



# Outside-the-box Sedera Health

By Paul Breslau, Breslau Insurance & Benefits Inc.

The breaking point for businesses to pay for health insurance is here for some Arizona employers and rapidly approaching for most others. This means businesses can no longer allocate enough cash toward the cost of employer-based health insurance. Many employees at these same businesses are already past their breaking points. Increasing employee premium contributions combines with higher deductibles to contribute to medical expenses being the No. 1 cause of personal bankruptcy in the United States.

## Outside-the-box

It is time for businesses to start exploring outside-the-box solutions. Health insurance, as we have known it, has major strikes against it. First, the degree of complex federal and state regulation is mind boggling. Second, insurance is not the appropriate tool for providing everyday healthcare. Insurance works best for sudden and unforeseen events that cause financial catastrophes. Third, insurance is predominately a non-productive middle entity adding delay and cost to providing healthcare.

My prediction is there will be an array of outside-the-box solutions coming to market. Options for direct primary care and cost-sharing plans are already here for individuals and families. For businesses, the EverydayCARE plan from Scottsdale's own Redirect Health is an impressive direct primary care-style option that has helped a dozen of my clients over the last few years. On the mega side, there are recent announcements such as the Amazon, Berkshire Hathaway, and JPMorgan health insurance partnerships, not to mention possible mergers such as Walmart, Humana and CVS, and Aetna.

## Sedera Health

A business-only cost-sharing plan for employers has recently been introduced in Arizona. According to its website, sedera.com, "Sedera Health is a medical cost-sharing community inspired by the modern sharing economy. Our non-insurance community is centered on a commitment to healthy living and sharing the cost of medical care. In doing so, we are able to provide high-end healthcare for members and their families at a more affordable price than conventional health insurance. While we're built on Christian principles, our members do not have to be affiliated with a religious group – all are welcome."

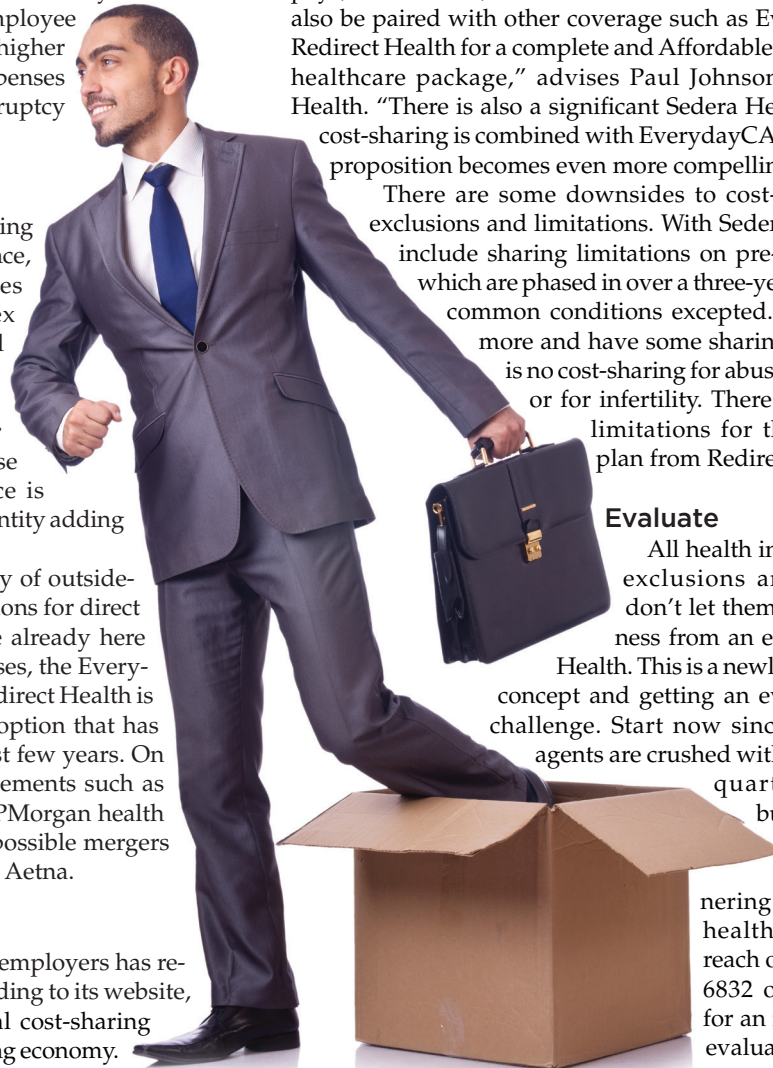
Business advantages to Sedera Health include significant cash savings combined with restoration of the direct doctor-to-patient relationship in healthcare. There is a whole new way of thinking about healthcare needs since there are no longer premiums, co-pays, deductibles, and co-insurance limits. "Sedera Health can also be paired with other coverage such as EverydayCARE from Redirect Health for a complete and Affordable Care Act-compliant healthcare package," advises Paul Johnson, CEO of Redirect Health. "There is also a significant Sedera Health discount when cost-sharing is combined with EverydayCARE so that the value proposition becomes even more compelling."

There are some downsides to cost-sharing, including exclusions and limitations. With Sedera Health, examples include sharing limitations on pre-existing conditions which are phased in over a three-year period with some common conditions excepted. Tobacco users pay more and have some sharing limitations. There is no cost-sharing for abuse of drugs or alcohol or for infertility. There are no pre-existing limitations for the EverydayCARE plan from Redirect Health.

## Evaluate

All health insurance plans have exclusions and limitations, so don't let them prevent your business from an evaluation of Sedera Health. This is a newly introduced service concept and getting an evaluation may be a challenge. Start now since health insurance agents are crushed with work in the fourth quarter because most business renewals are in January.

I am now partnering with leading local health agents, so please reach out to me at 602-692-6832 or Paul@HRaz.com for an initial conversation, evaluation, or referral. ■



*Paul Breslau, Registered Health Underwriter (RHU), Registered Employee Benefit Consultant (REBC), Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC), Chartered Advisor for Senior Living (CASL), is President of Breslau Insurance & Benefits Inc. Contact: 602-692-6832; www.HRaz.com; Paul@HRaz.com.*