



THE IMAGINE HEALTH IMPACT REPORT

WHAT'S INSIDE:

Cutting through the Chaos.....	1
Impact on Savings.....	2
Impact on Efficiency.....	4
Impact on People.....	6
The Big Picture.....	8

Cutting through the Chaos

Handcuffed by Healthcare

Year after year, employers' hands have been tied in the health plan purchasing process, with just enough wiggle room to sign on the dotted line for the annual rate increase. While most businesses can put their finger on any specific operating cost and feel confident they've secured competitive pricing, for healthcare, that basic right has been taken away.

As the second highest operating cost for most companies next to wages, the employers who provide health coverage to the +152 million workplace-insured Americans are fighting to get their arms around a maze of complex options. They're struggling to make smart health plan decisions that can determine the financial future of their businesses. That's why employers across the U.S. are shifting the way they think about healthcare insurance and moving to alternate solutions.

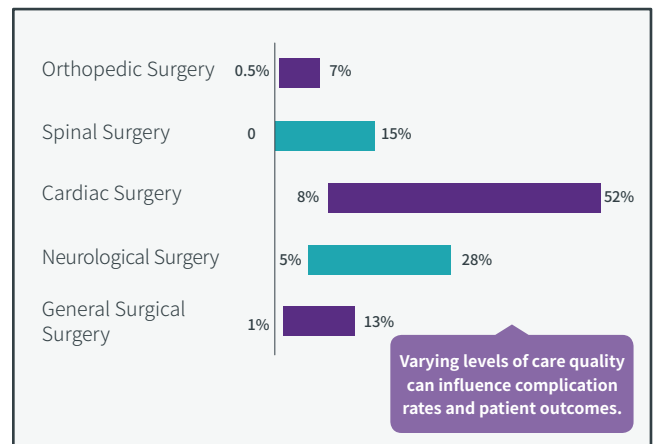
Nationwide, employers who are tired of being handcuffed by traditional health plan models are learning how to take back control with Imagine Health. As leaders in their field, these employers are benefiting from lower costs and access to quality care. They're exercising their freedom to make smart healthcare decisions, and they're not afraid to try something new. And these innovative employers are finding that Imagine Health gives them a competitive edge while allowing them to take good care of their employees.

The Illusion: Quantity and Cost Equal Quality

In the past decade, Preferred Provider Organizations (PPOs) became the norm and employers changed how they evaluated healthcare. The quality of a provider network was determined by its size. More physicians, specialists and hospitals became the equivalent of better. In fact, the quantity of providers in a plan has no relation to the quality of the care it delivers. And the same is true for costs--higher costs for services do not guarantee higher quality of care.

The chart to the right illustrates how a wide variation in care quality can influence patient outcomes in a specific metropolitan area. The combination of an absence of quality data plus an "all-in" approach for providers results in widely variable complication rates. Alarming, cardiac patients at one facility have a 50/50 chance for suffering a complication.

Complications Per 100 Patients*



*Data adjusted for risk and severity.

The High-Stakes of Healthcare Today...FOR PRIVATE EMPLOYERS

- Medical costs are projected to **increase by 6%** in 2020. ([PwC Health Research Institute's 2019 annual medical cost trend survey](#))
- Despite growing emphasis on care quality, most quality measurement and ranking systems **fail to adjust for risks** when assessing outcomes, resulting in potential inaccuracies. ([Patient Safety & Quality Healthcare, May 2019](#))
- Some prestigious, large hospitals have **four to five times the complication rates** of other hospitals in the same city. (*Marty Makary, author of "Unaccountable"*)
- Employer-sponsored health plans are paying hospitals **241% of Medicare**, on average. (*RAND Health independent study, June 2019*)

