



ValidationInstitute

2021 Validation Report

Review for: ImagineMD

Validation Achieved: Level 1 - Savings

Valid through: October 2022



Company Profile



Category:	Primary Care
Website:	http://www.imaginemd.com
Public or Private:	Private
Year Established:	2016
Founder:	Alex Lickerman, MD
Company contact:	312-374-5860

Description:

ImagineMD is a provider of near-site direct primary care medical services for employers of all sizes. We locate our facilities close to a cluster of employers so employers too small to build an on-site facility can gain access to direct primary care services for its employees. Larger employers have found direct primary care provides more comprehensive and efficient care than onsite clinics. Improve health and reduce healthcare costs for you and your employees. Better morale. Healthier workers. Higher productivity. It's advanced corporate wellness.





Claim Assertion for Validation

ImagineMD Direct Primary Care delivers a lower per member per month (PMPM) medical and pharmacy cost than a reference-based pricing, self-funded health plan.





Method / Calculation / Examples

Seven months of medical and pharmacy claims and member enrollment data were available for the analysis. Members could enroll in ImagineMD’s Direct Primary Care plan or in the Reference Based Pricing (RBP) Open Access Plan.

We used Milliman Claims Relativity Factors (CRFs) (Norris, Leida, Rode, & Gray, 2017) to determine how the group enrolled in ImagineMD’s Direct Primary Care plan varied from the group enrolled in the RBP Open Access Plan (See Table 1). For each age band and gender, we took the number of member months and multiplied it by the CRF (See Table 2). This created a group-level risk composite, expressed as a rate per member month.

Milliman 2017 Health Cost Guidelines - Commercial Claims Relativity Factors by Age and Gender

Age Band		Male	Female
18	24	1	2.3
25	29	1.2	3.1
30	34	1.5	3.5
35	39	1.9	3.4
40	44	2.4	3.6
45	49	3.1	4.2
50	54	4.2	4.9
55	59	5.3	5.8
60	64	6.9	6.8

Table 1: Claims Relativity Factors/ Milliman Health Cost Guidelines





Method / Calculation / Examples

DPC1	M		F		
Age Band	CRF	Member Months	CRF	Member Months	MMS X CRFs
18 - 24	1	64	2.3	70	225
25 - 29	1.2	77	3.1	21	157.5
30 - 34	1.5	120	3.5	22	257
35 - 39	1.9	24	3.4	4	59.2
40 - 44	2.4	46	3.6	28	211.2
45 - 49	3.1	65	4.2	55	432.5
50 - 54	4.2	108	4.9	98	933.8
55 - 59	5.3	165	5.8	63	1239.9
60 - 64	6.9	49	6.8	42	623.7
65+	6.9	16	6.8	14	205.6
					4345.4
				CRF/ MM Rate	3.775

RBP1	M		F		
Age Band	CRF	Member Months	CRF	Member Months	MMS X CRFs
18 - 24	1	100	2.3	116	366.8
25 - 29	1.2	41	3.1	14	92.6
30 - 34	1.5	26	3.5	25	126.5
35 - 39	1.9	29	3.4	26	143.5
40 - 44	2.4	21	3.6	24	136.8
45 - 49	3.1	67	4.2	29	329.5
50 - 54	4.2	81	4.9	70	683.2
55 - 59	5.3	145	5.8	99	1342.7
60 - 64	6.9	102	6.8	95	1349.8
65+	6.9	77	6.8	25	701.3
					5272.7
				CRF/ MM Rate	4.350

Table 2: Member Months and CRFs





Method / Calculation / Examples

We calculated each plan's actual PMPM costs, capping each member's costs at the 95th percentile. In addition, we calculated what the DPC plan's estimated PMPM costs would have been following adjustment for differences in risk (CRF) between the respective plans.

Costs Age Band	RBP1		DPC1	
	M	F	M	F
18 - 24	\$51,144	\$18,931	\$40	\$9,079
25 - 29	\$735	\$894	\$5,823	\$4,004
30 - 34	\$115	\$9,566	\$28,190	\$3,523
35 - 39	\$28,559	\$1,312	\$4,312	\$2,988
40 - 44	\$0	\$23,608	\$9,126	\$490
45 - 49	\$242,801	\$83	\$6,475	\$14,388
50 - 54	\$26,636	\$15,088	\$11,036	\$44,141
55 - 59	\$54,305	\$36,745	\$89,155	\$16,121
60 - 64	\$53,514	\$44,528	\$30,687	\$2,429
65+	\$30,842	\$16,885	\$730	\$21,778
Total	\$488,651	\$167,640	\$185,573	\$118,941
PMPM	\$541.49		\$264.56	

