SEDMED

INFORMATION BROCHURE

Andrew du Preez
SEDMED Principal Officer

Lydia Coetzee
Operations Manager

Joy McKenzie
Chief Accountant

Grazania van Wyk
Chief Claim Accessor

Emsie Kock
Member & Services
Provider Admin

Noluthando Ngcobo
Assistant to Accountant

Jandela Maloney
Administrative Assistant

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All medical schemes must be registered in terms of the MEDICAL SCHEMES ACT, 1998 (ACT 131 OF 1998). SEDMED's Registration Number is 1531. All medical service providers should have the details of SEDMED on their computer records. If not, it is a shortcoming on their part and not on the part of SEDMED.

The information provided in this booklet is simply an overview and is not meant to act as a governing document or to replace the Rules of Sedmed in any way or manner. Any information contained in this booklet which is in conflict with or contrary to the registered Rules of Sedmed must be regarded as invalid and of no force and effect and the Scheme shall not be bound thereby. In the event of ambiguity, uncertainty, conflict or where clarification is being required the registered Rules of Sedmed shall apply. The Rules of Sedmed will be provided on request.

PURPOSE AND MISSION STATEMENT

SEDMED provides medical aid benefits specifically and exclusively for individuals who are in the regular and full time employment of the Seventh-day Adventist Church in the Republic of South Africa, Namibia and Lesotho and those who qualify for the continuation benefit after having retired from the employ of the organisation.

SEDMED also provides benefits to the members' dependants registered with SEDMED.

SEDMED is required to function within the provisions of the Medical Schemes Act and Regulations and within the scope of the SEDMED Rules, but it is the aim to do so with fairness, compassion and consistency. It would be unreasonable and unethical for members to expect SEDMED to do otherwise.

It is a further aim to provide the best possible benefits at affordable contribution rates.

While it is the aim to operate as a non-profit making scheme, SEDMED is required by law to maintain a certain level of reserve, to take cognizance of its potential risk exposure as well as to make provision for unexpected expenditures and catastrophic events.

With effect from the 1st January 2001 SEDMED has operated as a contributory medical scheme. Members are encouraged not to claim for non-essential medical services or products, and to manage their medical expenses as best as they can in order to curtail expenses as far as

possible, so that contributions may remain as low as possible. It is for this reason that generic medicines should be used wherever possible.

MEMBERSHIP

SEDMED is a restricted scheme and membership is limited to those individuals who are in the regular full time employ of the Seventh-day Adventist Church in the Republic of South Africa, Namibia or Lesotho and those who qualify for the continuation benefits after having retired from the service of the organisation, if certain requirements have been met, and while residing within the SAU territory.

SEDMED also provides benefits to the members' immediate dependants registered with SEDMED.

Members and registered dependants are referred to as BENEFICIARIES (See Definition of Dependant).

NEW EMPLOYEES APPLICATION FOR SEDMED MEMBERSHIP

It is expected of new employees to become members of SEDMED (unless he or she is a member of another medical scheme or registered as a dependant of a member of another medical scheme). Together with the Letter of Appointment, employees must be provided with a SEDMED Application Form and all other relevant documents for completion and submission to SEDMED.

RETIREES

An employee who intends to retire from the service of the organisation must advise SEDMED in advance of their intention and provide SEDMED with a new completed membership application form. The fact that a new application form is required does not mean that there is a change in the applicant's membership or benefits. SEDMED requires the new form for record purposes and for processing the arrangements surrounding the payment of subsidies on contributions.

APPLICATION FOR SEDMED MEMBERSHIP

(Employing organisations have all the required documents)

APPLICATION FORM

An application form for SEDMED membership must be completed by all new applicants. All details and documents as required in the application form must be provided by the applicant before the application will be considered. The completed form must be signed by both the applicant and the CFO/HR officer of the relevant organisation to verify employment.

DEPENDANT CHILD DETAILS

In the event that a child dependant is to be registered, attention must be paid to the notes accompanying that section of the application form. The child must be a member's natural child, or a stepchild, or legally adopted child or a child in the process of being legally adopted or a child in the process of being placed in foster care, or a child for whom the member has a duty of support or a child who has been placed in the custody of the member or his/her spouse and who is not a beneficiary of any other medical scheme. A dependant child is not yet 21 years old and does not earn a regular income equivalent to or more than the maximum social pension per month, or the child must be a full time student not yet 26 years old, or the child must be physically or mentally disabled. Documentary proof must be provided in all cases.

MEDICAL HISTORY

This section of the form must be completed for each beneficiary. Failure to disclose relevant information may lead to claims being rejected at a later stage or may even lead to termination of membership.

PROOF OF PRIOR MEMBERSHIP OF ANOTHER MEDICAL SCHEME

It is of the utmost importance that an applicant include in his/her application documents, proof of prior membership and period of such membership, of any medical scheme, either as principal member or as a dependant (see Waiting Periods below). This requirement does not apply to retirees as they would previously have been members of SEDMED.

CERTIFIED COPIES OF ID'S, BIRTH CERTIFICATES AND MARRIAGE CERTIFICATES

Certified copies of ID's, marriage and birth certificates must be submitted in respect of the applicant and each dependant.

WAITING PERIODS

In the event of a new member or dependant not having been a member of another medical scheme for a period of at least 90 days prior to the date of application and not having been a member of another medical scheme for more than 2 years immediately prior to joining SEDMED , certain waiting periods may be applicable in terms of Rule 8.4. Such waiting period may be a general period of three months or a period of twelve months if the patient suffers from a specific pre-condition.

DEFINITIONS

The Act:
The Medical Schemes Act (Act No 131 of 1998), and the regulations framed thereunder.

Approval or Authorisation:
Means prior written approval from Sedmed or it 3rd party management companies.

Chronic disease:
A chronic disease is a medical condition from which a patient suffers over an extended period of time and in respect of which the patient requires continuous medication and/or treatment.

Chronic Disease List (CDL):
The Government has identified a list of 26 diseases in respect of which medical schemes must pay 100% of the cost of diagnosis, medication and treatment without any annual limit. These diseases are beter know as the CDL conditions, being Chronic Disease List conditions.

Non-Chronic Conditions (Non-CDL):
The Regulations to the Medical Schemes Act provide a long list of approximately 270 conditions identified as Prescribed Minimum Benefits. The list is in the form of Diagnoses and Treatment Pairs which can be found on the website of the Council for Medical Scheme. All medical schemes must pay a 100% of the cost of diagnosis, medication and treatment subject to scheme Rules and restrictions.

