



Sedera Health

Lowering the cost of health care. Together.

Employee Medical Cost Sharing Guide

SELECT Membership 2017



Medical Cost Sharing

Health care that is affordable, accessible, and above all, effective.

Keeping yourself and those you love healthy is of paramount importance. Today, government regulations and rising health care expenses make it increasingly difficult for American families to get exceptional care when they need it, at prices they can afford.



Families like yours are looking for solutions to this challenge. That's where Medical Cost Sharing comes in.

This alternative to health insurance offers:



Lower Monthly Costs

Savings of 30-55% vs. Group Health Insurance



Reduced Cost of Care

Overall lower annual health care outlays



Compliance & Credibility

The MEC (Minimum Essential Coverage) meets Affordable Care Act (ACA or Obamacare) guidelines*



*Most U.S. Citizens are required to carry Minimum Essential Coverage or be subject to a tax penalty. Contact your MEC administrator for details.

In 2017, the average employee health insurance expense
(premiums and out-of-pocket point of care costs)
is projected to increase by 25%.



Source: Kaiser Family Foundation

A Better Way to Health Care

How the power of community improves quality and cost-effectiveness.

Making smart choices (diet, exercise, lifestyle, etc.) can greatly improve one's quality of life. These choices can also dramatically impact the cost of health care in positive ways. And when a group of like-minded, healthy individuals and families get together and choose to share health expenses, everyone wins.



This model is better in many other ways, too.

Consider the following:



1 million members / \$1 billion in Sharing industry-wide

Medical Cost Sharing is a rapidly growing alternative to group health insurance. It has a 25 year history and industry-wide will soon have over a million members with a billion dollars in sharing across the communities.

Freedom from networks

Gone are the days of not being able to use long-time family physicians just because they were excluded from your insurance plan. Now you can see who you need, when you need them.

Sharing begins at just \$500 or \$1,000 per Need

While all Sedera members present themselves as self-pay patients to their medical providers, the Sedera community is there to share your financial burden when your medical expenses exceed the Initial Unsharable Amount (IUA) which is \$500 or \$1,000 depending upon your membership type. **

Big savings over health insurance

Medical costs for a health conscious group (like the Sedera Community) are typically much lower than traditional group plan

Needs are shared with the community

For larger and ongoing health care expenses exceeding the Initial Unsharable Amount (\$500 or \$1,000 depending upon your membership type), the expense is fully shared with the Sedera community, for as long as you're dealing with that Need.*

Promotes healthy lifestyles

In addition to the fact that a membership is comprised of other health-conscious members, Sedera offers many health-oriented tools and resources to keep you healthy.

* Medical Cost Sharing by Sedera Health is not insurance and is specific to the Sedera Health membership community. To participate, one must be an employee of a member company and must personally agree to abide by the Sedera principles of Membership.

** See the Sedera Select Membership Guidelines for more information

Sedera Health, your partner in Medical Cost Sharing

Reducing health care costs while increasing overall effectiveness and quality

Sedera Health was founded by Dr. Tony Dale, a former physician from Great Britain, whose interest in the American medical system began in the mid 90's when he required surgery in the US.

From this experience, Tony saw the tremendous inconsistencies and staggering costs built into the American health insurance system. He knew there must be a way to help people get better access to quality, affordable health care.

Sedera Health was created to help solve this dilemma, and today we're focused on reducing health care costs and improving the quality of care for employees nationwide.



Proven

Sedera Health is a proven, non-insurance solution to the cost of illness and injury



Strong

Built on a firm foundation of layered health care solutions and additional services



Affordable

Using a community-based, full-service model of health care, Sedera reduces the costs of individual/family medical Needs

The power of Sedera Health is magnified by a layering of services. Most are provided by Sedera and our member partners but it also includes your employer's preventative care plan and your personal Health Savings Account (HSA).

Layer One Minimum Essential Coverage (MEC)

Provided by your employer through a third party administrator, a MEC plan is legally compliant with the Affordable Care Act (ACA). It ensures that you and your family receive 100% of the preventative care required by the ACA including annual physicals, vaccines, mammograms, etc. and provides the framework for a Health Savings Account (HSA).

