



# 4 Eye-Opening Healthcare Stats and 1 Bright Spot.

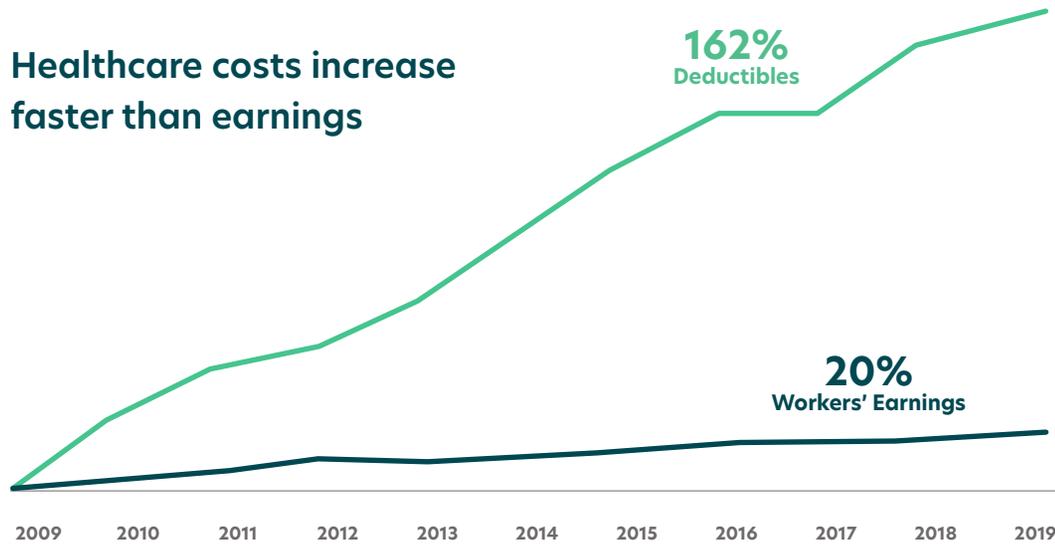
How to win the battle against  
healthcare cost increases.



# The wage war continues.

## Healthcare costs are outpacing wage growth, with deductibles increasing by 162%.

Everyone knows that healthcare costs have been steadily on the rise. As the chart below demonstrates, deductibles have increased by a staggering 162% since 2009. When you compare the increases with the pace of wage growth, a more startling story emerges. The simple truth is that healthcare costs are eating away at the American worker's paycheck, with more of your hard-earned dollars going to healthcare than ever before.



Source: The Peterson Center on Healthcare and the Kaiser Family Foundation



### Five decades of rising costs.

Per-person healthcare expenditures have risen year by year. And the trajectory of cost increases doesn't seem to be slowing down.

1970s	\$74 to \$219
1980s	\$252 to \$642
1990s	\$718 to \$1,273
2000s	\$1,366 to \$2,492
2010s	\$2,589 to \$3,757
2020-2021	\$4,144 to \$4,255

# The price hike is real.

## Health plan costs are expected to increase by 7.4% in 2023.



According to a 2023 SHRM article, employer-sponsored health plan costs are expected to rise by 7.4% in 2023. The report looked at claims costs for traditional open-access PPO plans, which are one of the most popular choices for employer-sponsored health plans. This increase comes after a similar 7.3% jump in 2022.

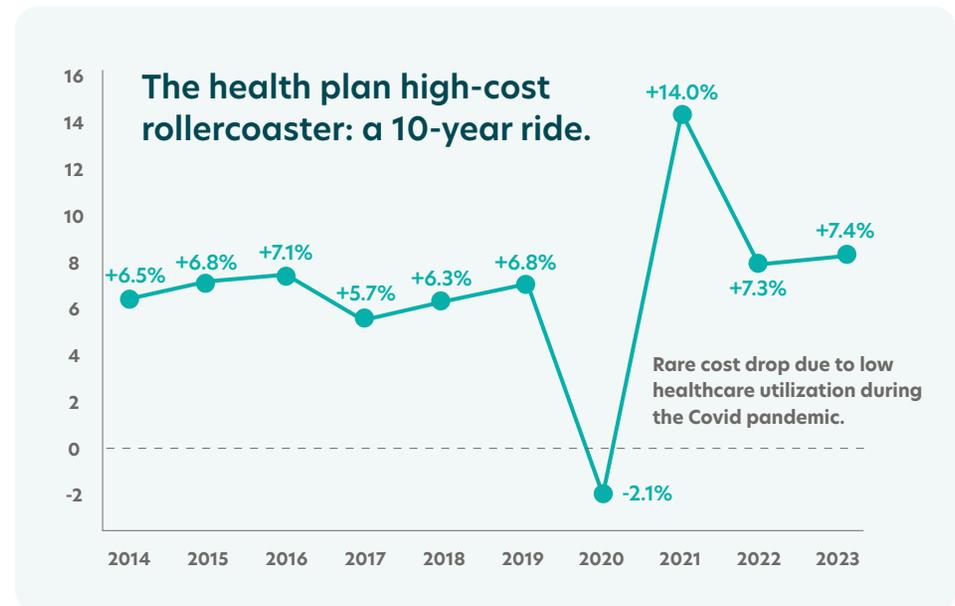
### What's driving the increase?