Chronic Conditions:
SEDMED has identified a list of 40 diseases in respect of which SEDMED will pay 80% of the cost of diagnosis, medication and treatment without any annual limit. Before you can enjoy this benefit you must register your chronic condition with Sedmed's pharmaceutical management company, Mediscor. Registration of these chronic conditions is only valid for a maximum period of 12 months at a time. After the expiry of the registration period, and if the sickness/condition has not been cured, you must re-register the condition in the prescribe manner.

Chronic medicine:
Chronic medicine is prescribed medication to be used by a patient on a continuous basis over an extended period of time in order to preserve a reasonable quality of life.

Registration for CDL, non-CDL or Chronic medication & treatment:
In order to qualify for CDL, non-CDL and chronic medication and treatment,chronic all conditions must first be registered with SEDMED or its pharmaceutical management company, Mediscor. See Chronic Medicine & Treatment Benefit below for further details.

Day clinic and hospital day ward:
Day clinic and hospital day ward is a facility which allows for a patient to be discharged on the very same day a procedure is done, eliminating an overnight stay.

Dependant:
Is a member's spouse, dependent child or immediate family who is dependent upon the member and in respect of whom the member is legally liable for family care and support. A dependent child means the member's natural child, or a stepchild, or legally adopted child or a child in the process of being legally adopted or a child in the process of being placed in foster care, or a child for whom the member has a duty of support ora child who has been placed in the custody of the member or his/her spouse and who is not a beneficiary of any other medical scheme.

To qualify as a dependant, the child:
• must be under the age of 21, or older if he or she is permitted under the rules of the Scheme to be a dependant;
• must not be a member or a registered dependant of a member of a medical scheme; • must be financially dependent on the member;
• must be a full time student at a recognised institution and be under the age of 26 years and be financially dependent on the member, as determined by the Board, for a period not exceeding 12 (twelve) months at a time, or a period determined by the Board from time to time;
• must be a child who, due to mental or physical disability, is dependant upon the member while such disability continues.
• Documentary proof of dependency as outlined above is required when registering a dependant, including certified copies of ID, student registration or certificate of disability.

Designated Service Provider (DSP):
A DSP is the provider of services with whom SEDMED has contracted to provide certain services and whose services must be used by the member whenever such services are required. Details of such Designated Service Providers are given by way of special circular letters from time to time.

Dispute:
To question whether a decision made or action taken, or the lack thereof, by the Scheme or an officer of the Scheme is correct and/or valid and/or fair.

Emergency:
An emergency medical condition means the sudden and, at the time, unexpected onset of a health condition that requires immediate medical treatment and/or an operation. If the treatment is not available, the emergency could result in weakened bodily functions, serious and lasting damage to organs, limbs or other body parts, or even death.

Employee:
A person or group of persons in the regular and full time employment of an employing organization within the Republic of South Africa, Namibia, Lesotho or Swaziland existing in terms of the Constitution of the Southern Africa Union Conference of Seventh-Day Adventists, said person being required to work on a regular basis for at least 37.5 hours per week and also to be a member of the Seventh-Day Adventist Church in good and regular standing.

Employer:
The Seventh-day Adventist Church in the Republic of South Africa, Namibia, Lesotho or Swaziland or any of its recognised sub-organisations and any other employer or employer group within the Seventh-day Adventist Church as determined by the Board.

General waiting period:
A period during which a beneficiary is not entitled to claim any benefits.

Generic medication:
Generic medication is medicine that contains the same active ingredients as patented medicines and is capable of substantially the same performance. Generic medicines are manufactured following the lapsing of patent registration and are usually cheaper.

Hospital related costs:
Hospital related costs are all costs incurred in respect of a hospital event as defined below, including the fees of the attending physician/surgeon, anaesthetist, pathology services, X-rays, theatre costs, blood

transfusions and medicines associated with the hospital event and used while the patient is being treated in terms of said definition. For all of the following procedures/treatments SEDMED ALWAYS REQUIRES pre-authorisation or postauthorisation in the event of an emergency(see pre-authorisation definition below)

Hospital related event (HRE):

HRE are treatments or procedures requiring the patient to remain in hospital overnight. The following procedures (also requiring pre-authorisation to qualify for 100% benefits), would be regarded as hospital events but should, preferably, be carried out in a day clinic, day ward of a hospital, doctor's rooms or the out patient section of a hospital even though the patient would not, normally, stay overnight in the relevant facility:

- Biopsy procedures
- Colonoscopy
- Direct Laryngoscopy
- Drainage of an abscess or cyst
- Ear Nose and Throat (ENT) procedures
- Excision of a nailbed
- Excision of benign skin lesions
- Gastroscopy
- Gynaecological procedures
- Injection of varicose veins
- Intravenous administration bolus injections of antibiotic courses
- Laser eye treatment
- Neurology procedures
- Opthalmic procedures
- Orthopaedic procedures
- Periodontal mucoperiostal
- Flap surgery
- Radiology, including x-rays, scans, scopes & angiogram (pre-authorization for x-rays only is not required)
- Removal of buried dental roots, including impacted or wisdom teeth
- Sigmoidoscopy
- Surgical removal of plantar warts
- Urological procedures
- Sterilization & Vasectomy

Over the Counter products:

Over-the-counter (OTC) products are medicines sold directly to a consumer without a prescription from a healthcare professional, as compared to prescription drugs, which may be sold only to consumers possessing a valid prescription.

Over the Counter products:

Over-the-counter (OTC) products are medicines sold directly to a member without a prescription from a healthcare professional, as compared to prescription drugs, which may be sold only to member possessing a valid prescription. Sedmed covers OTC medication up to a maximum of R350.00 per month, per family. All OTC claims accrue to the annual 75% benefit.

Out of hospital costs:

Out of hospital costs are the costs of all consultations, procedures or treatment by physicians, dentists, physiotherapists and the like, in their consulting rooms, including outpatient treatment, and not forming an integral part of a hospital event as defined above and including eye testing and spectacles (see relevant section on spectacles).

Outpatient:

Outpatient is a patient who visits a hospital for treatment and who is discharged without staying overnight. Costs so incurred would be viewed as out of hospital costs. Normal benefits payable would be 75%.

Prescribed Minimum Benefits (PMB's):

Prescribed Minimum Benefits (PMB) is a set of defined benefits to ensure that all medical scheme members have access to certain minimum health services and consists of provision for the diagnosis, treatment and care cost of

a) the diagnosis and Treatment Pairs listed in Annexure A of the Regulations to the Act, subject to any limitations specified therein; and

b) any emergency medical condition.

The aim is to provide members with continuous care to improve their well being. The cost related to the treatment of PMBs must be carried in full by the Scheme and without imposing an annual limit and subject to certain restrictions.

