

EMPLOYER 3-STEP SELF-ASSESSMENT:

Are you ready for a new kind of health plan?



A data-driven approach to health plan decision-making



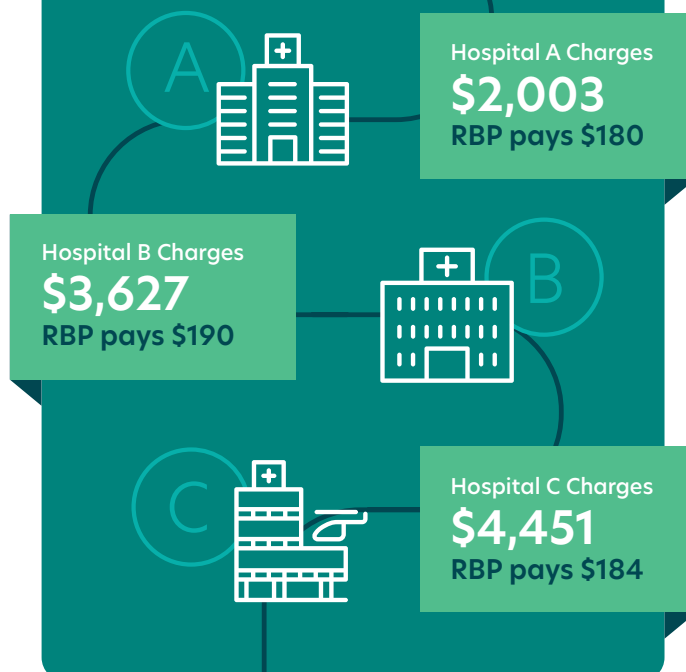
Rising healthcare costs are no longer exclusively a benefits issue; they pose a potential threat to business performance and workforce stability. During the past decade, healthcare expenses have consistently outpaced both revenue growth and wage increases, eating into margins and eroding employee retention. According to an Imagine360-commissioned analysis by Axene Health Partners, traditional insurance carrier costs have climbed more than 4.5x faster than employer revenue growth.¹

National data confirms what many financial leaders already know: employers routinely pay two to three times what Medicare pays for the exact same services. And in some markets, the costs exceed 350%.² The pressure isn't only financial: nearly one in two employees with employer-sponsored insurance now avoid care or go into debt because of high deductibles and out-of-pocket costs.³

This self-assessment is a strategic tool designed to help evaluate whether your organization is a candidate for moving away from traditional health plan carriers and moving to alternative health plan models inclusive of self-funding, reference-based pricing (RBP) and more.

Variable Pricing for a CT Scan in the Midwest

Why do three hospitals in the same region charge vastly different prices for the same procedure?



Drawing on data-driven models combined with proprietary data collected internally at Imagine360 and refined through decades of partnership experience, you can be empowered to start conversations with brokers and benefits consultants on alternative health plan options. Self-analysis through this assessment can also help leaders gain a clearer picture of what a better-aligned, self-funded plan could look like – and what it would take to get there.

STEP 1

Assess your readiness: four key pillars to success

Whether you're facing margin pressures, talent retention issues or care affordability challenges, understanding your readiness for change and factors specific to your organization's financial profile, employee demographics and organizational culture is a critical step toward taking back control.

Considerations and what to know about your organization:

1. Company characteristics

Your organization's ability to pursue a different kind of health plan starts with the ways decisions get made at the top. An employer whose leadership team is involved in benefits strategy, open to innovation and committed to employee well-being is typically more prepared to consider a shift. Those cultural traits support clear communication, smoother change management and longer-term success. Even if your culture isn't fully here yet, any one of these criteria can indicate an appetite for action.

CHANGE-READY CHECKLIST:

- ☐ Leadership involved or interested in benefits strategy and decision-making
- ☐ Open to human resources innovation or willingness to challenge legacy models
- ☐ Organizational culture that supports change and strategic reinvestment
- ☐ Staff that are informed and engaged in purchase process
- ☐ Self-funded company or open to self-funding

2. Financial and operational health

Readiness isn't just about cutting costs; it's also about having the operational and financial capacity to make smarter investments. Employers that are already self-funded or are evaluating that option are usually more familiar with the financial levers at play. Those facing margin pressure or managing complex operations may feel the urgency to act, but they also need stability and clarity to act confidently.

CHANGE-READY CHECKLIST:

- ☐ Increasing healthcare costs are significantly impacting the business
- ☐ Has a high risk of employee turnover or workforce instability
- ☐ Maintains sufficient resources to potentially assume financial responsibility for healthcare claims, which can be unpredictable

3. Employee demographics and needs

Who your employees are and what they're experiencing should guide your strategy. If your organization has high turnover, a large population on high-deductible plans or a workforce that's financially strained, your current plan is likely not fully meeting employee needs. For some teams, a new model may feel like risk; for others, a new model may represent the relief they've been waiting for. Understanding your workforce is essential to making the right call.

