

Frequently Asked Questions (FAQs)

FAQs for Employee Members

| Sedera Health Basics | |
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| 1. What is Sedera Health about? | Sedera believes that our members, in concert with the medical providers of their choosing, have a natural incentive to do what is best for themselves and their families, as well as the primary responsibility for making their own health care decisions. When our members have financial needs due to illness that are greater than they can individually bear, we believe that the Sedera community, in a corporate sense, should assist in carrying one another's burdens. Our method of sharing each other's medical bills seeks to teach these principles as an integral part of our community of sharing philosophy. |
| 2. What kind of company is Sedera Health? | <p>Sedera is a Delaware corporation with administrative offices in Austin, Texas. Sedera is not an insurance company. Sedera provides the framework and administrative support for our group health care sharing membership, as well as access to numerous ancillary health services.</p> <p>Access to insured products, such as the Minimum Essential Coverage (MEC), that your employer may be providing, come through relationships that your employer has chosen to purchase directly from those benefit providers.</p> |
| 3. Isn't Sedera really just another health insurance company? | No. Insurance arrangements are a contract whereby one party agrees to be legally responsible for and accept another party's risk of loss in exchange for a payment—a premium. Health care sharing is an arrangement whereby members agree to share medical expenses through an act of voluntary giving. Sedera is not licensed or registered by any insurance board or department since we are not practicing the business of insurance. We do not assess applicants' health risks, because neither Sedera nor our members are assuming financial liability for any other member's risk. Unlike insurance, the focus of Sedera's health care sharing membership is on how our members help each another with their immediate needs. |
| 4. What's the advantage of Sedera not being a health insurance company? | When health care costs are paid by someone other than the person receiving care, typically an insurance company or government entity, the healthcare model can be undermined. We believe many of the current problems with the health care system are the direct result of restricting personal freedom and responsibility through dependence on third-party payors. Sedera Health is designed to allow members to help one another while maintaining freedom of choice and personal responsibility. |
| Legal and Regulatory Concerns | |

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| <p>5. Is this legal?</p> | <p>The health care sharing membership operated by Sedera Health is not restricted from operating in any of the 50 United States, and has no legal barriers within the United States of which we are aware.</p> |
| <p>6. How are members of Sedera Health affected by the federal health care law (the ACA)?</p> | <p>Most Sedera members are required by the ACA to fulfill the individual mandate or be subject to a fine. Member businesses have chosen to use a structure known as Minimum Essential Coverage (MEC), which is a type of self-insurance administered by a licensed Third Party Administrator (TPA). The MEC Plan fulfills the ACA requirement for the Employer Mandate, and also fulfills the ACA requirement for the Individual Mandate. The ACA also gives individual members, the freedom to opt out of the MEC and go directly to the Marketplace (also called the Exchange) within their state of residence to purchase an individual health plan directly if they prefer.</p> |
| <p>7. How will the IRS know that I meet the law’s requirements and don’t owe a penalty?</p> | <p>Full details on the IRS reporting requirements are not in the scope of this document. Please note that Sedera cannot provide tax advice. Companies should consult their own legal and tax advisors for more information regarding compliance reporting for the health insurance mandates contained in the Affordable Care Act.</p> |
| <p>How does Sedera Work?</p> | |
| <p>8. How does Sedera handle medical claims?</p> | <p>Because there is no “transfer of risk” in Sedera’s health care sharing membership, no “claim” is ever owed. When members incur medical expenses there is simply a medical need. Sedera members send proof of their medical expenses to the Sedera office where they are evaluated according to the Guidelines. Qualified needs are then designated for sharing based on the amount of shares collected from the member businesses each month. Each member’s monthly share is voluntary, but is also a requirement to remain an active part of the membership.</p> |
| <p>9. What is the process for paying my medical bills when I have a need?</p> | <p>At the time of service, members should disclose to medical providers (doctors, laboratories, clinics, hospitals, etc.) that they are self-pay patients. The providers will send their bills directly to the member. The member then organizes their bills, fills out a Need Processing Form (NPF) and submits the NPF, copies of all relative medical bills and any proof of payments made towards their \$500 Initial Unshareable Amount (IUA). Sedera will review the need and help administer a process whereby community funds are shared with the member, less the member’s IUA (as applicable). Our team of medical bill negotiators may contact the providers to discuss the appropriate payment for the services that were performed and determine if negotiations are applicable for the billed amounts.</p> |
| <p>10. How long does it take Sedera to process a medical need?</p> | <p>The sharing turnaround time is normally 30-60 days from receipt of your bills and required information. If your Needs Processing Form is correct and complete, and there are no ongoing financial negotiations with providers, your need will normally be shared at the beginning of the second month after we receive your need. For</p> |