PRE-AUTHORISATION

Pre-authorisation for all Hospital Related Events (HREs) is required prior to undergoing any treatment or procedure, including treatment or a procedure in a day ward of a hospital, day clinic or doctor's rooms. Pre-authorisation must be obtained at least 24 hours prior to admission or treatment. In the event of an emergency, post-authorisation must be obtained on the first working day following admission or treatment. For all hospital authorisations Sedmed's Hospital Benefit Management Company, MSO, must be contacted at 011 259 5058.

Compensation Commissioner (injury while on official duty) or Road Accident Fund (RAF):

Pre-authorisation for all Hospital Related Events (HREs) is required prior to undergoing any treatment or procedure, including treatment or a procedure in a day ward of a hospital, day clinic or doctor's rooms. Pre-authorisation must be obtained at least 24 hours prior to admission or treatment. In the event of an emergency, post-authorisation must be obtained on the first working day following admission or treatment. For all after hours emergencies the SEDMED emergency numbers (071 872 2025 or 072 642 2351) may be called for assistance. If a member and/or dependant is injured in a road accident,the member must as soon as possible inform SEDMED of the incident and register a claim with the RAF. In such an event SEDMED may cover the cost of treatment and medication, but the member must upon receiving compensation relating to his/her medical expenses from the RAF, refund SEDMED for all medical expenses incurred on behalf of the member and/or dependant. If a member or dependant is injured whilst carrying out official duties, the employing organization must immediately inform SEDMED of the incident and register a claim with the Compensation Commissioner. In such an event SEDMED is not responsible for covering the cost of medication or treatment.

SEDMED BENEFIT STRUCTURE (and abbreviations)

- Out-of-Hospital Benefits (OHB)
- Prescribed Minimum Benefits (PMB)
- Chronic Medicine & Disease Benefits (CMB)
- Chronic Disease List (CDL)
- Hospital Related Benefits (HRB)

OUT-OF-HOSPITAL BENEFITS

If required, accounts must be paid in full by the member and submitted together with receipts to SEDMED for processing. It remains the member's personal responsibility to ensure that claims together with the relevant invoices and receipts are in the possession of SEDMED by not later than the end of the 4th (FOURTH) month following the date on which the service was rendered. If claims are not submitted to SEDMED within the 4 month period, SEDMED, after considering the circumstances surrounding the late submission, can elect not to honour payment of the claim.

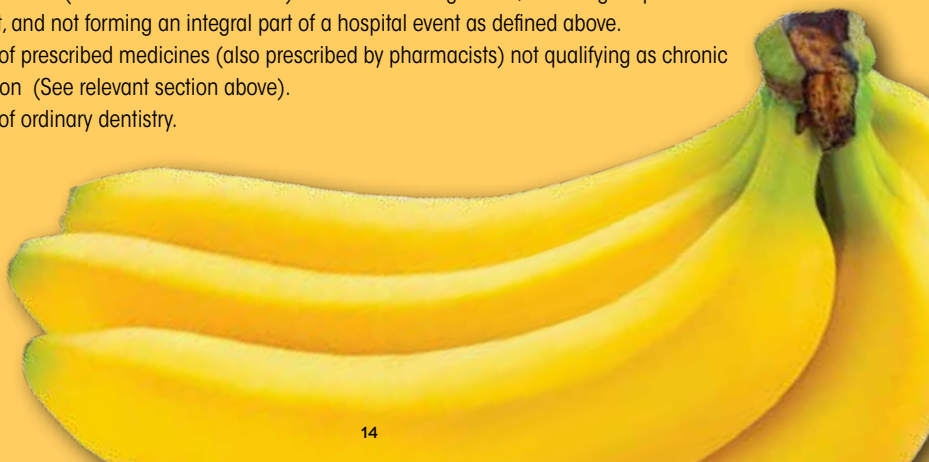
General Benefits, Limits and Conditions:

Annual limits are as follows (limits do not apply to chronic medication and treatment –see below):

- Member only (M) R6 000.00
- Member + 1 dependant (M+1) R12 000.00
- Member + 2 or moredependants (M+ 2) R18 000.00
- In order to preserve SEDMED funds patients should always insist on being charged according to NHRPL rates (usually referred to as "contracted in rates").
- Members are encouraged to negotiate discounted rates as far as possible and to make use of Designated and Preferred Service Providers (Medi Clinic, Netcare Group, Dis-Chem and Clicks)
- Members are encouraged to use generic equivalents of patented medicine wherever possible.

Out of hospital claims are paid @ 75% of cost, which would include:

- The costs of all consultations, procedures or treatment by physicians, specialists, physiotherapists, optometrists etc (this list is not conclusive) in their consulting rooms, including outpatient treatment, and not forming an integral part of a hospital event as defined above.
- The cost of prescribed medicines (also prescribed by pharmacists) not qualifying as chronic medication (See relevant section above).
- The cost of ordinary dentistry.



• Special provision is made for Spectacles, contact lenses, frames and eye tests (See relevant section below)
• SEDMED usually makes payments twice a month but not between 15 December and 15 January due to the holiday season.
• Refunds due to a member will be electronically deposited into the main member's bank account on record.

Optics:

(Benefits accumulate towards optics benefit limit)
Eye testing, lenses and frames for each beneficiary will be paid for @ 75% of cost during a cycle of TWO YEARS:

Testing of eyes: 75% of cost up to a maximum benefit of R300.00
Lenses: 75% of cost up to a maximum benefit of R3 000.00
Frames: 75% of cost up to a maximum benefit of R750.00

Over the Counter Products (OTC):

Products which are generally available over the counter (OTC) without a doctor's prescription will be reimbursed at 75% of the OTC limit (R350.00 per month, per family) and subject to the scheme rules. All OTC claims will accrue towards the annual 75% limit. The OTC must form part of pharmacy advised therapy.

Hearing Aids (HA):

(Benefits accumulate towards hearing aid benefit limit) Pre-authorisation is required in order to qualify for payment of benefits. A benefit of 100% of cost of hearing aids will be paid up to a maximum of R24 000 per beneficiary in a cycle of two years. After pre-authorization has been obtained, SEDMED will accept responsibility to pay the account subject to the limits referred to.

Specialist Orthodontic Expenses (SOE):

Pre-authorization is required in order to qualify for payment of benefits. (Benefits accumulate towards SOE benefit limit). A benefit of 75%, limited to patients under the age of 18 years, of the cost of special orthodontic work will be considered upon SEDMED having received a full report of what is envisaged by the orthodontist. A typical example of orthodontic work qualifying for this benefit is the fitting of braces. Benefits are limited to R12 000 per patient in a cycle of two years. (Dentures, crowns, bridges and

dental implants do not qualify for benefits in terms of this provision as these are seen as forming part of ordinary dental procedures.)