Layer Two Health Savings Account (HSA)

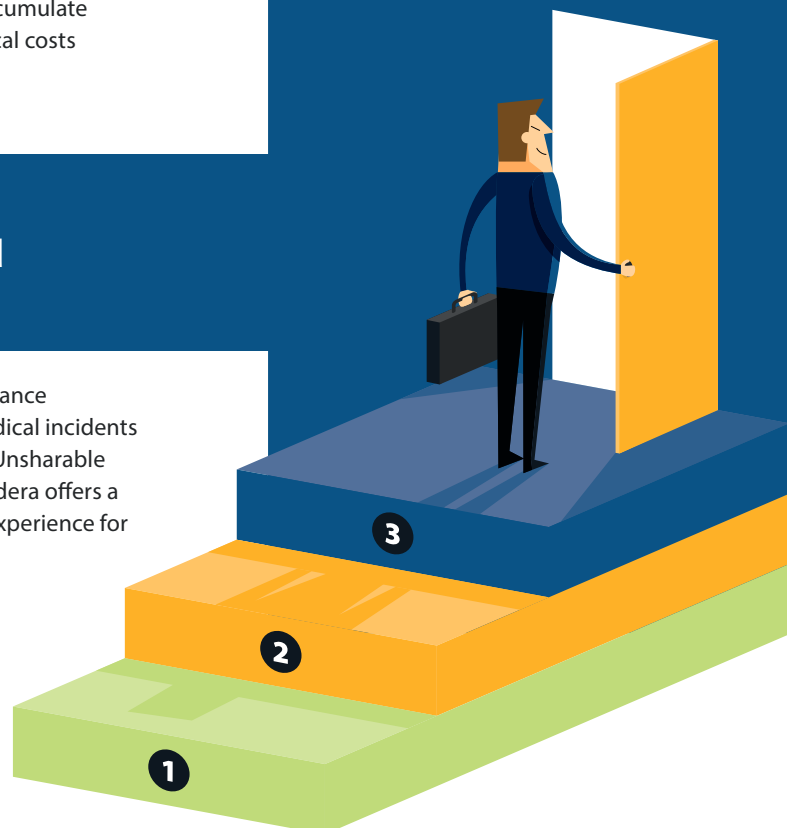
A Health Savings Account allows you to accumulate pre-tax dollars to pay for the smaller medical costs before Health Care Sharing kicks in.

Layer Three Medical Cost Sharing and Member Services

Medical Cost Sharing is a proven non-insurance community-based approach for larger medical incidents that have expenses exceeding your Initial Unsharable Amount (IUA). With its service partners, Sedera offers a host of resources to create a high quality experience for our community.

Layers

1. Preventative Care (MEC)
2. Health Savings Account (HSA)
3. Medical Cost Sharing & Member Services (Sedera Health)



Services

Community. Advisor. Resource. Friend.

Navigating ways to get the best care for your family can be intimidating. Sedera Health understands this reality and has the resources to help. With a powerful team of advisors, services and money-saving resources, Sedera provides much-needed relief exactly when and where you need it most.



Your Personal Assistant for Health Care

A dedicated Sedera representative is available and eager to answer your questions and help you navigate the health care system.

Among the many services your Sedera team can help you navigate are:

- Physician search
- Appointment scheduling
- Reduced prescription costs
- Counseling
- Alternative medicine
- Medical bill negotiation
- Surgery cost savings



This highly convenient, always available telemedicine service connects you with board certified physicians and pediatricians anytime, day or night. Members can schedule live phone or video appointments with a Teladoc™ physician and get quick access to board certified physicians and pediatricians anytime day or night*



When you want to confirm a diagnosis you've received or wonder if there are alternative solutions to a physician's recommendations, 2nd. MD's online consultation with highly-regarded physicians can help.