Impact on...SAVINGS

The Employer's Bottom Line

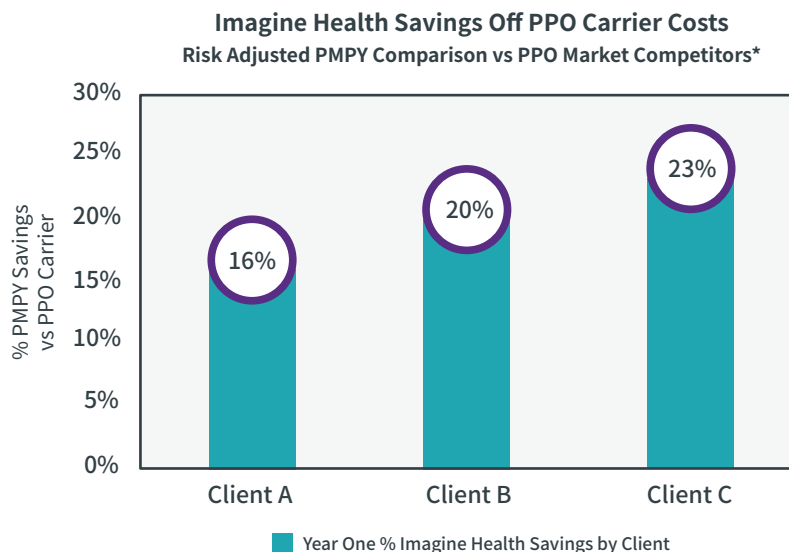
Employers are shouldering the financial burden of providing healthcare coverage to almost half of America's population, according to the [Kaiser Family Foundation](#). The resounding cry is for a solution that increases control of healthcare spending, reduces healthcare costs and significantly increases the quality of care for employees. For this reason, astute organizations of every size are breaking away from the herd, leaving PPOs behind, and choosing "control" over "complex."

Enter Imagine Health, where benefits are two-fold: cost-efficient, quality care and competitive rates with provider partners. Using advanced analytics, Imagine Health leverages multiple data sets to understand the quality of each hospital and health system across the country, select high-quality partner systems and providers, and establish direct contracts with them at competitive rates.

For members, easy access to affordable quality care becomes the default, with the added benefit of having a safe haven from surprise balance bills and admissions hassles. Imagine Health also has built-in price protection that protects members from inflated charges for care beyond provider partners.

With Imagine Health, employers and their employees receive high-quality care at competitive contracted rates when they visit provider partners. Visits to non-partner providers are protected too — with built-in price protection and member advocates who make sure they pay a fair price for care. It all results in savings of 15-30%.

The following chart illustrates actual savings yielded by three Imagine Health clients. The savings are compared to the costs they would have incurred with traditional PPO carrier solutions. In the first year, the Imagine Health solution yielded savings of more than 16% per member per year (PMPY) for all three clients in this case study.



*Chart data reflects individual client results verified by an independent third party.

Client savings average greater than 18% in year one.

Imagine Health clients have averaged 18% savings after their first year, compared to what they would have paid if they stayed with their national PPO plan.*

“Most importantly, Imagine Health gave us the ability to customize our plan and have control over our plan. Imagine Health wasn’t only AN option, they were the ONLY option.”

