

Frequently Asked Questions (FAQs) For Individuals and Families

Sedera Health Basics

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 carry, 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?	Sedera is a Delaware corporation with administrative offices in Austin, Texas. Sedera is not an insurance company. Sedera is a benevolence organization that provides the framework and administrative support for a medical cost sharing membership, as well as access to numerous ancillary health services. Access to federally required products, such as Minimum Essential Coverage (MEC), must be provided through a sponsoring entity that you have direct affiliation with.
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. Medical cost 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 Medical Cost Sharing membership is on how our members help one another with their immediate needs.
4. What's the advantage of Sedera not being a health insurance company?	When healthcare 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 healthcare system are the direct result of restricting personal freedom and responsibility through dependence on third-party payors. Sedera is designed to allow members to help one another while maintaining freedom of choice and personal responsibility.

Legal and Regulatory Concerns

5. Is this legal?	The medical cost sharing membership operated by Sedera 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.
6. How are members of Sedera affected by the federal health care law (the ACA)?	Sedera members, like most U.S. Citizens may be required by the ACA or state law to satisfy the Individual Shared Responsibility provision of the ACA (aka, the individual mandate) or be subject to a tax assessment (aka, a penalty). Certain Sponsoring Entities have chosen to use a self-insurance arrangement in order to provide Minimum Essential Coverage (MEC) to their individual affiliates. These self-insurance plans are typically administered by a licensed Third Party Administrator (TPA). A self-insurance group MEC Plan fulfills the ACA requirement for the Individual Shared Responsibility provision of the law. Alternatively, the ACA gives individual members the option to go directly to the Marketplace (also called the Exchange) within their state of residence to purchase an individual health plan directly, should they prefer.

Legal and Regulatory Concerns

7. How will the IRS know that I meet the law's requirements and don't owe a penalty?	The reporting requirements for any group MEC plan are provided by either the plan sponsor or the TPA administering the plan and not by Sedera. Please note that Sedera cannot provide tax advice. Prospective members 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.
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How does Sedera Work?

8. How does Sedera handle medical claims?	Because there is no "transfer of risk" with Medical Cost Sharing no "claim" is ever owed. When members incur medical expenses that exceed their IUA, there is simply a medical need. Sedera members send proof of their medical expenses to the Sedera office where they are evaluated in accordance with the Guidelines. Qualified needs are then designated for sharing based on the total number of shares collected from members each month. Each member's monthly share is voluntary, but also a requirement in order to remain an active participant in the membership.
9. What is the process for paying my medical bills when I have a need?	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 Needs Processing Form (NPF) and submits the NPF, copies of all relative medical bills and any proof of payments made towards their 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.
10. How long does it take Sedera to process a medical need?	The sharing turnaround time normally ranges from 14-60 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 example, a need received by the end of September would be processed in October and shared at the beginning of November. Please note that larger bills may take longer to negotiate.
11. What if I refuse to authorize Sedera to negotiate my medical bills?	Virtually all medical bills are inflated due to "medical price indexing." Therefore, medical bills are required to be negotiated. Members who refuse bill negotiations negatively impact the community as a whole. Consequently, Sedera reserves the right to reduce the shareable amount by up-to 50% off billed charges on bills of \$500 or more in cases where a member refuses authorization to negotiate. See section 3.E.
12. Can I choose my own doctors and hospitals without being penalized?	Yes. Having the personal freedom to choose the medical providers of your choice is fundamental to Sedera's values. Sedera's Member Advisors will be happy to assist you in providing quality information to help you make a decision on the best provider(s), but there are no "out-of-network" penalties.
13. Is there a penalty if I don't use Sedera's second opinion program (2nd.MD)?	Yes. Since treatment protocols and quality levels vary dramatically throughout the medical profession, Sedera requires our members to utilize 2nd.MD prior to undergoing elective (non-emergency) surgeries. Needs sharing may be reduced by up-to 50% on bills over \$500 for members who either refuse to utilize the 2nd.MD program or intentionally skip the process. Conversely, by using 2nd.MD, the member's IUA will be reduced by \$250. Example: A member with a \$1,000 IUA would have their IUA decreased to \$750 if they consult with 2nd.MD prior to a scheduled procedure.

How does Sedera Work?

14. Does Sedera charge monthly premiums?	Because Sedera's Medical Cost 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% of each member's monthly shares are designated solely for assisting other member's needs.
15. Does Sedera use deductibles and co-insurance?	Sedera's process differs significantly from insurance practices in this regard; to our members' 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, after Sedera members incur an eligible medical expense that exceeds their Initial Unshareable Amount (IUA) any remaining balance relative to that specific need would be eligible for sharing. This effectively reduces the member's portion (or share) to their selected IUA for any single need.
16. What if I have a medical need that is not shareable?	Sedera's skilled Patient Advocates are available to negotiate our member's medical bills, even if the expenses are not eligible for sharing with the Sedera community.
17. What if my medical provider demands payment up front?	Occasionally medical providers require up-front payment prior to delivering service. In these instances, members should make every effort to limit the up-front payment to their selected IUA and request to be billed for any remaining charges. If advanced payment is required, that exceeds the member's IUA, the amount will be fully shared with the Sedera community, assuming it is in accordance with the Guidelines and adequate shares are available. See section 3.G. for additional details. Members are strongly encouraged to contact their Member Advisor prior to making large up-front payments to medical providers.
18. If all the monthly shares go to meet member's needs, how does Sedera get paid?	Each month Sedera retains 9.9% of the medical cost sharing dollars received to cover its administrative costs. The remaining monthly shares remain in the possession of the sponsoring entity until needed for medical cost sharing. Additionally, Sedera may retain up to the first 90 days of new member's monthly shares to cover program expenses and costs related to expanding the community. An audit of Sedera's finances is conducted each year by an independent auditing firm.
19. Will Sedera share medical costs that were incurred outside of the United States?	Yes, members' eligible needs, wherever incurred, will be handled through your Sedera membership.

