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Jews Now Have A Faith-Based Alternative To Health Insurance. But It's Risky.

By [Ari Feldman](#)

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Two years after Randy Mazie retired, he realized his family had a serious [healthcare](#) problem: His wife's [health insurance](#) premiums had reached \$1,400 a month.

After some online research Mazie, who lives in Miami and used to run transportation for local public schools, found something he thought was a godsend: United Refuah HealthShare, a Jewish alternative to traditional insurance. (“Refuah” is Hebrew for healing.) He was thrilled by the bargain-priced plans.

“It’s a kibbutz kind of concept, when it comes to medical care,” he said.

United Refuah is a “health sharing ministry.” The ministries have cheap monthly plans and are shaped by religious values, but they don’t offer the same guarantees of coverage as traditional insurance.

The organization could offer a new way for Jewish families to save money on [growing health care costs](#) — but first they’ll have to decide for themselves if the benefits outweigh the risks. And United Refuah carries an additional red flag: One of its founders helped lead fundraising at a yeshiva — a Jewish religious school — that went bankrupt after it failed to pay back millions in loans. The other was the yeshiva’s executive director.

Health sharing ministries work by taking monthly contributions from members and putting them into a pool of money that — in theory — those members can use to pay for health care expenses. But the ministries are not insurance, and do not have to guarantee payout.

There are a little over 100 ministries, according to the [Alliance of Health Care Sharing Ministries](#), an advocacy group, and virtually all are Christian. United Refuah claims it is the first and only Jewish one. It is also, like the others, a non-profit.

The Affordable Care Act, or “Obamacare” has driven interest in the ministries because ministry members are exempt from the Act’s requirement that individuals buy health insurance. Ministries also charge considerably less than most other forms of insurance, private and public: United Refuah charges \$219 per month for an individual with no chronic conditions, and \$519 for a family of up to six. The average monthly health insurance premiums under the ACA are \$575 for individuals and \$1,635 for families, according to the Kaiser Family Foundation.

Membership in the ministries has risen to about a million people total, according to the Alliance of Health Care Sharing Ministries, from 160,000 the year the ACA went into effect.

Though United Refuah only began operating last year, it currently has about 2,000 members across 28 states, most of whom are from Jewish communities in Lakewood, New Jersey and the New York City area, said Moishe Katz, its director of operations.

It’s based in Cleveland, Ohio, and run by members of the tight-knit Orthodox community in nearby Cleveland Heights. The two men who founded it were both involved with the yeshiva that went bankrupt. They originally wanted to join a Christian health sharing ministry for financial and moral reasons, but didn’t want to sign the statement of Christian belief that the ministries require for members. After trying, and failing, to get a Christian ministry to open a program that was Jewish-friendly, they decided to open their own.

“To be very clear, this is not their business,” □ Moishe Katz added. “This is a real nonprofit organization that was created for the community. It wasn’t created like, ‘How can we make money off of people’s health.’”

Allen Katz, a radiologist in Chicago, is one United Refuah member. (No relation to Moishe Katz.) Katz, who identifies as Modern Orthodox, said he joined to lower health care costs, and because he liked the idea of supporting a “ministry” that could serve Jews. He said he is retaining a regular health insurance plan for the first few months of his United Refuah membership, and then dropping it.

“But God forbid that moment comes, if I exhaust my bank account and there are still costs to be paid, I am relying on the hope that the people in the group will do the right thing, and will be there for me,” he said.

Health insurance policy experts say they have serious concerns about the ministries, which are not regulated.

“This is not insurance,” said JoAnn Volk, a research professor at Georgetown University’s Center on Health Insurance Reforms. “There is no promise to pay, even if you fit the guidelines that they say they cover.”

Ministries also often force members to settle coverage disputes in religious arbitration. United Refuah has not yet had a dispute go to arbitration, Moishe Katz said.

However, members of Christian ministries have had to do so, and sometimes have not been successful, especially when the ministry cited “pre-existing conditions.” In one example, a ministry denied coverage to a couple’s children because they were adopted.

United Refuah has paid out for major medical operations for its members since it began operation, Katz said, including a hernia surgery, treatment for an organ infection and hospitalization for miscarriages. Those members have all paid the requisite 20% of the final bill that United Refuah requires of members, up to the “pre-share” limit on member payments (comparable to a deductible for health insurance). After that limit is reached, United Refuah says it will pay up to that \$1 million per incident.