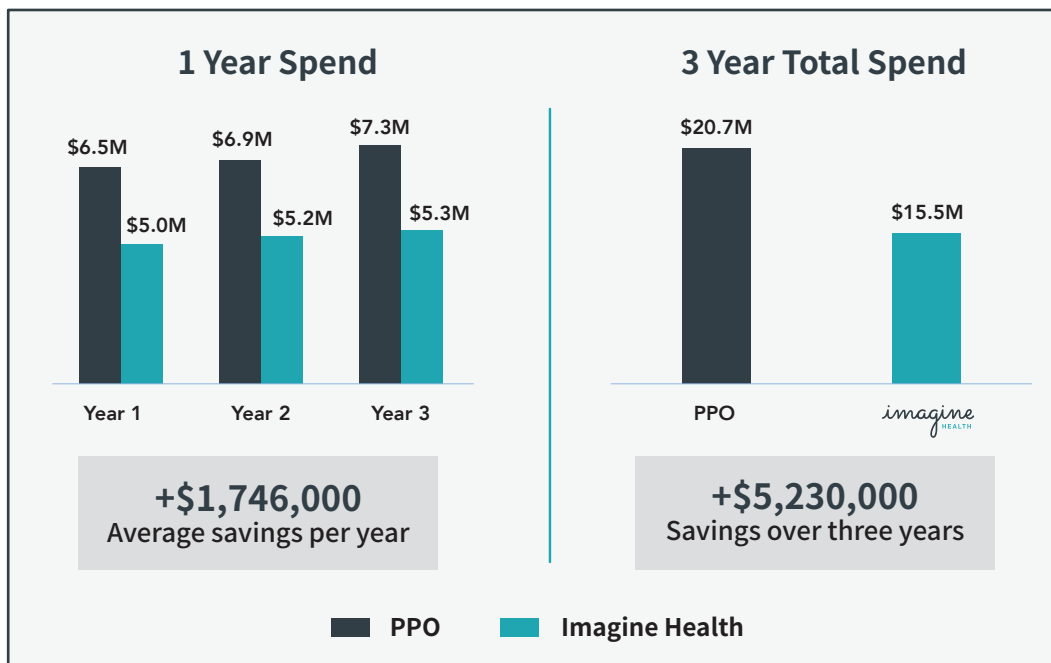
Kenny Schappert, Director of Human Resources, Western Extrusions

The Power of Imagine Health: Lowering Healthcare Costs on a Larger Scale

Imagine Health can help employers lower their healthcare spend by as much as 30%, without limiting access to care. Direct contracts with provider partners support lower costs for quality care, and built-in price protection helps make sure that members pay a fair and reasonable price for care they’ve received.

Compared to a traditional PPO, consider the sizable savings a 500-life group can potentially yield by making the move to Imagine Health.*

PPO vs Imagine Health



* Results may vary and are not guaranteed.

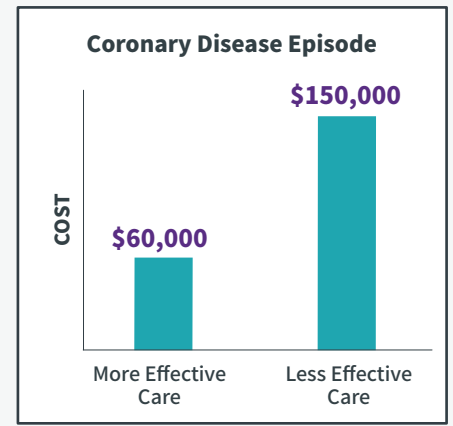
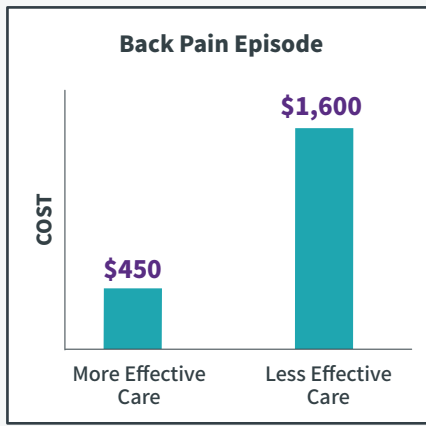
Impact on...EFFICIENCY

Quality: Driving Outcomes

Imagine Health has 12 years of experience with solving healthcare challenges for clients. Providing direct access to quality providers and health systems helps to promote improved health outcomes. In contrast, traditional PPO models have a track record of subpar quality measures, if any. Once again, this leaves both employers and members to pick up the tab, this time for poor healthcare.

By combining quality with competitive rates, Imagine Health saves money on the care that members receive, and avoids paying for unnecessary care. This results in lower ER admits, complications and readmissions--metrics all influenced by the quality of care.