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| | example, a need received by the end of September would be processed in October and shared at the beginning of November. |
| 11. Can I choose my own doctors and hospitals without being penalized? | Absolutely! Having the personal freedom to choose the medical providers of your choice is fundamental to Sedera’s membership. Our Sedera Member Advisors will provide quality information to help you make a decision on the best provider(s), but there are no “out-of-network” penalties. |
| 12. Does Sedera charge monthly premiums? | Because Sedera’s health care sharing membership is not insurance, we do not charge premiums. Sedera members freely choose to assist other members with their medical expenses by contributing a predetermined amount each month; called a “share.” 90.1 percent of each member’s monthly shares are designated solely for assisting other member’s needs. |
| 13. Does Sedera use deductibles and co-insurance? | Sedera’s process differs significantly from insurance practices in this regard; to our member’s advantage. Traditional healthcare deductibles are cumulative over the course of a plan year. Co-insurance is the portion of the medical expense owed by the patient. These insurance cost-sharing measures can amount to thousands of dollars in out-of-pocket costs to insurance policyholders annually. Conversely, when Sedera members incur an eligible medical expense that exceeds the \$500 Initial Unshareable Amount (IUA), any amount above \$500 is eligible for sharing, effectively reducing the member’s burden to the first \$500 for any single need. This approach is applicable to each household for the first three eligible needs during the 12-month membership year. If a fourth, or any subsequent eligible needs occur during the same membership year, they would be shared at a lower \$300 MST. See Section 6, A.1 and A.4. |
| 14. Why would members and/or member companies want to send more than their monthly share amounts? | Member businesses understand that Sedera is a mutual health sharing and benevolence organization. As a result they sometimes give more than their standard monthly contributions. Sedera facilitates the administration and sharing of these additional monies by giving it to members who have needs that would not normally be shareable, via Special Needs Sharing. |
| 15. What if I have a medical need that is not shareable? | For needs that do not qualify for sharing which create a financial burden to the member or family, the Special Needs Sharing membership may be of assistance. See Section 5 of the Guidelines. |
| 16. If all the monthly shares go to meet members needs, how does Sedera get paid? | Each month 9.9% of the health care sharing dollars received are retained by Sedera to cover administrative costs. Additionally, Sedera may retain up to the first 90 days of new member’s monthly shares to cover membership expenses and costs related to expanding the community. An audit of Sedera’s finances is conducted each year by an independent auditing firm. |
| 17. Will Sedera share medical costs that were incurred outside of the United States? | Yes, members’ eligible needs, wherever incurred, will be handled through the Sedera health care sharing membership. |

| Participation Requirements | |
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| 18. What are Sedera's membership requirements? | Sedera members must be employed and eligible for health benefits by a business that participates in the Sedera health care sharing membership. See Section 2 of the Guidelines for eligibility details. Members understand that medical expenses resulting from the use of illegal drugs, or while participating in unlawful activities will not be shared. See Section 1 of the Guidelines for a complete list of membership requirements. |
| 19. What if someone does not pay their monthly share or drops out of the membership? | If a member company fails to contribute their monthly shares, their participating employees would no longer be eligible for the Sedera membership unless/until the member company catches up on their committed shares to the Sedera membership. |
| 20. Can my membership be dropped if I have very high medical needs? | Members cannot be dropped due to their medical needs. Neither your membership nor your monthly share is affected by the amount of medical expenses you or any family members may have. |
| 21. Can my family members participate in health care sharing? | Yes, spouses and dependent children are welcome to participate. It is up to participating employers as to how much, if anything, they will contribute toward the cost of dependent family members. See Section 2 of the Guidelines for eligibility details. |
| 22. What if my dependents do not agree to abide by the Sedera Guidelines? | All members of Sedera must agree to abide by the Sedera guidelines as directed by the Sedera Board. For children 18 and under who are living with their member parent or guardian, we require that the member hold their children responsible to adherence with the guidelines. <i>For example, Sedera does not share expenses for injuries resulting from the use of illegal substances. Hence, medical expenses incurred by a member child that is injured while he/she is under the influence of an illegal substance would not be eligible for sharing.</i> |
| Qualifications and Limits | |
| 23. Is there a lifetime or yearly maximum amount that is eligible for sharing for any one person or family? | There are no lifetime or annual maximum amounts eligible for sharing for most medical needs. There is no limit on the number of needs that an individual member or household may have. |
| 24. What kinds of needs do Sedera Health members share? | In general, needs for illnesses or injuries resulting in visits to licensed medical providers, emergency rooms, testing facilities, or hospitals are shared on a per person, per incident basis. See Sections 6-9 for more details. |
| 25. What kinds of needs do Sedera Health members not share? | Needs resulting from medical conditions that existed prior to the membership effective date are typically not shared (see Section 7 for details). Also, since routine checkups and preventative care are handled through the participating employer's Minimal Essential Coverage (MEC) self-insurance plan, they are not eligible for sharing. |