CHANGE-READY CHECKLIST:

- ☐ High prevalence of HDHPs among employees
- ☐ A workforce that demonstrates high-cost sensitivity and financial vulnerability
- ☐ Significant retention or recruitment challenges due to compensation, benefits or burnout
- ☐ Large portion of workforce that is functionally uninsured (unable to afford their deductible and out-of-pocket costs) despite having coverage
- ☐ Delays in care, medical debt or skipped treatment that are common
- ☐ Employees who demand predictability, clarity and low-friction benefits navigation

4. Location and geographic context

The location in which you operate can drive both challenges and opportunities. In certain regions, especially those with closely consolidated hospital systems, the cost markup over Medicare can exceed 300%,⁴ making traditional plan designs especially inefficient. Employers in those regions could stand to gain the most from models built for cost transparency and structural control.

CHANGE-READY CHECKLIST:

- ☐ Based in high-cost markets in which hospital pricing exceeds national averages
- ☐ Limited provider competition, which contributes to poor price leverage
- ☐ Employers and employees in the region visibly struggle with healthcare costs
- ☐ Reference-based pricing model that has proven success or provider fit in the geographic area
- ☐ Market that shows signs of readiness or propensity for change (e.g., high self-funding rates)
- ☐ Regulatory dynamics that create risks or incentives (e.g., Affordable Care Act-mandated financial assistance policies, staffing minimums in senior living and state-level billing regulations)

"Based on our experience, there are certain qualities or characteristics that are indicators of a successful transition to an alternative health plan. One is an executive team really having true buy-in. And by that, I mean they are part of the communication. They are part of the 'so what' as to why they're making the change...Change definitely doesn't work without it. And make no mistake, this is part of a company's change agenda."

- Pete Salveson, Vice President of Sales Strategy and Analytics, Imagine360

STEP 2 Compare costs

Once you assess your readiness for alternative health plan options, you'll want to compare current plan costs with a projected alternative health plan. The value of this comparison lies in framing cost as a strategic input—not just a line item. Use this to model what's possible and demonstrate how reinvestment can become a retention and culture-building lever.

What to measure:



Compare annual healthcare spend

Analyze total yearly spend under the current plan to a modeled projection using alternative mechanisms like reference-based pricing, network reconfiguration and care navigation support.



Calculate the percentage of employees in high-deductible health plans (HDHPs)

Assess how many employees are in HDHPs today versus what that could look like under a redesigned plan structure. Use this to evaluate opportunities for more equitable, accessible plan designs.



Evaluate employee annual out-of-pocket maximum

Understand potential reductions in financial exposure for employees, especially when the alternative plan includes advocacy, financial navigation or direct access to care.



Review premium cost sharing (employee share)

Look at whether employees' premium contribution can be reduced using the savings generated from the alternative plan structure.



Calculate estimated annual savings

Project annual savings and identify how that could be repurposed to support employee well-being – e.g., through benefit enhancements, mental health support or retention incentives.

“Really successful companies figure out ways to take cost savings and pay them forward. For instance, some companies have given employees a premium holiday, and some added other benefits or perks. Several have implemented on-site healthcare one day a week, which has had a hugely positive impact on reducing emergency department visits.”

**– Chris Schutt,
Senior Vice President,
Consultant Relationships,
Imagine360**

Taking into consideration the measures above and other local dynamics covered, partners like Imagine360 can help you conduct cost and coverage analyses to determine the opportunities for your organization.

STEP 3 Empower leadership to drive change

Leadership must be at the center of any shift away from a traditional health plan carrier. After all, moving to an alternative health plan isn't just a benefits decision; it's also a business strategy that requires alignment at the top. When executives engage directly in the process, they signal that cost control, employee well-being and long-term sustainability are organizational priorities.

To determine whether your organization is a good fit for an alternative health plan, your leadership team should take action by:

1. Tapping forward-thinking brokers and consultants for their market knowledge and access to data

- **What are we paying relative to Medicare for common procedures in our geographic area?** Ask for price benchmarks from local hospitals and health systems – especially in areas in which you know costs exceed Medicare rates.
- **Can you model our top 10 cost drivers and how they would change under an alternative plan design?** Ask about pharmacy benefits, high-cost claimants and chronic-condition management.
- **Have we benchmarked our plan against employers of similar size and industry?** Ensure your data is being compared meaningfully, not generically.
- **Which plan elements are driving the most employee complaints, deferrals or financial stress?** Ask whether your broker is helping identify employee experience gaps, not just cost issues.
- **How prepared is our organization for a transition both culturally and operationally?** Use the employer readiness framework pillars to structure that conversation.
- **Do you have examples of employers like us that have made the shift – and what the results were?** Look for verified outcomes in the forms of savings, employee satisfaction and retention impact.