According to the report, the rise is due to several factors:

- Inflationary pressures
- Healthcare worker staffing challenges
- Provider consolidation
- Impact of delayed treatment
- Pent-up demand for healthcare post-Covid
- New higher-cost treatments and technology

### A closer look: the high cost of hospitalization.

Hospital price inflation is the largest contributor to the rise in healthcare costs, with an expected 5.7% cost increase in 2023. What's behind the hike? The continuing nursing shortage and need for short-term (and higher-cost) contractors to fill the void has resulted in wage increases across the board. That, along with rising supply chain costs, has resulted in an increase in hospital service prices.



Source: SHRM

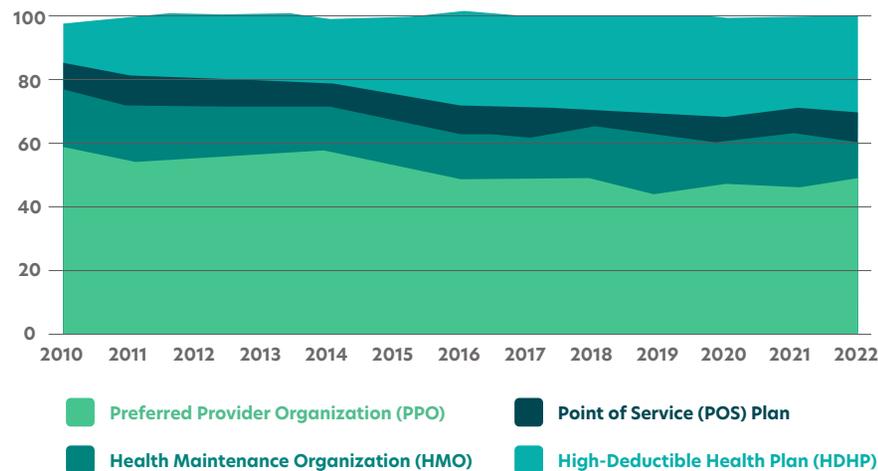
# The breaking point.

54% of companies report health plan costs will be over budget this year.



As anyone who manages employer-sponsored health insurance knows, finding ways to absorb rising costs is a challenge – especially with an average healthcare cost increase of 6-7% per year. At the end of the day, there are limited levers a company can pull to make the numbers work. That’s why so many employers are compelled to add high-deductible health plans (HDHPs) to their healthcare strategy.

## Rapid rise of high-deductible health plans



## HDHPs simply pass the cost burden to employees

Today, about 30% of American workers are enrolled in a high-deductible health plan. While this cost-cutting strategy may appease the CFO, HDHPs can have dire effects on employees in the form of:

**Higher out-of-pocket costs:** Employees pay more for healthcare services before insurance coverage kicks in, resulting in more of their paycheck going to healthcare instead of other essentials.

**Less coverage:** Some HDHPs may not provide enough coverage for certain medical services, leaving members at risk of being underinsured.

**Care avoidance:** Due to high costs, employees may avoid seeking care altogether, which can lead to an unhealthy workforce and, ultimately, higher costs down the road.