Dental Implants:

Pre-authorisation is required in order to qualify for payment of benefits. SEDMED will only consider paying for dental implants if these form part and parcel of a Maxillo Facial Surgical procedure or in cases where it is shown to be a medical necessity. SEDMED must be provided with a full and complete motivation from the specialist recommending such implants. SEDMED will have the right to obtain a second opinion. Once SEDMED has been provided with all the required details, motivation and further opinion(s), a decision will be made, if necessary by the Board of Trustees. In the event that it is decided that SEDMED should issue authorisation, the conditions and terms of such authorisation and level of benefits will be determined. In stead of simply opting for dental implants, members and their dependants must first consider the fitting of a set of dentures, bridge, crown or the like.

If a member insists on dental implants which do not involve surgical procedures as mentioned above, the benefits would be limited to 75% of cost which will accumulate towards the member's annual limit as indicated above. PRESCRIBED MINIMUM

PRESCRIBED MINIMUM BENEFITS (PMB), CHRONIC & NON-CHRONIC BENEFITS

Prescribed Minimum Benefits (PMB):

SEDMED is required to provide unlimited cover for Prescribed Minimum Benefits as defined in the Regulations to the Medical Schemes Act. This however does not mean that SEDMED cannot adopt and apply treatment protocols and formularies in regards to PMBs.

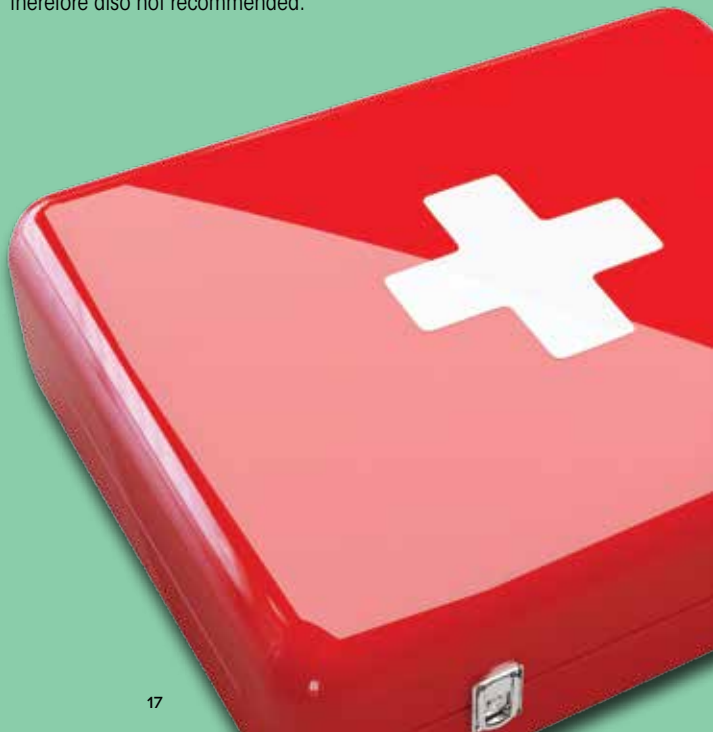
CDL, non-CDL and Chronic (80%) Benefits:

(CDL and Chronic (80%) benefits do not accrue towards annual limit). Mediscor ChroniLine, an independent pharmaceutical management company, is responsible for the management of SEDMED's chronic and non- chronic medicine and treatment benefits. Therefore chronic benefit applications and approvals are managed by Mediscor ChroniLine. To qualify for chronic medicine and treatment benefit, prior approval and registration must be obtained from Mediscor ChroniLine.

Registration Process:

A member may elect to register for CDL, non-CDL or Chronic medication and treatment by any of the following ways:

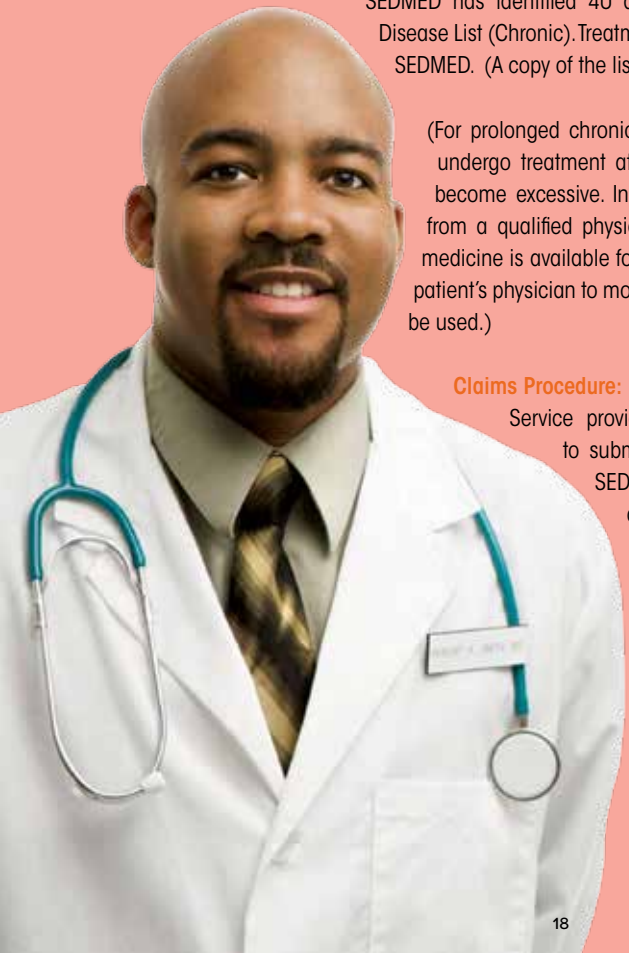
1. The member's doctor can phone Mediscor ChroniLine during the consultation and process the approval and authorisation there and then.
2. The member can take his/her prescription to the pharmacy and the pharmacy will contact ChroniLine there and then for approval and authorisation.
3. The member can fax his/her prescription to Sedmed and Sedmed will in turn liaise with ChroniLine to register the member. This process will obviously take longer than the abovementioned and is therefore not recommended.
4. The member can fax his/her prescription directly to ChroniLine for approval and authorisation. This process will also take longer and is therefore also not recommended.



THE CDL CONDITIONS LIST

Addison's Disease	Coronary Artery Disease	Epilepsy	Multiple Sclerosis
Asthma	Chronic Obstructive Pulmonary	Iaucoma	Parkinson's Disease
Bipolar Mood Disorder	Crohn's Disease	Haemophilia	Rheumatoid Arthritis
Bronchiectasis	Diabetes Isipidus	Hyperlipidaemia	Schizophrenia
Cardiac Failure	Diabetes Mellitus Type 1 & 2	Hypertension	Systemic Lupus Erythematosus
Cardiomyopathy Disease	Dysrhythmias	Hypothyroidism	Ulcerative Colitis
Chronic Renal Disase	HIV	Addison's Disease	Addison's Disease

The Government has identified 26 chronic diseases which have been included in the Chronic Disease List. Treatment of these diseases will be paid at 100% by SEDMED.