Care effectiveness and cost are closely linked, as illustrated above.



**A closer look at first year results for one Imagine Health client tells the same story:
Improved quality can help drive improved outcomes and cost savings.**

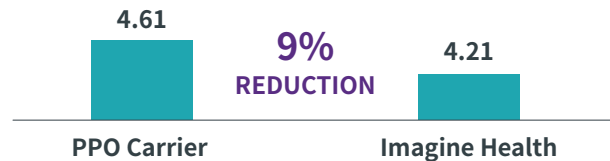
Overall hospital spend significantly lower:



In their first year with Imagine Health, this client immediately saved 32% on their hospital spending. The following benchmarked measures provide more insight into the driving factors behind their savings.

A 9% decrease in inpatient length-of-stay indicated that members received necessary care more quickly and also supported the positive by-product of reduced exposure to hospital-based infections (e.g., MRSA).

Members' average length-of-stay went down:

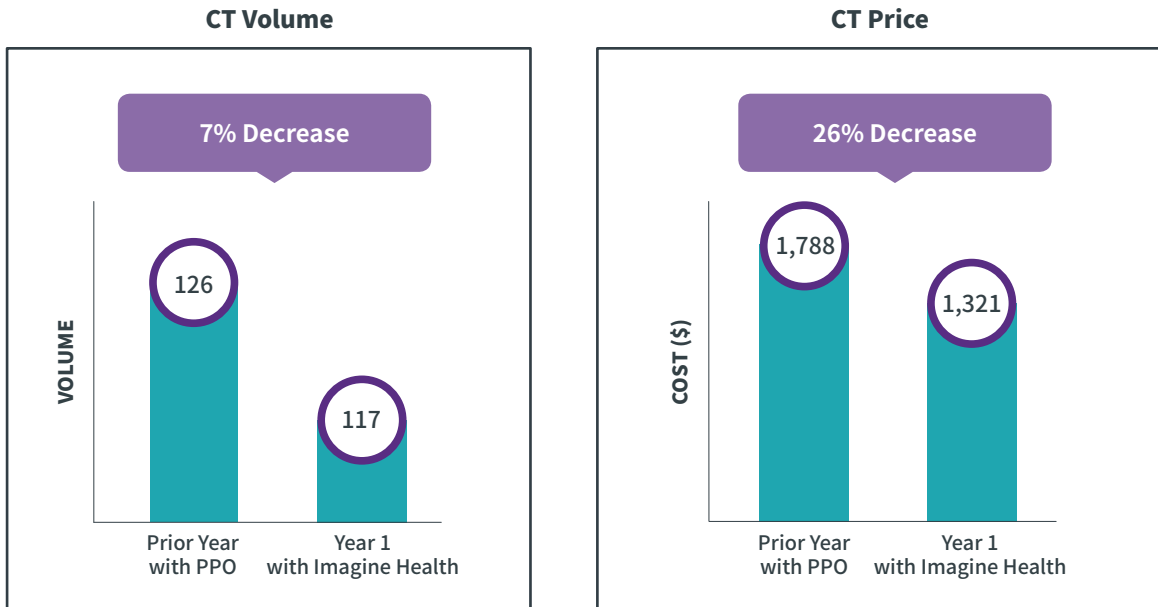


Severity-adjusted episode costs declined:



Direct contracts with provider partners provided competitive rates that further increased savings and lowered the severity-adjusted cost per admission.