# Feeling the impact.

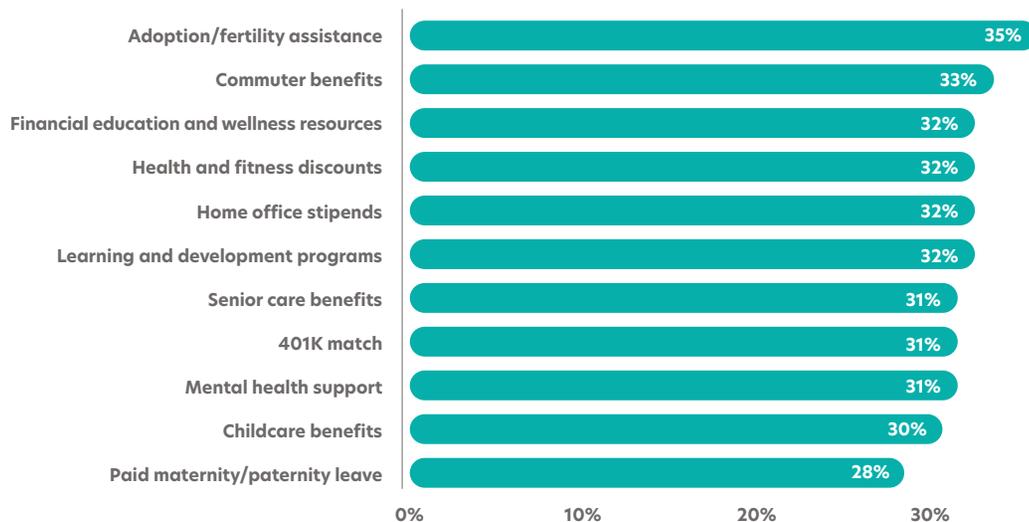
## 47% of companies are cutting back benefits.



According to a recent report, nearly half of companies are trimming their benefits package. Rising inflation and the looming threat of a recession are contributing factors. But the number-one driver of the benefit-cutting strategy? "It's the larger-than-usual health care premium increases in 2023," according to the report, which polled nearly 500 C-suite and executive healthcare professionals.

### What's on the chopping block?

The high costs of healthcare are forcing HR leaders to make tough decisions in order to balance their budgets and absorb the impact of another healthcare price hike. Here are the top benefits being cut:



“During the Great Resignation of 2021 and 2022, employers were desperately courting prospective employees and wooing existing ones, relying heavily on enhanced benefits to attract and retain workers. But in 2023, faced with an economic slowdown and a return to at least a semi-traditional workplace, some have been tempted to revert to old practices.”

— Future of Benefits 2023 Report

# Finally, a bright spot.

## Reference-based pricing can lower healthcare spend by 15-30%.

After all the gloomy news about price hikes, budget shortfalls and benefit cuts, there's finally some good news on the healthcare horizon. It's brought to you by reference-based pricing (RBP). This innovative health plan strategy has been around for nearly two decades and has grown into one of the most popular tools used by self-funded employers to control healthcare costs.

### Flipping the switch with RBP.

How does the RBP model work? It involves setting a limit on what a company will pay for a particular medical procedure or service based on a reference price, like Medicare rates or the actual cost of care as reported by the healthcare provider. With reference-based pricing, your RBP vendor reviews and audits medical bills and reprices the claims based on the established reference price. As a result, employers and their employees can dramatically lower their healthcare spend – by as much as 30% in some cases.

### Savings are just the beginning.

While savings of up to 30% are the biggest draw of RBP, the solution also offers additional perks, including cost transparency, increased flexibility and better benefits.

**“RBP often reduces employers’ health care claims spending by 20-30%”**

— Stephen Miller, CEBS, SHRM



#### Cost transparency

With RBP, costs for healthcare services are out in the open, giving employers more insight into spend and empowering employees to make smarter healthcare decisions.



#### Increased flexibility

Health plans with RBP provide more freedom by expanding access and eliminating the restrictions of provider networks.



#### Better benefits

RBP offers a high-quality, low-cost health plan solution with savings that can be reinvested into higher salaries and richer benefits.

# Healthcare reimaged.

## The first complete health plan with RBP built in.

Ready to stop cutting corners on healthcare and start cutting costs instead? Imagine360 can help. We offer the world's first complete health plan with the savings of reference-based pricing built in. Our proven health plan has helped hundreds of clients save millions on healthcare. You're next.

### Let's reimagine healthcare.

At Imagine360, we work with self-funded employers and their brokers to help maximize the performance of their health plan strategies with solutions that offer deep savings, price protection, 360-degree support and direct contracts.



#### Deep savings

Experience significant cost savings of up to 30% in year one. And sustained savings year after year.



#### 360-degree support

We support members during every step of their healthcare journey, including finding physicians, answering clinical questions and handling billing issues.



#### Price protection

Safeguard employees from high costs with the #1 reference-based pricing solution in the industry.



#### Direct contracts

Our plans include direct contracts with more than 500,000 physicians, facilities and healthcare providers nationwide.



# Getting started.

**Ready to take the first step to self-funding?  
We can help.**

When you're ready to take the next step, our experts will work with you and your broker to develop a self-funded health plan that delivers results for your company and your workforce.

**Contact us today to learn more.**



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