2. Accessing and analyzing publicly available data – or proprietary data through partners – that will give a baseline for costs relative to those of peers

- **Review RAND Hospital Price Transparency Studies** – See how your state and metro area compare nationally in commercial-to-Medicare pricing.
- **Use Employer Health Benefits Survey data (e.g., KFF)** – Learn the national trends in premiums, deductibles and plan types for context.
- **Search cost reports issued by local health systems and the Centers for Medicare & Medicaid Services** – Some health systems publish pricing directly, and Medicare cost reports offer useful context.
- **Explore nonprofit and academic sources** – The Health Care Cost Institute, Peterson-KFF and the National Bureau of Economic Research often publish insightful employer-relevant studies.
- **Ask your broker, consultant or partners for proprietary benchmarks** – Many firms maintain internal datasets across clients and industries.

Ask how your costs, plan design and performance stack up against those of similar employers of your size, region or sector. Such data is some of the most actionable – and overlooked – that you can use to validate readiness and uncover strategic opportunities.
- **Conduct predictive modeling** – Partners can assist companies in conducting impact analyses, developing scoring models by using both internal and external data to identify best-fit employers and projecting cost savings.

“I’m not interested in a broker that simply brings me options and says, ‘Here’s what’s available.’ I want a broker who’s a partner that challenges my thinking, brings data to the table and isn’t afraid to have the hard conversation – even if it means pushing back.”

**– Barbara Barrett,
Vice President
of Human Resources,
The Langdale Company**

3. Connecting with other businesses that can share lessons learned on their own health plan journeys

- **Reach out to local business coalitions or employer health collaboratives** – Such groups often share case studies, vendor reviews and regional benchmarks.
- **Attend local human resources or chief financial officer roundtables on benefits strategy** – Regional chambers of commerce, Society for Human Resource Management chapters and employer-led coalitions often host these.
- **Ask peer employers** – Sometimes the clearest insight comes from businesses in your region that have already made moves to alternative plans.

“Once employers actually see what they’re paying – especially compared with Medicare or peer payments – they stop asking whether they should change, and they start asking how fast they can change.”

**– Matt Monda,
Senior Vice President of Employer
Risk and Innovation,
Imagine360**

CASE IN POINT: A 15-YEAR JOURNEY FROM TRANSPARENCY TO TRUST

THE LANGDALE COMPANY

Barbara Barrett, Vice President of Human Resources, described Langdale Company's shift to an alternative health plan 15 years ago not as a reactive move but as a proactive one. Barrett underscores the key elements of the company's success:

Consistent, top-down communication – Leadership didn't delegate the change; they owned it. Executives communicated early, clearly and repeatedly, reinforcing not just what was changing but also why the change mattered. Such communication is built on credibility and minimizes confusion.

Clarity of expectations and navigation – For employees, knowing what was covered wasn't enough. Employees needed to know whom to call, how to get help and what to expect when they used their plan. Predictability replaced anxiety and led to greater employee satisfaction and engagement.

A reinvestment mindset – Savings weren't pocketed; they were redirected into enhancements that mattered such as on-site care, premium holidays and new benefits. "It wasn't about slashing costs," Barrett said. "It was about showing our people that this change was for them."

Through the years, this approach transformed employee perception – from skepticism to trust – and delivered long-term, compounding value. This makes Langdale a model for high-readiness employers: not just aligned across HR, finance and operations but also anchored in culture and a commitment to communication.

"We didn't start this journey because we were in crisis. We started because we wanted to do better – for our people and our business. The journey was about giving our people things they could count on: Predictability. Transparency. A real partner. And that decision has really paid off because once employees saw we weren't cutting corners but were building something better, the tone shifted and they became advocates,"

– **Barbara Barrett**,
Vice President of Human Resources,
The Langdale Company



Are you ready for a new kind of health plan?

Health plan decisions carry long-term consequences: for your costs, your people and your organization's culture. This readiness assessment is designed to help evaluate whether your current approach still fits the needs of your workforce and your organization.

By examining readiness through multiple lenses such as financial, cultural, demographic and operational, you can move forward with greater clarity. Whether you're exploring a change to make now or simply preparing for future decisions, asking the right questions and gathering the right data are the best places to start.

About Imagine360

Imagine360 is a leading healthcare solutions provider that helps self-funded employers take control of their healthcare costs while delivering better experiences for members. With more than 18 years of expertise in RBP and health plan administration, Imagine360 develops fully integrated solutions that combine deep industry knowledge, data-driven strategies and concierge-level support for employers.

The company partners with employers, brokers and consultants to design and manage customized health plans that lower costs, increase transparency and improve outcomes – without compromising quality or access. Backed by dedicated advocacy, legal protection and proven results, Imagine360 is reimagining what smarter healthcare can look like for organizations and their employees.

Learn more at Imagine360.com or [subscribe](#) for more content like this.

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