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| | <p>Maternity needs related to conception that occurred prior to membership are limited. For any needs that do not qualify for sharing which create a financial burden to your family, Special Needs Sharing may be of assistance. See Section 5.</p> <p>A detailed explanation of the limitations on needs shared is explained in Sections 8 and 9.</p> |
| 26. How can I know if a need qualifies for sharing? | <p>The types of needs that qualify for sharing can be found in the Guidelines that follow. Consult Section 10 to familiarize yourself with the general procedures for submitting your need and Sections 6-9 for the specific requirements for sharing certain types of needs. If you have any questions, don't hesitate to call your Sedera Member Advisor at 1-855-973-3372.</p> |
| 27. What about routine medical care? | <p>The Sedera Health Care Sharing membership is designed to help members with the costs associated with unpredictable injury and illnesses. Routine preventative care and wellness coverage may be provided through your employer via a Minimum Essential Coverage (MEC) self-insurance plan.</p> |
| 28. How does Sedera handle very large medical expenses? | <p>There is no maximum limit to the amount that Sedera will share towards a specific medical need. However, the need must be within the scope of the Guidelines before it will be eligible for sharing. Because of the economic impact of very large medical bills (e.g., those over \$100,000), Sedera has devised an internal mechanism to ensure that adequate shares are available to meet both our member's normal and high-cost needs. For the very large medical expenses that occur from time to time, Sedera makes provision by allocating 15% of member's monthly shares to remain available through a benevolence fund that member companies have established. Sedera reserves the right to negotiate medical expenses with providers, and to prorate available shares, as necessary, in order to address all member's medical expense needs.</p> |
| 29. What amounts do members share for maternity needs? | <p>For a pregnancy that begins after the start of your membership, maternity needs are shared like any other need. For a pregnancy that began prior to your membership, the amount shared is generally limited to the amount of shares you have sent from the beginning of the mother's membership. See Section [9] for more details.</p> |
| 30. What if I'm a cancer survivor? Does that mean Sedera would never have its members share in any future cancer related bills I might have? | <p>No, in fact there are several ways in which that need could be shared:</p> <ol style="list-style-type: none"> 1) The expenses for your second occurrence of cancer would only be ineligible for sharing if it "resulted from" the first episode of cancer. It is quite possible that a second episode of cancer is unrelated to the first and thus eligible for sharing. 2) Except for insulin dependent diabetes, all conditions you had before your membership may be shareable after a period of time without symptoms or treatments (see Section 7 for details). 3) Even expenses that are not eligible under the basic sharing membership may be shared among our members through Special Needs Sharing. See Section 5. |