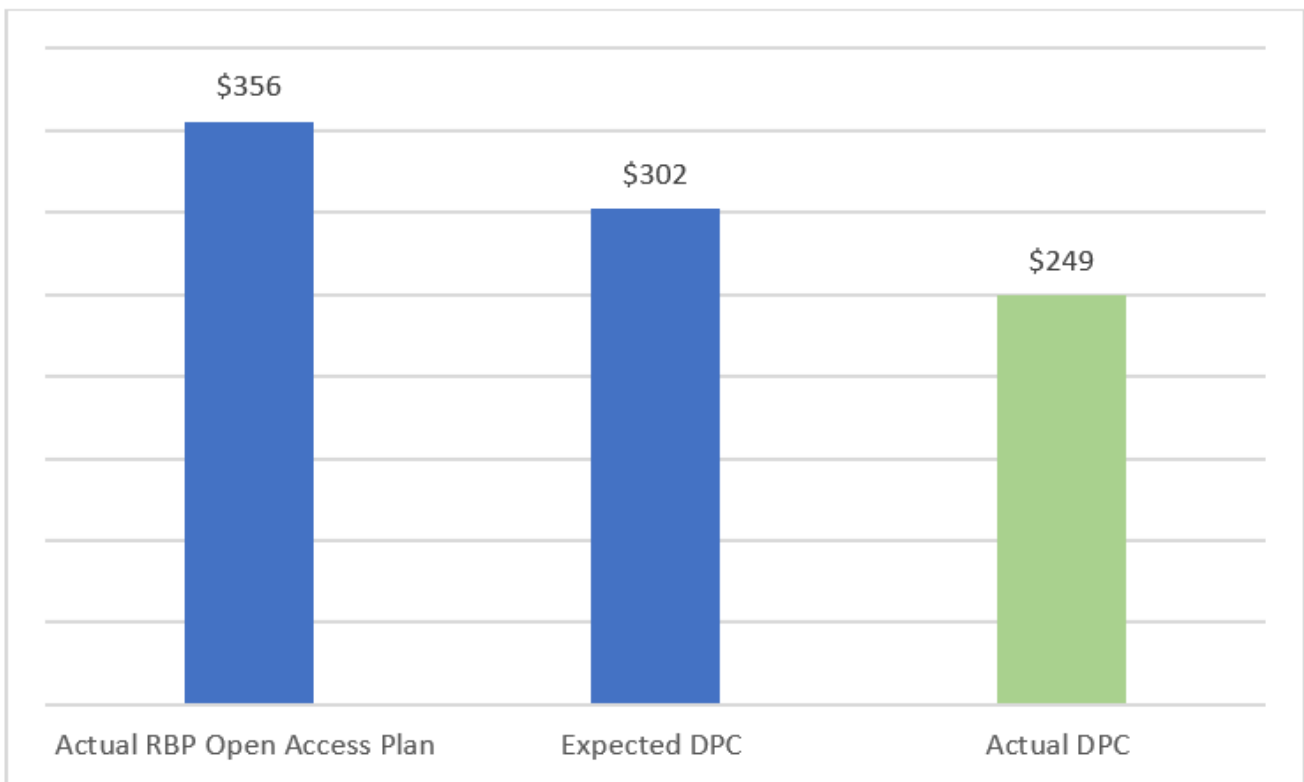
Table 3: Medical Claims Costs January 2021 - July 2021





Findings & Validation

Based upon the Claims Relativity Factors alone, the ImagineMD group was expected to have claims 15% lower than the RBP Open Access Plan group. Thus, Imagine MD group's PMPM was expected to be \$302. Instead, it was \$249, or 21% lower than expected (See Graph 1).



Graph 1: Per Member Per Month Medical Costs: RBP Open Access Plan, ImagineMD Plan (DPC) Estimated and Actual





Limitations

The analysis included a relatively short time of seven months. Twelve months of claims data would show a more reliable picture of the program's impact.

The groups were comparable in size. Nevertheless, having larger groups would strengthen the reliability of the results.





Validation and Credibility Guarantee

ImagineMD's Direct Primary Care Program achieved level 1 validation for Savings. Validation Institute is willing to provide up to a \$25,000 guarantee as part of their Credibility Guarantee Program. To learn more, visit <https://validationinstitute.com/credibility-guarantee/>

Level 1 – Savings

Can reduce health care spending per case/participant or for the plan/purchaser overall.

Level 2 – Outcomes

Product/solution has measurably moved the needle on an outcome (risk, hba1c, events, employee retention, etc.) of importance.

Level 3 – Metrics

Credible sources and valid assumptions create a reasonable estimate of a program's impact.

Level 4 - Contractual Integrity

Vendor is willing to put a part of their fees "at risk" as a guarantee.





Validation Expiration: October 2022

CERTIFICATE OF VALIDATION

Applicant: **ImagineMD**
10 S. Riverside Plaza, Suite 2225,
Chicago, Illinois 60606, US

Product: ImagineMD's Direct Primary Care Program

Claim: ImagineMD's Direct Primary Care delivers a lower per member per month (PMPM) total medical cost than a traditional plan

Validation Achieved: **Level 1 - Validated for Savings**

Validation Award Date: October 2021

Linda K. Riddell, MS
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Validation Institute





About Validation Institute

Validation Institute is a professional community that advocates for organizations and approaches that deliver better health value - stronger health outcomes at lower cost. We connect, train, and certify health care purchasers, and we validate and connect providers delivering superior results. Founded in 2014, the mission of the organization has consistently been to help provide transparency to buyers of health care.