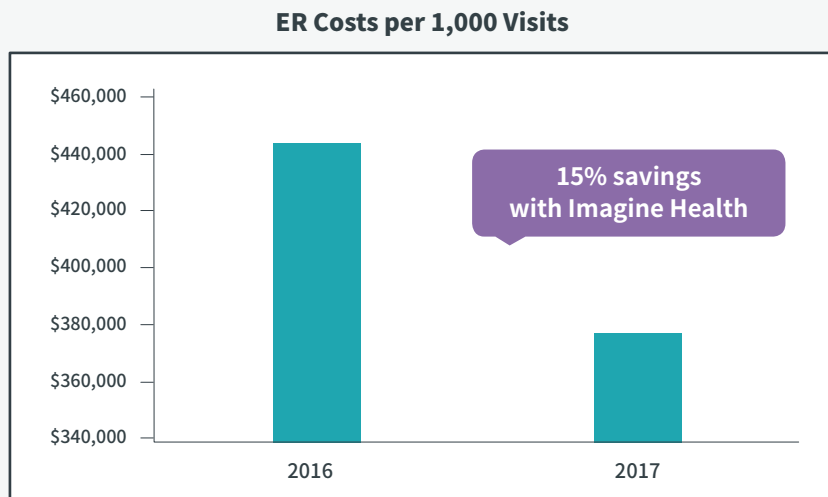
Key outpatient services also went down in both volume and cost per service, as illustrated with CT activity in the prior year with a PPO carrier compared to the first year with Imagine Health.



Utilization: The Economics of Smart Health Decisions

By combining quality with competitive rates, Imagine Health not only saves money on the care members receive, but it avoids paying for unnecessary care. Lower ER admissions and fewer complications and readmissions are all positive influences of increasing the quality of care.

For that same client, the overall cost per visit decreased 15% in their first year with Imagine Health.



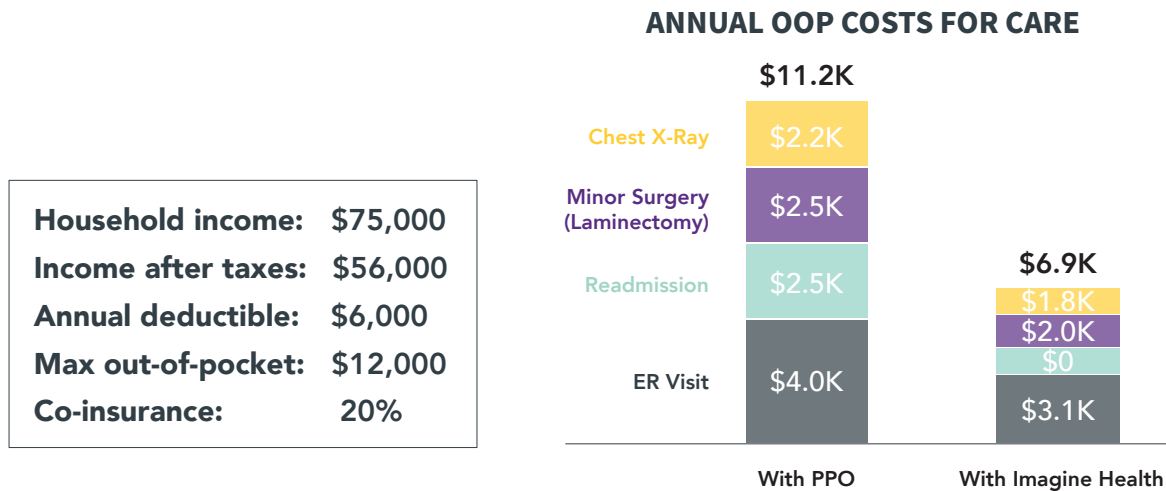
Impact on...PEOPLE

The Member's World: Making Ends Meet

Surprise medical bills, erroneous charges and confusing claims are an overwhelming reality weighing down thousands of Americans, and for the average U.S. worker, it hasn't let up. Health benefit costs are still rising at two times [the rate of wage increases](#)¹ and three times the rate of general inflation.

In 2019, it's estimated that \$6,000 in premiums and out-of-pocket (OOP) expenses are falling to the employee family on average, even after their employer picks up about 70% of their +\$20,000 annual healthcare tab. That's more of a financial burden than many can manage.