The health ministries also draw members who want to avoid “subsidizing” — through their premiums — health care benefits that other plans offer but which they find “œmorally abhorrent,” like abortion, contraception and sex change procedures, said Sandra Cheshire, the CEO of United Refuah, who previously worked for a Christian health ministry.

United Refuah does not reimburse for medical costs from contraceptives or abortions, except where medically necessary, or for sex changes, as well as many other kinds of health care costs. In this way, they both keep the monthly payments low, and satisfy their consciences.

It also lists over a dozen “Jewish standards” that members must adhere to, including belief that God “rewards His creations for doing the right thing,” that “every individual must worship the G-d of the Torah and only the G-d of the Torah” and that healthcare decisions must not be made by the government or “unwelcome outsiders.”

Moishe Katz said members are not required to be practicing Jews, and that the guidelines are not meant to be used “as a weapon” to avoid payouts for health care costs. He said that while “most” of their members are Orthodox, he attributes that to the fact that United Refuah advertised heavily in Orthodox print media. Since they expanded to digital ads on secular websites, he says, they have been seeing more secular customers.

“The entire Jewish community of the United States is welcome and encouraged to join,” he said.

When Mazie joined United Refuah, he didn’t know about the failed yeshiva its two founders were involved in, and he was unnerved to learn about it, he said.

Alex Hoffman was the president of the Cleveland Heights yeshiva, Mosdos Ohr Hatorah, that went bankrupt after it failed to pay nearly \$14 million in debt to a bank and private supporters of the school. In 2015, multiple people filed suits against Mosdos for repayment of loans.

Though Hoffman had signed many of the informal “contracts” promising repayment of the loans, neither he nor any of the school’s leaders were found personally liable for the money that wasn’t paid back, according to Bill Frazier, who was appointed by the court to handle the claims in Mosdos case.

“This was not a Ponzi scheme where someone was stealing money and living the high life. It just was not. This was more stupidity than cupidity,” □ said a lawyer familiar with the case who requested anonymity because he was not authorized to speak on the record.

Hoffman did not profit from the debt financing disaster, the lawyer said.

The school was able to continue operating mostly intact, yet under a different name, and with new leadership.

“There were definitely people who were hurt,” □ said Joshua, an Orthodox Cleveland Heights resident who asked to be identified by his first name because he did not have inside knowledge of the incident. Joshua added that community members largely feel that the incident was handled fairly.

In 2016, Hoffman pleaded guilty to evicting a veteran from a housing complex he owned in a Cleveland suburb while continuing to cash the man’s state housing vouchers. Hoffman was given a two year suspended sentence and five years of probation.

Hoffman did not respond to multiple requests for comment.

Hoffman was the co-founder of United Refuah alongside Bernard “Baruch” Manies, who was the executive director of Mosdos from the early 1990s until he left the position in 2015 — the year the school went bankrupt. Manies was not named in Mosdos’ receivership litigation, according to Frazier, the court-appointed receiver.

Manies said that he had no role in fundraising at Mosdos, and was only responsible for the school’s operations. He added that United Refuah was his idea, and that he only brought on Hoffman as a co-founder because he needed “a sidekick,” someone to bounce ideas off.

Manies said he was not concerned about Hoffman’s past deterring potential United Refuah members.

“He has a very good name,” Manies said. “He’s a very respected person in the community.”

Neither Hoffman nor Manies receives any kind of payment from United Refuah, according to Moishe Katz.

Manies is a director of the board. Though Hoffman’s wife, Shaindy Hoffman, is a board member, Moishe Katz said that she is inactive. (Shaindy Hoffman declined to comment.)

Moishe Katz said that he has no concerns about either Hoffman or Manies being involved with United Refuah.

“I have no concerns because they have no access to the money,” □ Moishe Katz said, adding that Hoffman sometimes acts as an unpaid consultant for United Refuah.

Mazie has concerns, though: “Just to say they’re not gaining financially off the board doesn’t mean that they’re the best to be on the board just to provide consultation,” □ Mazie said.

Moishe Katz listed steps that United Refuah has taken to ensure sound financial management: It is planning to contract with a New York accounting firm to do its yearly audit; its in-house CPA sits on the board; the ministry contracts out its accounting to another health care cost sharing group.

He added that he would only be concerned if Hoffman’s background drove away customers.

Mazie said that he likely will not leave United Refuah over his concerns. But, he added, it would shake his confidence in Jewish organizations if United Refuah were to in any way repeat the financial mismanagement that tanked Mosdos.

“As a Jew, that would really upset me,” he said.

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