The Chronic list (80%):

SEDMED has identified 40 diseases forming part of our Non Chronic Disease List (Chronic). Treatment of these diseases will be paid at 80% by SEDMED. (A copy of the list will be provided on request.)

(For prolonged chronic treatment the patient may be required to undergo treatment at a public sector facility, especially if costs become excessive. In order to save costs, SEDMED may inquire from a qualified physician as to whether or not suitable generic medicine is available for a particular condition and may require the patient's physician to motivate why such generic medicine should not be used.)

Claims Procedure:

Service providers (pharmacies, doctors, etc.) are able to submit all claims of members electronically to SEDMED. Therefore, members are not required anymore to first pay for medication and/or treatment in full and thereafter claim from SEDMED. In cases of 75% and 80% claims, the member will only be required to pay the co-payment (the member's share, i.e. 25% or 20%)at the service provider.

The member can also pay for the medication or treatment in full and submit the claim to SEDMED (paper claim). The appropriate claim form accompanied by

the relevant receipts must be submitted to the employing organization or to SEDMED directly within the prescribed time limit.

SEDMED will make the appropriate refund according to the scheme Rules.

Benefit payments are made by electronic transfer into the providers' or the members' bank accounts twice a month.

Pharmaceutical Service Providers:

Dischem and Clicks are Designated Service Providers for pharmaceutical benefits.

SEDMED has an understanding with Dischem and Clicks pharmacies to provide pharmaceutical related services to SEDMED members at an agreed dispensing fee structure. Members must therefore as far as possible make use of the said service providers. Members who make use of other pharmacies than Dischem or Clicks, and in the event that the other pharmacy's fee structure is higher than the agreed fee structure of Dischem and Clicks, will be responsible for the payment of the difference between the fee structure agreed to with Dischem and Clicks and the fee structure of the other pharmacy.

HOSPITAL RELATED EVENTES (HRES)

Designated Service Provider for Hospitalization MediClinic and Netcare are Designated Service Providers:

SEDMED has an understanding with the MediClinic and NetcareGroup of hospitals to provide hospital related services to SEDMED members and members must insist on being allowed to use a MediClinic or Netcare facility if such is readily available. Members who fail to observe this arrangement and make use of another hospital facility even though a MediClinic or Netcare is available, may be held responsible for the payment of any possible difference in the cost structure.

Invoices:

Although SEDMED issues pre-authorisation for hospital treatment and procedures and therefore accepts full responsibility for the payment of all related accounts this does not absolve the member from the personal responsibility of ensuring that all relevant invoices are in the possession of SEDMED by not later than the end of the 4th (FOURTH) month following the date on which the service was rendered. It is recommended that members discuss the hospital event with the relevant facility and make contact with all the parties who are or were involved to ensure that all invoices will

be presented to SEDMED (or the member) so that these invoices are all processed in time. These parties could include the hospital, physicians, specialists, surgeons, anaesthetists, pathologists, ambulance services, physiotherapists, dermatologists, etc. Invoices submitted to members must be processed to SEDMED within the time frame allowed for this.

Procedures, Benefits & Conditions:

Pre-authorisation must first be obtained from SEDMED at least 24 hours prior to treatment or admission. As of 01 April 2014, Sedmed's hospitalisation benefit will be managed by a company called MSO. As of 01 April 2014 all authorisations must be obtained from MSO at 011 259 5058.

In the event of an emergency, post-authorisation must be obtained on the first working day following emergency admission or treatment. (See definition of Emergency above).

The facility and all other service providers must be advised of the authorisation number allocated by SEDMED and requested to quote this number on all accounts and correspondence. Payment of Hospital Related Benefits (HRBs) is restricted to Hospital Related Events (HREs).(See definition above).

The maximum Hospital Related Benefits (HRBs) payable are R500 000.00 per family per annum except in the event of a Prescribed Minimum Benefit condition (See definition above).

Provided pre-authorisation has been obtained (or postauthorisation in the event of an emergency) and SEDMED had been able to make suitable arrangements for the payment of hospital accommodation and all related costs, SEDMED will pay all related invoices at Scheme rates, in full and upon receipt. See comments on INVOICES above.

Any accounts which the member may receive directly from the attending physician/ anaesthetist/pathologist must be submitted immediately to SEDMED for payment. The pre-authorisation number must be clearly indicated on such accounts. See comments on INVOICES above.

100% claims must be submitted directly to SEDMED for immediate payment. Prompt payment by SEDMED enables

SEDMED to negotiate discounted rates as indicated above.

It remains the responsibility of the member to ensure that all payments are made promptly. If a member is in doubt as to whether or not an account had been paid, SEDMED should be contacted without delay.

GENERAL COMMENTS

Contributions payable in advance:

SEDMED contributions are payable in advance. Both members and employing organisations should take cognisance of the fact that contributions normally increase on 1 January which means that the increased member share is to be deducted from employee's salary in December of the previous year.

Late contributions:

Late payment of contributions jeopardizes the member's continued SEDMED membership. In this event, SEDMED will not pay any benefits which would otherwise be due to a member. Where the employing organisation has deducted the member's share from his or her salary but fails to pay the contribution over to SEDMED, such organisation is guilty of fraud, exposes itself to a claim for damages from the member and runs the risk of the SEDMED membership being cancelled.

Prescription formalities:

Members are requested not to detach the upper part of the prescription, but to submit the prescription in its entirety. SEDMED will only accept and process a prescription for payment of benefits in respect of which the upper part is still attached and no exceptions will be made in this regard.

Electronic banking:

Each member must ensure that SEDMED has his or her correct banking details as benefits are paid electronically into the main member's bank account.

Email addresses:

Sedmed makes use of an electronic automated member statement delivering process. This process enables Sedmed to send account statements and correspondence by way of email to its members. Members should therefore ensure that their latest email addresses are registered with Sedmed.

Sedmed Website:

Sedmed's website can be visited at www.sedmed.co.za. All the latest information about Sedmed can be found on the website. The website also provides a secure login portal through which members are able to access their personal and claims information. Members are encouraged to make use of this facility to ease the process of obtaining information.

Disputes:

Any dispute by prospective, current or former members must be directed in writing to the Principal Officer of SEDMED. The dispute will be dealt with by the SEDMED Dispute Committee. If a member is not satisfied with the finding/decision of the Dispute Committee, he/she may appeal to the Council for Medical Schemes for adjudication.