**For emergencies call 911. Teledoc is not available in Arkansas*

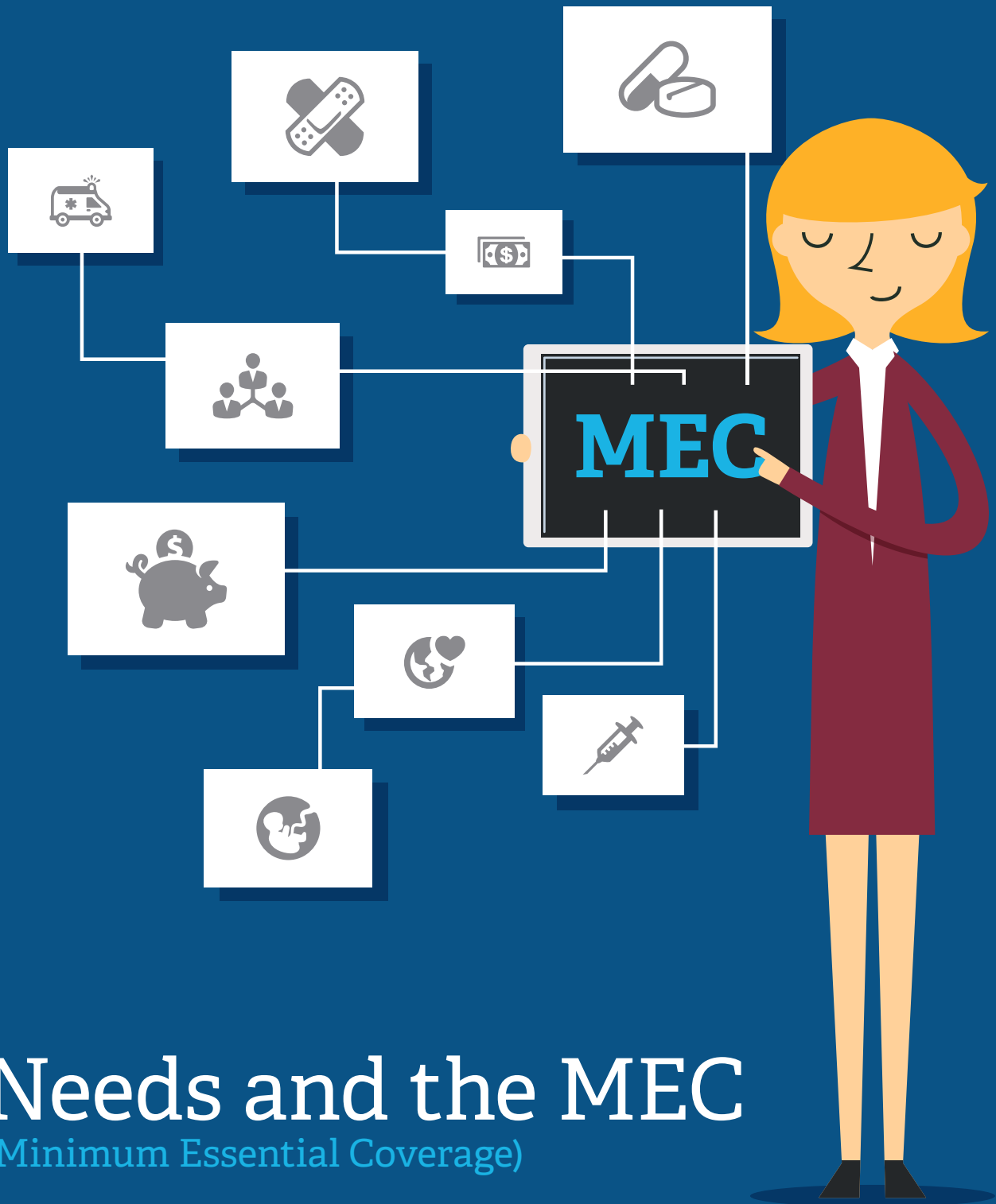
A Sedera Story

"This was our first experience with a 'Share Plan' and to be honest with you we weren't quite sure what to expect. Our representative made the entire process so much easier for us. We asked dozens of questions and she took her time and answered them all, making sure we understood everything. Our experience with Sedera has been wonderful. I have shared with many friends and the doctors we've visited how impressed we are with Sedera. After years of dealing with insurance companies, we FINALLY have someone on our side that is looking out for our best interest. I would like to mention that it was so nice dealing with one person the entire time. Our representative's timely response and personal touch shows that we are with a company that truly cared about us. Thank you so much... you have truly been a blessing to us."