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| <p>31. How are expenses for medical treatments that occurred overseas handled?</p> | <p>Bills from medical treatments occurring overseas must be written or translated into English and the price converted to U.S. dollars. They are then handled the same as bills from treatment in the U.S.</p> |
| <p>Continuation of Membership Options</p> | |
| <p>32. What if I lose my job or change employers? Can I take my Sedera membership with me if I leave my employer? What are my options?</p> | <p>Continuation of membership in Sedera after termination of employment is dependent on whether the former employee chooses to exercise their federal COBRA option to continue their group MEC plan. If you continue your employer sponsored group MEC plan your Sedera membership would be available for continuation as well.</p> <p>Former employees also have the option to enroll in individual health insurance coverage through their state or federal Marketplace within 60 days of termination of their group MEC plan.</p> <p>Additionally, any HSA funds that you may have accumulated during your employment are also fully portable after termination of employment.</p> |
| <p>Risks</p> | |
| <p>33. This approach sounds kind of unusual! Does it really work?</p> | <p>The concept of medical cost sharing has been highly successful within the confines of faith based Christian groups for more than 25 years. Hundreds of thousands of members have shared hundreds of millions of dollars in medical expenses. Hence, there is strong precedence in the concept. We believe that a community of health conscious individuals who care for their fellow man can successfully participate in the sharing of medical burdens. It is important to note however, that past successes by faith-based sharing groups assisting one another is no guarantee of the future success of similar memberships. There is no promise/contract by Sedera or the members to contribute toward any need you might have in the future. The only promise by Sedera is to guide the voluntary shares given through the health care sharing process.</p> |
| <p>34. What happens if Sedera's members' needs are greater than the monthly shares received?</p> | <p>Sometimes Sedera can overlap needs from two months so that there is enough money for all the needs. However, if all needs cannot be met, we use a prorating method to evenly distribute the burden. For example, if the monthly shares received for a given month equals 80 percent of the needs submitted for a particular month, only 80 percent of each need would be shared that month. This does not necessarily mean that members would not receive enough money through other member shares to pay your medical bills. Sedera employs a team to seek fair pricing on every medical need. So as long as this team is able to get members costs below 80% of the billed charges, there would still be enough to handle all of the needs in that month. If prorating occurs three months out of six at any time, the Board will evaluate, with member input, whether there needs to be an increase in the monthly share. See Section 11 "Balancing Needs and Shares/Proration" for additional details.</p> |
| <p>Costs and Payment Processes</p> | |

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| <p>35. How much does it cost to belong to Sedera?</p> | <p>Every member provides a specific share amount each month, paid through their employer, who also determines how much of the monthly share will be provided by the company and how much by the employee. The employee portion of the monthly share is handled through a standard payroll deduction. 90.1 percent of these shares are used to help pay other members' medical needs, while 9.9% of the monthly share is retained by Sedera to support our infrastructure and administrative expenses. Sedera may also retain each new member's monthly shares for up-to the first 90 days of their membership in order to cover expenses and costs related to expanding the community. The monthly share amount varies depending on each member household's dependent status and age (under 30 or over 30), as well as their employer's contribution, if any. See the Sedera website for current monthly share amounts. Monthly share amounts are subject to change by vote of the board, following consultation with the member companies and their participating members.</p> |
| <p>36. Can my employer pay some, or all, of my monthly share amount?</p> | <p>Yes, there is no limit (other than business financial restraints) as to how much your employer can contribute towards your required monthly health care sharing portion.</p> |
| <p>37. How is my portion of the monthly share collected?</p> | <p>Each member business chooses what portion of the member's monthly share they will pay and what portion the member is required to pay. However, the Minimum Essential Coverage (MEC) plan, that member businesses are required to provide, has strict limits on the members' portion of the cost, as per ACA guidelines.</p> |
| <p>38. Are my monthly shares higher if I, or a participating member in my family, uses tobacco products?</p> | <p>Yes. Tobacco use of any kind is clinically proven to cause serious health conditions. The U.S. Department of Health and Human Services website states, "Cigar and pipe smoke, like cigarette smoke, contains toxic and cancer-causing chemicals that are harmful to both smokers and non-smokers. Smokeless tobacco is not a safe alternative to cigarette smoking." Due to the increased likelihood of higher medical costs associated with tobacco use, Sedera households with one or more tobacco users are required to share a higher monthly share rate. Additionally, medical needs for tobacco users age 50 and older are limited to \$25,000 for each of the following four disease categories: Cancer, Heart conditions, COPD and Stroke. See Section 8.A.</p> <p>Exceptions: The occasional celebratory cigar or pipe, for example, at the birth of a baby, is acceptable, as is the use of electronic cigarettes (vaping) during the process of attempting to quit smoking.</p> |
| <p>39. Are my monthly shares a pre-tax deduction like health insurance premiums?</p> | <p>No. The monthly share is a voluntary contribution towards a membership that facilitates the sharing of member's medical bills. As such, the money members contribute to the Sedera Health Care sharing membership is a post-tax contribution.</p> |
| <p>40. How often can the monthly share amounts be changed?</p> | <p>The monthly share can only change when approved by Sedera's Board of Directors. It is Sedera's policy that all decisions impacting member shares are only made in close consultation with the member businesses.</p> |