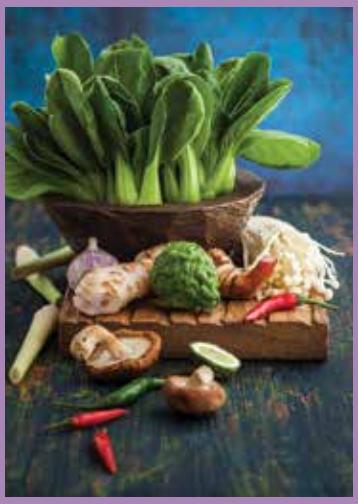
Fraud:

The Board of Sedmed ("the Fund") does not condone fraud of any form against the fund. Therefore the trustees have put fraud prevention initiatives in place to prevent fraud. One of these initiatives is aimed at providing the members of Sedmed the opportunity to report any suspected incidents of fraud, abuse, corruption, unethical behaviour and misconduct, through utilising any of the following channels: Tip-off line: members can call the fund anonymously at 051 – 447 8991; Email: members can email the Principal Officer at dupreeza@adventist.org.za; Fax facility: members can fax the fund anonymously at 051-448 3800.

TRAVELLING OR RESIDING BEYOND THE BORDERS OF THE SOUTHERN AFRICA UNION TERRITORY

Providing medical aid benefits while beneficiaries find themselves beyond the borders of the territory of the Southern Africa Union remains a challenge. SEDMED cannot process the higher costs of medical treatment and medication outside of the Union territory. It also cannot efficiently and economically deal with the logistics demanded by such an exercise and members must therefore familiarize themselves with the following requirements:

1. In terms of SAU Policy Y 30 15 45 beneficiaries travelling beyond the borders of the SAU territory shall take out adequate international



medical & travel insurance for the entire period they are away. Sedmed will only cover incidents that are not covered by ARM (T&Cs apply).

2. The required international medical & travel insurance should preferably be arranged by SEDCOM through Adventist Risk Management (ARM). Please note that this cover is not provided by or arranged by SEDMED.

3. The ARM insurance cover must be requested at least two full weeks prior to the date of departure.

4. The following shortcomings of the ARM insurance policy are to be noted:
   a. Cover for any pre-existing medical condition is excluded
   b. Cover is limited to a maximum period of 9 months at a time. If cover beyond 9 months is required the individual needs to make independent additional medical insurance arrangements.
   c. Beneficiaries over the age of 79 will be charged a higher premium.
   d. Beneficiaries over the age of 85 are not eligible for ARM cover and must therefore make other insurance arrangements.
   e. Cover is only available for employees or retirees in the employ of the organisation who are on official business and/or approved travel by the SDA Church. The policy covers limited vacation and travel only when combined with official business or approved activity.

5. The responsibility of SEDMED for accepting medical costs incurred in respect of a beneficiary whilst such beneficiary is beyond the borders of the SAU territory will be limited as follows:
   a. SEDMED will only consider the payment of benefits relating to treatme nt or medication in respect of pre-existing conditions and those conditions which are excluded by the international medical & travel insurance policy.
   b. SEDMED cover will not exceed a period of 90 days per any given year, including departure and arrival dates. A year is defined as the period from 1 January to 31 December.
   c. SEDMED cover shall be limited to the cost of comparable medical care within the SAU territory and in accordance with the rules of SEDMED.

The above limitations have serious implications for SEDMED beneficiaries who may wish to travel or remain overseas. Members must take note of the following conditions and provisions to avoid unpleasant surprises:

1. Adequate international medical & travel insurance must be taken out for the beneficiary travelling overseas in accordance with SAU Policy Y 30 15 45.

2. SEDMED membership contributions must be kept up to date during the entire period of absence from the SAU territory, at all times and without interruption and it is the responsibility of the member to provide clear instructions to his/her pay point to continue payment of the required contributions to SEDMED.

3. SEDMED membership will terminate immediately if payment of membership contributions is interrupted or terminated for whatever reason and all benefits will be forfeited.

4. Payment of medical benefits for which SEDMED may possibly be liable will be limited to the cost structure of comparable medical treatment and medication within the SAU territory in accordance with the rules of SEDMED.

5. Once the beneficiary has exceeded the limit of 90 days referred to above, SEDMED will have no further obligation with regard to the payment of any medical aid benefits in respect of such a beneficiary, including chronic conditions. In order to be able to claim any further benefits the beneficiary must first return to the SAU territory for the required treatment or medication subject to the SEDMED membership contributions having been kept up to date as required in 2. above.

6. SEDMED reserves the right to ensure that these provisions are not abused.

7. Beneficiaries should purchase adequate chronic medication before their departure. In order to claim the said medicine in advance, SEDMED must be contacted by the member and requested to authorise Mediscor to approve the provision of medicine in advance. Failure to comply with this process will result in refusal by the pharmacy to provide medicine in advance.

The following schedule of benefits is registered in the SEDMED RULES as ANNEXURE B
(The member will be notified in writing of any changes to these benefits)

Subject to the provisions of these rules members and their registered dependants are entitled to the following benefits (unless excluded as provided for in Annexure C)

SERVICE	% BENEFIT	ANNUAL LIMITS	CONDITIONS/REMARKS
A. STATUTORY PRESCRIBED MINIMUM BENEFITS: (Voluntary & Involuntary payment conditions apply) (Appendix 2)	100% of cost	no limit	Services rendered by Public Hospitals and/or DSPs
OUT-OF-HOSPITAL benefits	NHRPL rates	Overall annual limit M: R6 000.00 M+1: R12 000.00 M+2+: R18 000.00	Limits are prorated calculated from the date of admission to the end of the financial year.
B. PRIVATE & PUBLIC HOSPITALS, REGISTERED UNATTACHED OPERATING THEATRES and DAY CLINICS: 1. Accommodation in a general ward, high care ward and intensive care unit. 2. Theatre fees. 3. Medicines, materials and hospital equipment. 4. Visits by medical practitioners. 5. Confinement and midwives. 6. Outpatient services.	100% 75%	R500 000.00 per family Overall annual limit	1 Authorization shall be obtained from the Scheme prior to a beneficiary being admitted to a hospital or day clinic (except in the case of an emergency) failing which benefits would be limited to 90% of NHRPL rates, subject to the member's annual limit. 2 In the event of an emergency the Scheme shall be notified on the next working day, failing which the conditions outlined in 1 above shall apply.
PMB in DSP:	100%	No limit	3 Accommodation in a private ward is subject to certification by the attending practitioner as essential for recovery of the patient.
C. SURGICAL PROCEDURES INCLUDING MAXILLO FACIAL SURGERY:	100%	100% No limit	Includes Osseo-integrated Implants
D. SPECIALIST SERVICES: 1. Consultations and visits (out of hospital) 2. All other services unless stated otherwise in this annexure.	75%	Overall annual limit	To be recommended by a general practitioner with the exception of services by an ophthalmologist or gynecologist.
E. GENERAL PRACTITIONER SERVICES: 1. Consultations and visits (out of hospital). 2. All other services unless stated otherwise in this annexure. PMB in DSP:	75% 100%	Overall annual limit No Limit	
F. CLINICAL TECHNOLOGISTS:	75%	Overall annual limit	