David & Sharon Robinson, Sedera Health members

"After years of dealing with insurance companies, we finally have someone on our side that is looking out for our best interest."





Needs and the MEC

(Minimum Essential Coverage)

Understanding how your health care expenses are handled begins here.

Knowing how your health expenses are paid is not complicated, just layered. Here is how the MEC, your medical Needs and your HSA work together.

Preventative Care: Using The MEC

Minimum Essential Coverage is provided by your company and is administered by a Third Party Administrator (TPA). This covers:

- Yearly physicals
- Vaccines
- Preventative Mammograms
- Preventative Colonoscopies
- Wellness Checks
- 60+ other preventative benefits overall
- Minimum Essential Coverage is required by law

Medical Needs: Everything Else

Other than preventative care items covered by The MEC (above), a "Need" is simply medical expenses that are caused by a SINGLE accident or illness. Here's how your Needs are handled:

Small Needs (under the IUA of \$500 or \$1,000): You can pay for these expenses using pre-tax dollars from your Health Savings Account (HSA).

Larger Needs (over the IUA): Medical expenses arising from a Need that exceeds the IUA are then fully sharable within the community.

Multiple Needs: During the Membership Year, after three Needs for an individual or five Needs for a member with one or more dependents, every new Need is shareable starting at a zero IUA.

Curative Medications: Included in the cost of the Need or incident

Maintenance Medications: These are shareable for the first 120 days of a new diagnosis. After that, contact your Sedera Member Advisor to find significant discounts on maintenance meds. There is also a buy-up option available if a member has very expensive maintenance medications.

Health Savings Accounts (HSA)

Giving You Control

These tax-advantaged medical savings accounts are opened by you, the member. You—and your employer—contribute to this account for pre-tax benefits.

Versatile: These funds can be used for any qualified medical expense including dental, vision, prescription and doctor visits.

Tax-friendly: Contributions are not only 100% deductible, but withdrawals for Qualified Medical Expenses are never taxed. Additionally, interest grows tax-deferred and the unused funds roll over each year.

Contribution Limits: As of 2017, the limits are \$3,400/year for individuals and \$6,750/year for families. Employees 55+ can choose to contribute an additional \$1,000 per year.



How Large Needs Work

Two real-life examples of Needs at work

When larger, unexpected health events occur, the Sedera Community steps in to help. Here's a brief explanation of how it works, explained through two medical Needs.



Here's how a larger Need works:

Example: Mr. Bower slips on some ice and breaks his leg. This injury requires numerous types of care, medicine and treatments. At the end of the day, his maximum Initial Unsharable Amount for this incident is \$500 based on his membership type:



Incident Occurs	
An ambulance trip to the ER:	\$500 - \$2,500
Hospital expenses (physician, etc.):	\$3,000 - \$15,000
X-Rays and related tests:	\$800 - \$2,700
Crutches and incidentals:	\$300 - \$600
Ongoing post-operative therapy:	\$1,500 - \$4,500

Total Value of Services: \$6,200 - \$25,300

Settlement Range: \$3,660 - \$15,180
(shared with community)

Cost to Sedera Member (max need): **\$500***
A Potential Savings of \$5,700 - \$24,800

**or \$1,000 depending upon membership type*

A Comparison: Health Insurance versus Health Care Sharing

Example: The McMahon family has a one year old child suffering from persistent ear infections. Their health plan had a deductible of \$5,000/per family member. Care for their child required a series of antibiotics & booster injections, and a visit with an ENT specialist who inserted tubes in the child's ear at a local hospital. Here's how that need looks in their Health Insurance plan vs. Sedera's Health Care Sharing model:

Health Insurance	
Dr. Visit 1: Co-Pay (\$35) + Prescription (\$25)	\$60
Dr. Visit 2: Co-Pay (\$35) + In-office injection (\$100)	\$135
Dr. Visit 3: Co-Pay (\$35) + Prescription (\$25)	\$60
Dr. Visit 4: Co-Pay (\$35) + In-office injection (\$100)	\$135
Specialist Visit 1: Co-Pay (\$35)	\$35
Surgery Cost: Surgeon, Facility, & Anesthesiologist	\$1,800
Total Out of Pocket Cost:	\$2,225

Sedera (Medical Cost Sharing)	
Dr. Visit 1: Appt. cost + Prescription	
Dr. Visit 2: Appt. cost + In-office injection	
Dr. Visit 3: Appt. cost + Prescription	
Dr. Visit 4: Appt. cost + In-office injection	
Specialist Visit 1: Appt. cost	
Surgery Cost: Surgeon, Facility, & Anesthesiologist	
Total Out of Pocket Cost:	\$500

Employee pays for visits/treatment from their HSA or out-of-pocket up to the IUA. Costs fully shared thereafter. Remaining discounted balance is then paid by the community through Medical Cost Sharing.

Eligibility Guidelines and Standards

Sedera Health's numerous resources and services are available to our member company's employees and their families (including dependents up to age 26). A few restrictions apply. They are as follows:

A Healthy Lifestyle

Enrollment in Sedera's Health Care Sharing program requires:

- Agreement to strive for a healthy lifestyle
- No use of illegal narcotics
- No driving while intoxicated
- Tobacco users - \$45 surcharge per month*

Pre-existing Conditions

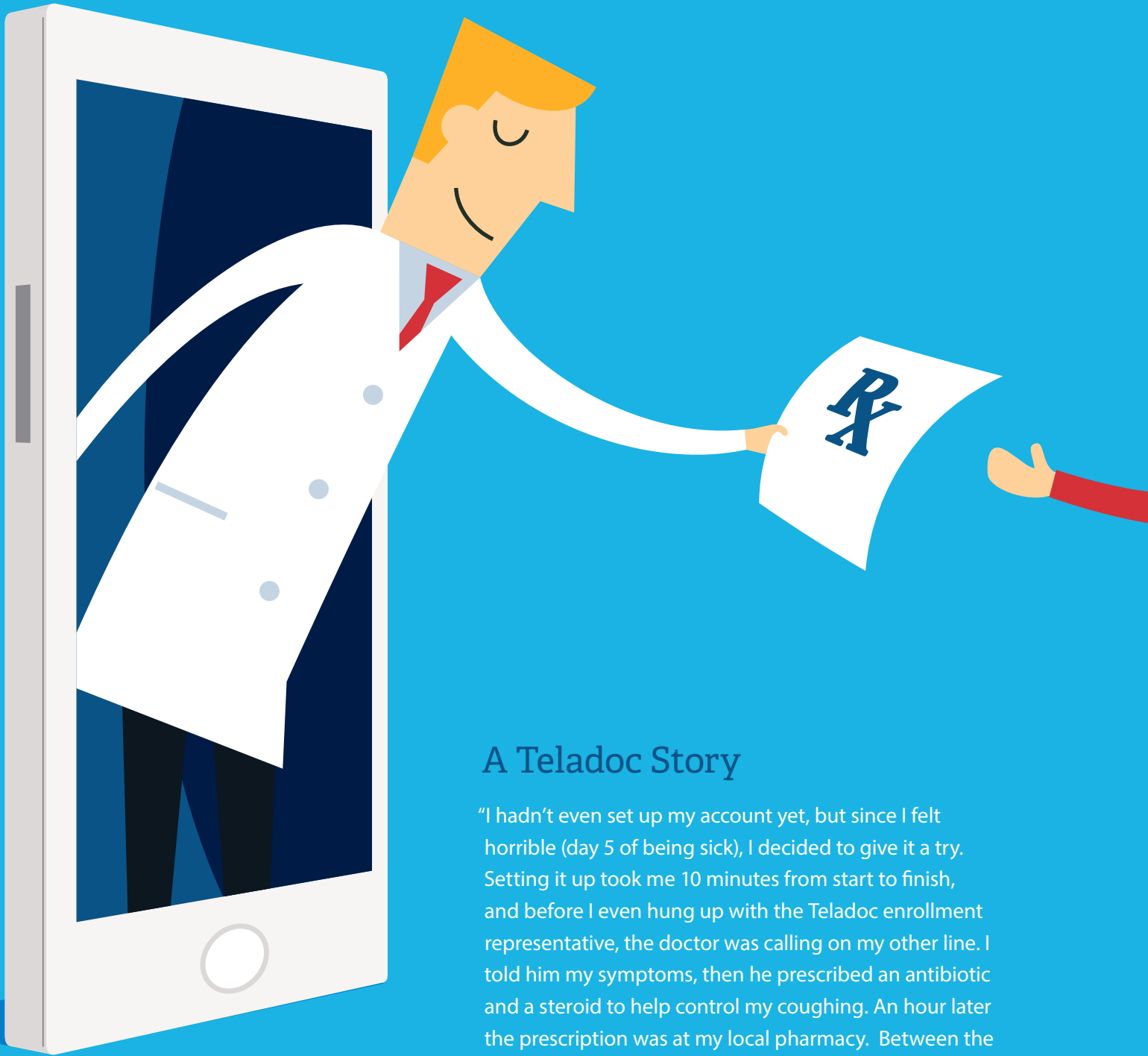
- A condition is considered preexisting if a member has symptoms or treatment in the last 36 months at the time of joining the community
- High Blood Pressure, High Cholesterol, Sleep Apnea, and Non-Insulin Dependent Diabetes, when well controlled, do not have sharing restrictions.

