



Assessment of Value for Imagine360's Integrated Health Plan

*An independent cost savings analysis finds
Imagine360 saves 19.8% more than national carriers
across five major U.S. metropolitan markets*

Who We Are

At Imagine360, we believe the healthcare system has fundamentally failed the average American, and businesses pay the price. We are a leading alternative health plan for self-funded employers offering an integrated solution that makes healthcare more affordable and easier to navigate.

Imagine360 advocates for fair and transparent healthcare rates, making high-quality care affordable and accessible. We start by contracting with providers and health systems across the country to create preferred relationships. If Imagine360 members access care outside of those relationships, we audit claims using reference-based pricing. Imagine360 clients pay a transparent rate which is based on the higher of two benchmark metrics plus a fair margin.

Imagine360 draws from 17+ years of experience to deliver a customized healthcare solution that actively guides members through their healthcare journeys while ensuring the effectiveness of our plan. We offer full-service care coordination and medical management, helping our members schedule appointments and navigate healthcare complexities.

We also help employers drive savings through stop loss coverage, pharmacy benefits manager (PBM) reviews, partnership recommendations, and more.

TABLE OF CONTENTS:

| | |
|---|----------|
| Study Purpose and Key Results..... | 3 |
| Analysis Approach..... | 4 |
| Stop Loss Analysis and Impact..... | 5 |
| Making Sense of the Market..... | 6 |
| Summary..... | 7 |
| About the Actuary..... | 8 |



Study Purpose and Key Results

STUDY PURPOSE

To date, more than 900 self-funded employers have selected Imagine360's health plan, resulting in significant healthcare savings in year one. We collaborated with [Axene Health Partners](#), a leading healthcare actuarial firm for more than two decades, to validate the products and services Imagine360 offers to its clients and to assess their effectiveness in reducing healthcare costs through a comprehensive analysis of claims data in five U.S. metropolitan areas.

The study measured how Imagine360's reimbursement method fared against the major commercial payors in these markets. Axene Health Partners conducted various cost comparisons for Imagine360 vs. commercial payors. Page three of this report explains the actuarial cost model in further detail.

KEY RESULTS

The analysis found that Imagine360's proprietary reimbursement model generates **substantial savings for employers and plan members**.

FINDINGS INCLUDE:

- ✔ Imagine360 reduces costs by **19.8%** for employers when compared to other commercial health plans in each market.

While the analysis did not evaluate health plan member out-of-pocket costs due to variable plan design considerations (co-pays, deductibles, etc.), plan members with comparable deductible rates will lower healthcare spend by 19.8% for costs incurred under their respective deductible limit.

- ✔ Imagine360 improves stop loss insurance performance, suggesting employers should achieve additional cost savings through stop loss premium discounts.

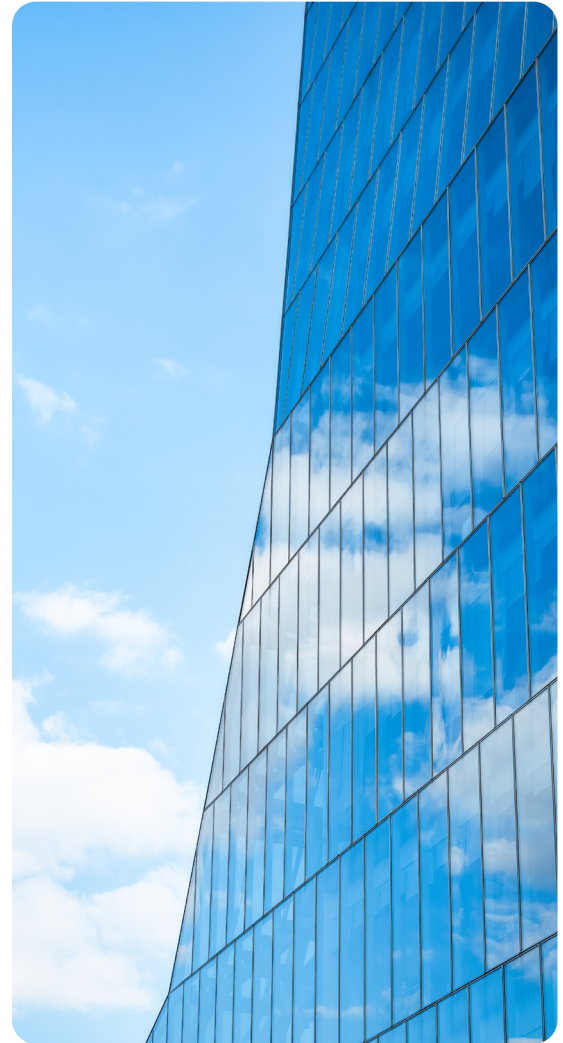
25%-67% fewer Imagine360 members exceed stop loss insurance deductibles ranging from **\$25,000 to \$250,000**.