SERVICE	% BENEFIT	ANNUAL LIMITS	CONDITIONS/REMARKS
G. DENTAL SERVICES:			
1. Conservative and Restorative dentistry (includes plastic dentures). 2. Special dentistry. (Including metal base dentures)	75%	Overall annual limit	General anaesthetic and hospitalization for conservative dental work excluded except in the case of trauma, patients under the age of seven years and impacted molars.
3.Specialist orthodontic work	75%	R12 000 per patient in a cycle of two years	Limited to patients under the age of 18 years and subject to pre-authorization being obtained, failing which benefits would be limited to 75% of costs, subject to the member's annual limit.
H. PRESCRIBED MEDICINE AND INJECTION MATERIAL:			
1. Acute sickness conditions. 2. Pharmacy advised therapy. (PAT)	75%	Overall annual limit According to scheme tariff. PAT limit: R350.00 per month per family.	Prescribed by a person legally entitled to prescribe. Includes medicine given to a patient to take home (TTO). Formulary in accordance to condition protocols applicable.
3. Chronic Disease List (CDL + DTP + PMB's)	100%	Unlimited	Subject to prior application, registration and approval by the Board. Generic medicines to be (Voluntary & Involuntary payment conditions apply)preferred. Formulary in accordance to condition protocols applicable.
Chronic sickness conditions (other).	80%	Unlimited According to scheme tariff.	
I. RADIOLOGY:	100%	No limit	
1. X-Rays			X-rays: no pre-authorization
2. Scopes – Diagnostic			prior authorization required
3. Scans – MRI and CAT			prior authorization required
4. Scans - Ultra Sound			prior authorization required
5. Angiography			prior authorization required
J. PATHOLOGY and MEDICAL TECHNOLOGY:	75%	Overall annual limit	If part of hospital procedure and requirement: 100%
PMB in DSP:	100%	No limit	
K. CHEMOTHERAPY, RADIOTHERAPY, ORGAN TRANSPLANTS and KIDNEY DIALYSIS, subject to PMBs:	100%	Included in limit for private hospitalization (see B)	Subject to the approval of the Board prior to commencement DIALYSIS, subject to PMBs: of treatment or to the operation failing which benefits would be limited to 90% of NHRPL rates, subject to the member's annual limit.
L. PSYCHOLOGICAL and PSYCHIATRIC TREATMENT, subject to PMBs:	75%	Overall annual limit	All services included in limit.
PMB in DSP:	100%	No limit	
M. PHYSIOTHERAPY:	75%	Overall annual limit	To be recommended by a medical practitioner

SERVICE	% BENEFIT	ANNUAL LIMITS	CONDITIONS/REMARKS
N. BLOOD TRANSFUSIONS: (out of hospital)	100%	No limit	Includes the cost of blood, blood equivalents, blood products and the transport of blood
O. AMBULANCE SERVICES (Road and Air):	100%	No limit	Such transport is to be certified by a medical practitioner as essential.
P. ALTERNATIVES TO HOSPITALISATION: 1. Registered Frail Care Facilities 2. Step-down Nursing Facilities 3. Private Nursing 4. Hospice	100%	No limit	Subject to the approval of the Board up to a maximum of one month subject to the understanding that it could be foreseen that the patient could possibly recover from his/her illness.
Q. AUXILIARY SERVICES: 1. Audiology 2. Occupational therapy 3. Speech therapy 4. Chiropody/ Podiatry 5. Dieticians 6, Homeopaths 7. Naturopaths 8. Chiropractors 9. Orthoptists	75%	Overall annual limit	To be recommended by a medical practitioner.
R. PROSTHESES, subject to PMBs: Internal and External	100%	Overall annual limit	If part of hospital procedure and requirement, included in limit for hospitalization, subject to prior authorization for such hospitalization.
S. MEDICAL and SURGICAL APPLIANCES, subject to PMBs: 1. Oxygen, cylinders 2. Nebulizers/ Glucometers 3. Colostomy kits; and 4. Diabetic equipment	75%	Overall annual limit	Wheelchairs are specifically excluded.
5.CPAP/APAP equipment	75%	R8 000 per beneficiary In a cycle of five years excluding maintenance and accessories which are (claimable as a normal 75% benefit within annual limit)	Subject to pre- authorisation being obtained failing which limit will be limited to75% of cost, subject to member's annual limit.
PMB in DSP PMB in Non DSP	100% 100%	No limit At scheme tarrif	If a beneficiary voluntarily obtains diagnosis, treatment and care in respect of a Prescribed Minimum Benefit Condition from a provider other than a Designated Service Provider, the benefit payable in respect of such service is subject to a co-payment equal to the difference between the actual cost incurred and the cost that would have been incurred had the Designated Service Provider been used.

SERVICE	% BENEFIT	ANNUAL LIMITS	CONDITIONS/REMARKS
T. HEARING AIDS: (out of hospital)	100%	R24 000 per beneficiary in a cycle of two years	Subject to pre-authorization being obtained failing which benefits would be limited to 75% of costs, subject to the member's annual limit.
U. OPTICS: 1. Frames 2. Lenses for spectacles & contact lenses 3. Testing of eyes 4. Refractive surgery/ laser treatment	 75% 75% 75% 100%	R750 per beneficiary in a cycle of two years R3 000 per beneficiary in a cycle of two years R300 per beneficiary in a cycle of two years Overall annual limit	Prior authorization shall be obtained from the Scheme failing which benefits would be limited to 90% of NHRPL rates, subject to the member's annual limit.
GENERAL: 1. ACQUIRED IMMUNE DEFICIENCY SYNDROME and RELATED ILLNESS, PMBs: non-PMBs: 2. ALCOHOLISM AND DRUG DEPENDENCY: Subject to PMBs 3. COCHLEAR IMPLANTS:	 100% 75% 100% 100%	 Unlimited Overall annual limit Limited to 21 days per beneficiary per annum No limit	Prior authorization shall be obtained from the Scheme failing which benefits would be limited to 90% of NHRPL rates, subject to the member's annual limit. Prior authorization shall be obtained from the Scheme failing which benefits would be limited to 90% of NHRPL rates, subject to the member's annual limit.

