. ASH and SHA waive any right they might have to appeal any matter that is a subject of this Consent Agreement.

73. This Consent Agreement constitutes an Order of the Superintendent. A violation of its terms is enforceable by the Superintendent pursuant to 24-A M.R.S. §§ 12-A and 211.

74. This Consent Agreement is also enforceable by an action in Maine Superior Court pursuant to 24-A M.R.S. § 214, 10 M.R.S. § 8003(5)(B), and 14 M.R.S. § 3138.

75. The effective date of this Consent Agreement is the date of the Superintendent's signature hereto.

76. For two years from the effective date of this Consent Agreement, ASH and SHA shall maintain all documents and records necessary to demonstrate full compliance with the Consent Agreement. They shall produce such records within 14 days of receipt of a request from the Bureau of Insurance.

77. This Consent Agreement may be modified only by a written agreement executed by all the parties hereto. Any decision to modify, continue, or terminate any provision of this Consent Agreement rests in the discretion of the Superintendent and the Attorney General.

78. ASH and SHA shall cooperate fully with the Bureau of Insurance in any investigation of an alleged violation of this Consent Agreement.

79. This Consent Agreement is a public record within the meaning of 1 M.R.S. § 402(3) and will be available for inspection and copying by the public pursuant to 1 M.R.S. § 408-A. It will be reported to the Regulatory Information Retrieval System (the "RIRS") database of the National Association of Insurance Commissioners (the "NAIC").

80. Nothing in this Consent Agreement shall be construed to affect any right or interest of any person not a party hereto.

81. Terms of this Consent Agreement constitute the entire agreement between and among the parties.

82. If any provision of this Consent Agreement is for any reason determined to be invalid, the effectiveness and enforceability of all other provisions of the Consent Agreement shall not be affected by such determination.

83. This Consent Agreement may be signed in counterparts, with all counterparts together constituting one original instrument.

84. By the duly-authorized signatures of their representatives on this Consent Agreement, ASH and SHA each warrant that it has consulted with counsel before signing this Consent Agreement or has knowingly and voluntarily decided to proceed in this matter without consulting counsel, that it understands this Consent Agreement, and that it enters into this Consent Agreement voluntarily and without coercion of any kind from any person.

85. As consideration for execution of and compliance with the terms and conditions of this Consent Agreement, the Superintendent agrees to forego pursuing further administrative or civil disciplinary sanctions against ASH and SHA for the specific conduct described above in Paragraph 57 through Paragraph 60 of this Consent Agreement. However, should ASH or SHA fail to comply with any term or condition of this Consent Agreement or in the future violate Maine law, such person(s) shall be subject to any available remedy under the law for such failure or violation.

SIGNATURES

ALLIANCE FOR SHARED HEALTH, INC.

Dated: October 19, 2021



Name: Michael Hentges

Title: President

For Alliance for Shared Health, Inc.

CHRISTIAN DISCOUNT ALLIANCE, LLC d/b/a
SHARED HEALTH ALLIANCE

Dated: October 19, 2021



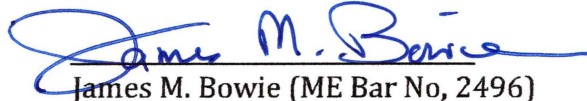
Name: John B. Lewis

Title: Chief Operating Officer

For Christian Discount Alliance, LLC d/b/a
Shared Health Alliance

OFFICE OF THE MAINE
ATTORNEY GENERAL

Dated: October 21, 2021



James M. Bowie (ME Bar No, 2496)
Assistant Attorney General

THE SUPERINTENDENT OF THE
MAINE BUREAU OF INSURANCE

Dated: October 21, 2021



Eric A. Cioppa
Superintendent