Pre-existing conditions will be shared as follows**:

- Year 1: No Sharing for the condition
- Year 2: \$25,000 sharing limit for the condition
- Year 3: \$50,000 sharing limit for the condition
- Year 4: Fully shareable

*Tobacco users age 50 and older have a \$25,000 per Need sharing limit for the top four disease states associated with tobacco usage: Heart Disease, Stroke, COPD and Cancer. See Sedera Member Guidelines for more information. Pricing subject to change.

** Standard sharing restrictions apply when joining the community for genetic defects and/or hereditary diseases. There are also restrictions on existing pregnancies when joining the community. Please see the Sedera Select Membership Guidelines for more information.



A Teladoc Story

"I hadn't even set up my account yet, but since I felt horrible (day 5 of being sick), I decided to give it a try. Setting it up took me 10 minutes from start to finish, and before I even hung up with the Teladoc enrollment representative, the doctor was calling on my other line. I told him my symptoms, then he prescribed an antibiotic and a steroid to help control my coughing. An hour later the prescription was at my local pharmacy. Between the quick response and ease of not having to leave my home, I will most definitely use Teladoc again."

Kerri from Austin, TX

Summary & Costs

A brief overview and your monthly costs

How to Handle Medical Expenses

Preventative Care:

Minimum Essential Coverage (MEC)

No co-pay/No co-insurance

Examples: Annual physical, flu shot, child wellness visits, smoking cessation program

Small to Medium Needs:

Small to Medium Needs: 24/7 Teledoc™ Service: Unlimited Access / No co-pays

Health Savings Account (HSA) for costs below the IUA (\$500/\$1,000)

Examples: Cold, sinus infection, flu

Larger Needs:

Medical Cost Sharing for incidents that cost over the IUA (\$500/\$1,000)

Examples: Child birth, new cancer diagnosis, serious injuries due to an accident

Please contact your Sedera Affiliate for Total Solution Pricing today.



To learn more about how Sedera works,
watch a brief video at www.Sedera.com



Sedera Health

For more information, please contact us today at:

www.Sedera.com | 800.473.5472 | info@Sedera.com