IN TERMS OF SEDMED RULES (ANNEXURE C), THE FOLLOWING EXCLUSIONS AND LIMITATIONS APPLY

1. EXCLUSIONS: Unless otherwise provided for or decided by the Board, expenses incurred in connection with any of the following will not be paid by the Scheme:

1.1 Subject to benefits payable in respect of the Prescribed Minimum Benefits (PMBs) all costs of whatsoever nature incurred for treatment of sickness conditions or injuries sustained by a member or a dependant and for which any other party is liable. The member is entitled to such benefits as would have applied under normal conditions, provided that on receipt of payment from another party in respect of medical expenses for which any other party is liable as mentioned above, the member will reimburse the scheme any money paid out in respect of this benefit by the Scheme.

1.2 All costs relating to infertility treatment and artificial insemination.

1.3 All costs in respect of injuries arising from participation in professional sport, speed 27 contests and speed trials unless prior approval for participation has been obtained.

1.4 All costs for operations, medicines, treatment and procedures solely for cosmetic purposes.

1.5 Holidays for recuperative purposes.

1.6 Purchase of:

- contraceptives and apparatus to prevent pregnancy;
- tonics, slimming preparations and drugs as advertised to the public and/or other products which are normally available over the counter, such as health tonics/tablets etc. unless prescribed by a physician for a specific illness and time frame;
- patent medicines and proprietary preparations;
- applicators, toiletries and beauty preparations;
- bandages, cotton wool, other consumable items and similar aids;
- patented foods, including baby foods; and/or
- household and biochemical remedies.

1.7 All costs in excess of the annual maximum benefit to which a member is entitled in terms of the Rules of the Scheme.

1.8 Charges for appointments which a member or dependant of a member fails to keep.

1.9 Costs for services rendered by:

1.9.1 persons not registered with a recognized professional body constituted in terms of an Act of Parliament; or 28

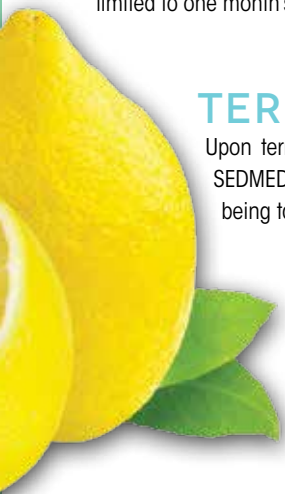
1.9.2 any institution, nursing home or similar institution except a state or provincial hospital not registered in terms of any law.

2. LIMITATION OF BENEFITS:

2.1 The maximum benefits to which a member and his dependants are entitled in any financial year are limited as set out in Annexure B.

2.2 Members admitted to SEDMED during the course of a financial year are entitled to the benefits set out in the third column of Annexure B, with the maximum benefits being adjusted in proportion to the period of membership calculated from the date of admission to the end of the particular financial year.

2.3.1 In the absence of prior approval, benefits in respect of medicines obtained on a prescription are limited to one month's supply for every such prescription or repeat thereof.



TERMINATION OF MEMBERSHIP

Upon termination of membership of SEDMED all membership cards must be returned to SEDMED without delay. Any fraudulent use of a membership card will lead to legal action being taken.

SEDMED FORMS

All the various forms referred to above can be obtained from the employing organisation or SEDMED.

GOVERN THE BODY

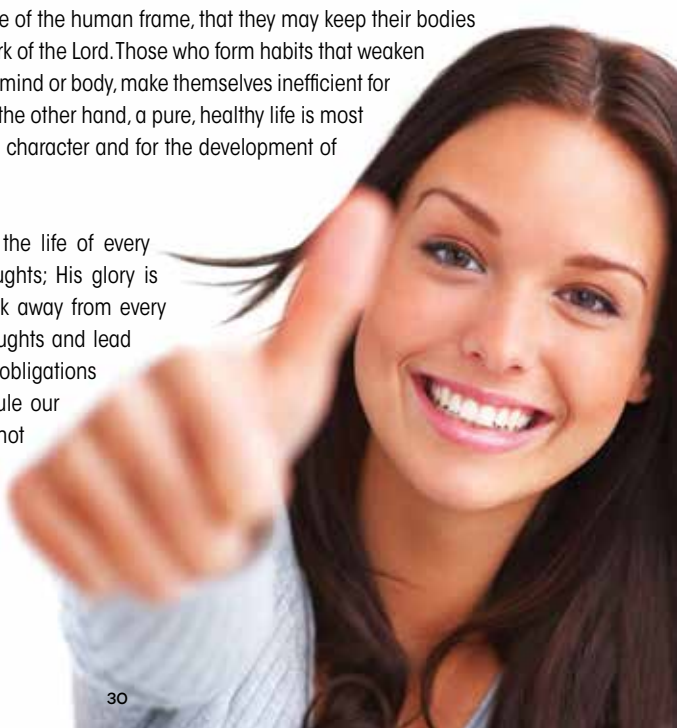
Life is a gift of God. Our bodies have been given us to use in God's service, and He desires that we shall care for and appreciate them. We are possessed of physical as well as mental faculties. Our impulses and passions have their seat in the body, and therefore we must do nothing that would defile this entrusted possession. Our bodies must be kept in the best possible condition physically, and under the most spiritual influences, in order that we may make the best use of our talents. (1 Corinthians 6:13.)

A misuse of the body shortens that period of time which God designs shall be used in His service. By allowing ourselves to form wrong habits, by keeping late hours, by gratifying appetite at the expense of health, we lay the foundation for feebleness. By neglecting to take physical exercise, by overworking mind or body, we unbalance the nervous system. Those who thus shorten their lives by disregarding nature's laws are guilty of robbery toward God. We have no right to neglect or misuse the body, the mind, or the strength, which should be used to offer God consecrated service.

All should have an intelligent knowledge of the human frame, that they may keep their bodies in the condition necessary to do the work of the Lord. Those who form habits that weaken the nerve power and lessen the vigor of mind or body, make themselves inefficient for the work God has given them to do. On the other hand, a pure, healthy life is most favorable for the perfection of Christian character and for the development of the powers of mind and body.

The law of temperance must control the life of every Christian. God is to be in all our thoughts; His glory is ever to be kept in view. We must break away from every influence that would captivate our thoughts and lead us from God. We are under sacred obligations to God so to govern our bodies and rule our appetites and passions that they will not lead us away from purity and holiness, or take our minds from the work God requires us to do. (Romans 12:1)

EG White. *Counsels on Health*: 41-43.



NOTES

SEDMED

2 Fairview Street, Naval View
PO Box 468, Bloemfontein, 9300
Customer Care: (051) 447 8991
MSO: 011 259 5058 (Hospital Authorization)
Mediscor: 086 011 9553 (Chronic & General Medication Queries)
Fax: (051) 448 3800
e-mail: info@sedmed.co.za
www.sedmed.co.za

Sedmed Medical Scheme
Registered Medical Scheme of the Seventh-day Adventist Church