Participation Requirements

20. What are Sedera's membership requirements?	Sedera members must be eligible through a sponsoring entity that participates in the Sedera 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.
21. What if someone does not pay their monthly share or drops out of the membership?	If a member fails to contribute their monthly shares, they would no longer be eligible for sharing medical costs with the Sedera membership unless/until the member catches up on their committed shares to the Sedera community.

Participation Requirements

22. 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.
23. Can my family members participate in medical cost sharing?	Yes, spouses and dependent children are welcome to participate in the membership. See Section 2 of the Guidelines for eligibility details.
24. What if my dependents do not agree to abide by the Sedera Guidelines?	Sedera members agree to abide by the Sedera Guidelines and Principles of Membership, as directed by the Sedera Board. Parental members are responsible to hold their participating dependent children age 16 – 25 to adherence with the Guidelines. For example, Sedera does not share expenses for injuries resulting from the use of illegal substances. Hence, medical expenses incurred by a member child who is injured while he/she is under the influence of an illegal substance would not be eligible for sharing. Note: Does not apply to dependent children under the age of 16.

Qualifications and Limits

25. Is there a lifetime or yearly maximum amount that is eligible for sharing for any one person or family?	There is no specific annual maximum dollar amount or lifetime maximum limits per member, though certain dollar amounts and/or visit limits apply to specific types of medical care and therapies. Sharing is only limited to the cumulative contributions received by participating members in any given month. There is, however, no limit on the number of needs that an individual member or household may have. See Section 8.B. for specifics. Additionally, no single need may consume more than one third (1/3) of the total number of shares available in order to assure ample shares for all members.
26. What kinds of needs do Sedera 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.
27. What kinds of needs do Sedera 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 preventive care are typically covered through a sponsoring entity's Minimal Essential Coverage (MEC) self-insurance program, they are not eligible for sharing. Certain exceptions apply. A detailed explanation of the limitations on needs shared is explained in Section 8.B.
28. How can I know if a need qualifies for sharing?	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 further questions, please do not hesitate to call your Sedera Member Advisor at 1-855-973-3372.
29. What about routine medical care?	The Sedera Medical Cost Sharing membership is designed to help our members with the costs associated with unpredicted injury and illnesses. Expenses for routine preventive care and wellness coverage are generally not shareable, however certain exceptions exist as described throughout these guidelines.

Qualifications and Limits

30. How does Sedera handle very large medical expenses?	While there is no maximum limit to the amount that Sedera will share towards a specific medical need, 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 members have contributed to. Sedera reserves the right to negotiate medical expenses with providers, and to prorate available shares, as necessary, in order to address all members medical expense needs.
31. What amounts do members share for maternity needs?	After a \$5,000 maternity IUA for a normal delivery, the need is shared as any other need for both the mother and delivery of the baby. See Section 9 for details.
32. 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?	No, in fact there are two ways in which that need could be shared: 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 would be 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).
33. How are expenses for medical treatments that occurred overseas handled?	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.

Risks

34. This approach sounds kind of unconventional! Does it really work?	The concept of medical cost sharing has been highly successful within the confines of faith-based Christian groups for more than 25 years. More than one million members have shared billions of dollars in medical expenses across the various sharing ministries. Hence, there is strong precedence in the concept. We believe that a community of health-conscious individuals who care for one another 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 programs. 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 monthly member contributions given through the medical cost sharing process.
35. What happens if Sedera's members' needs are greater than the monthly shares received?	If all needs cannot be met in any given month, Sedera would use a prorating method to evenly distribute the burden. For example, if the monthly shares available for a given month equals 90 percent of the needs submitted for a particular month, only 90 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 professional Patient Advocacy organization (the Karis Group) to seek fair pricing on medical needs that exceed \$500. So as long as this team is able to get members costs below 90% 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 need be an increase in the monthly contributions. See Section 5 for details.

Costs and Payment Processes

<p>36. How much does it cost to belong to Sedera?</p>	<p>Every member is required to contribute a specific share amount each month which is paid to their sponsoring entity. The monthly contribution amount varies depending on each member household's dependent status and age. Monthly share amounts are subject to change by vote of the board, following consultation with the sponsoring entities and their participating members.</p> <p>90.1% 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 program expenses and costs related to expanding the community. The monthly contribution 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. Monthly contributions are subject to change by vote of the board, following consultation with the member companies/sponsoring entities and their participating employees/members.</p>
<p>37. Can my employer pay some, or all, of my monthly share amount?</p>	<p>Unless your employer serves as the sponsoring entity for the self-insurance MEC plan, they may not contribute toward your required monthly contributions.</p>
<p>38. How is my portion of the monthly share collected?</p>	<p>Contact your sponsoring entity to determine their preferred method of collection.</p>
<p>39. 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.B.</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>40. 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 Medical Cost Sharing membership is a post-tax contribution.</p>
<p>41. 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 made in close consultation with sponsoring entities.</p>