Analysis Approach

Axene Health Partners performed an independent assessment to help self-funded employers operate their plan and enhance current offerings. Axene achieved this by directly comparing deidentified claims data in five metropolitan areas: Atlanta (GA), Dallas (TX), Indianapolis (IN), New York City (NY), and Tampa (FL) to a commercial population benchmark from January 1, 2021, through August 31, 2023. The benchmark data included nearly \$3.5 billion in healthcare claims from millions of members enrolled in prominent commercial health plans in these markets, including large national carriers.

These costs were compared by region and combined into a total report. To ensure consistency between the Imagine360 and benchmark data sets, Axene Health Partners used the most common healthcare billing methods in the United States - including MS-DRG codes for hospital claims and CPT/HCPCS codes for clinic and professional claims.

Axene Health Partners also compared inpatient utilization in the Imagine360 data set to the benchmark population. These metrics were statistically similar. Given inpatient claims make up the largest healthcare costs in the study population and nationally, statistically similar inpatient visit volume indicates consistent utilization across the Imagine360 client population and the benchmark population, further indicating comparable results.



Stop Loss Analysis and Impact

Another major cost consideration for self-funded employers is stop loss insurance. Stop loss insurance protects against catastrophic or unpredictable losses related to excessive healthcare claims. Under a stop loss policy, the insurance company becomes liable for losses that exceed certain limits called deductibles.

To better understand the impact of Imagine360's reimbursement model on stop loss insurance claims, Axene Health Partners calculated the impact of Imagine360 on healthcare costs above the deductible levels listed below. The report found that 25%-67% fewer Imagine360 clients exceeded their stop loss insurance deductibles.

This information is intended to inform stop loss carriers of Imagine360's impact on stop loss, share how Imagine360 can help achieve additional stop loss discounts, demonstrate to employers the value to the health plan associated with Imagine360's program offerings, and offer employers strategies for enhancing their health plan offerings and/or managing stop loss.

STOP LOSS FINDINGS

| Stop Loss Deductible | % I360 Members Exceeding Paid Claims | % Benchmark Members Exceeding Paid Claims | % Change |
|----------------------|--------------------------------------|---|----------|
| \$25,000 | 2.5% | 3.6% | 44% |
| \$50,000 | 1.2% | 1.6% | 25% |
| \$75,000 | 0.7% | 1.0% | 30% |
| \$100,000 | 0.5% | 0.7% | 33% |
| \$150,000 | 0.2% | 0.4% | 67% |
| \$250,000 | 0.1% | 0.2% | 67% |

Based on these findings, we recommend that self-funded employers considering Imagine360 or other reference-based pricing plans take the following steps:

1

Ask their current stop loss carrier if they incorporate reference-based pricing in their model.

2

Ask stop loss carriers if they already work with Imagine360 or have worked with reference-based pricing in the past.

Making Sense of the Market:

Recent RAND Corporation Findings

In recent years, commercial healthcare costs have [continued to rise](#), forcing employers to pay closer attention.

To help employers better understand this trend, the RAND Corporation published a [report](#) in May of 2024 answering an important research question: *What were the levels and range of hospital prices paid by employers and private insurers across the United States from 2020 to 2022?* The report found that **employers paid 254% of Medicare for the same exact healthcare services**. You can find out more about the RAND Corporation study methodology [here](#).

Given this price discrepancy, and the fact that hospital spending accounted for [42%](#) of total U.S. personal health care spending for privately insured individuals in 2022, the Hospital Price Transparency Study suggested:

“Employers have opportunities to redesign their health plans to better align hospital prices with the value of care provided. However, price transparency alone will not lead to changes if employers do not or cannot act upon price information.”

While the RAND Corporation and Axene Health Services reports evaluate different populations over different time periods, both studies indicate that employers are paying inflated healthcare costs.

Summary

The independent analysis conducted by Axene Health Partners finds that Imagine360 is significantly more cost effective than network-based alternatives in the marketplace. The report further validates that Imagine360 delivers substantial cost savings for employers and employees alike, making healthcare more affordable. In addition, Imagine360's self-funded clients have a greater understanding of the value realized by utilizing Imagine360's services, which assists them in making decisions to enhance their health plan offerings. Additional offerings include reinvesting health plan savings to reduce monthly employee premiums, deductibles, co-pays and other costs that come directly out of employees' pockets.

Separate reports, including those conducted by the RAND Corporation, indicate that employers are paying substantially higher healthcare rates than Medicare and other publicly available benchmarks. Imagine360's transparent approach to healthcare payment can help organizations address these price discrepancies.

ABOUT THE ACTUARY

Axene Health Partners, LLC (AHP) was formed in 2003 to provide high value/high quality health consulting services to select organizations. Supplemented by a team of clinical consultants and IT developers, AHP offers a unique blend of services for an innovative approach that integrates actuarial science with the practice of medicine. All AHP consultants have extensive experience at industry-recognized consulting organizations or health plans prior to joining the firm. AHP is an independent organization wholly owned by its management.