On the Frontline: A U.S. Family Scenario



Throughout the year, this family has some diagnostic testing, a two-day hospital stay for minor surgery and two ER visits. Based on charges from actual PPO claims, their OOP responsibility would be **\$11,200**, which includes charges for a readmission due to complications. This totals **20%** of their annual income after taxes, a financial hardship for many families in the U.S.

Under the Imagine Health model, savings are the equivalent of an **8% raise**.

PPO OOP: \$11,200 vs. Imagine Health OOP: \$6,860

SAVINGS: \$4,340 (=8% Raise)

The High-Stakes of Healthcare Today...FOR MEMBERS

- Health insurance **deductibles have risen 150%** over the last decade. ([Kaiser Family Foundation](#))
- 13 million Americans spent **10% of their income on insurance premiums** in 2016-17. Another 6.2 million people spent 10% or more of their income on OOP costs. ([The Commonwealth Fund](#))
- On average, 18% of ER visits and 16% of **stays at an in-network hospital triggered a surprise bill** for patients insured through a large employer. ([Kaiser Family Foundation](#))
- 40% of Americans **can't cover a \$400 emergency** expense. ([Federal Reserve Board](#))

1. WorldatWork 2018-2019 Salary Budget Survey: Top-Level Results.

Member Comments

Imagine Health has made a difference in people's lives for over a decade. Care navigators guide members to quality care in their service area, and an advocacy team makes sure they pay a fair price for the care they receive.

Imagine Health is always by the member's side, and feedback in their own words tells the story.

“I am an old guy who has dealt with so many insurance carriers and you by far are the best. When people tell me they've never heard of Imagine Health, I always tell them: ‘Well you ought to because it's the best insurance out there!’ The coverage and people are both great.”

“My company has had all of the ‘big boys’ insurance...and in my experience they did not care about the people. Imagine Health is stellar and phenomenal; the best doctors and the best people. Everyone I have spoken to has shown compassion and empathy, which is rare. Thank you for what you have done.”

“I suffered for months with a hernia that my old doctor was unable to diagnose. Once I saw my new Imagine Health doctor, it was diagnosed right away. They got me into surgery to take care of it and I was really impressed.”

“You have a very professional staff, you make me feel like I am the important one.”

“I was having knee problems and when I called, the woman I spoke to was so great and got me with a great doctor in your network. You are the first health insurance company that makes me feel like you guys really care about me, and that is AWESOME!”



THE BIG PICTURE

Imagine Health allows employers to take back control of rising healthcare costs and break away from the status quo of the outdated PPO model. Nationwide, partnerships with leading healthcare providers and health systems offer quality care at competitive rates, and built-in price protection is provided for all other providers. With the added benefit of unrivaled member advocacy services, employees get the support they need when they need it.

Imagine Health Gives Employers the Power

- **Lower costs by up to 30%** – direct contracts with high-quality provider partners and built-in price protection for all others help to support fair and reasonable pricing for care.
- **Provide broad access to care** – employees are incented to access high-quality providers from our partner health systems and are protected from overcharges if they see a non-partner too.
- **Take care of employees** – member support includes care navigation to find and select the right care, 24/7 access to online resources and tools, and unrivaled advocacy to make sure your employees pay a fair price for the care they receive.

Over a Decade of Results with Imagine Health

+100
Employer Groups

12
Regional Markets

Imagine Health uses the power of data to uncover high-quality providers in key U.S. markets and then partners with them to provide increased access to quality care.

Florida: Orlando, South Florida

Ohio: Cincinnati

Illinois: Chicago

Pennsylvania: Philadelphia

Indiana: Indianapolis

Texas: Dallas/Fort Worth, El Paso,

Houston, Rio Grande Valley,

San Antonio

Utah



**Get started today to take back control of your healthcare spending.
Contact Imagine Health for a custom savings analysis.**

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