

OUTSIDE THE LINES

FEATURED DISRUPTOR: OSCAR

June 27, 2017

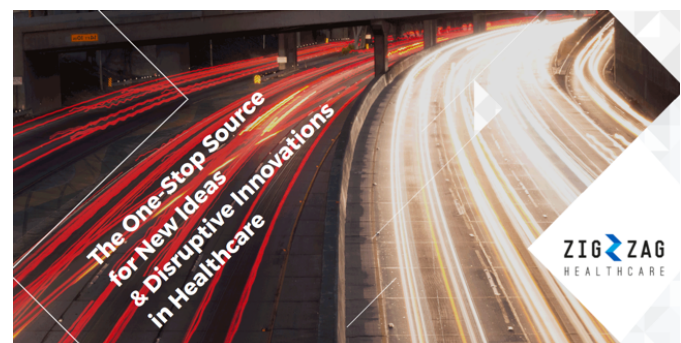
Growth strategies are tricky in these “new days” of healthcare. As one executive put it (this from a board member during a Board Retreat we led in Arizona last week): “The path forward isn’t as clear as it used to be because the stake posts are changing ... the business models are shifting ... the lines are blurring ... and it’s hard to figure out where the innovation is coming from, and what it means for healthcare organizations.”

The “blur” is evident in all parts of our care delivery and payment models. It’s exciting. It’s challenging. It’s kind of crazy. What we believed would never happen now seems to be happening. New ideas, companies and competitors whose success we might have thought impossible – or improbable – are now starting to make waves in big ways.

In this week’s *Outside the Lines*, we continue our “New Frontiers Taking



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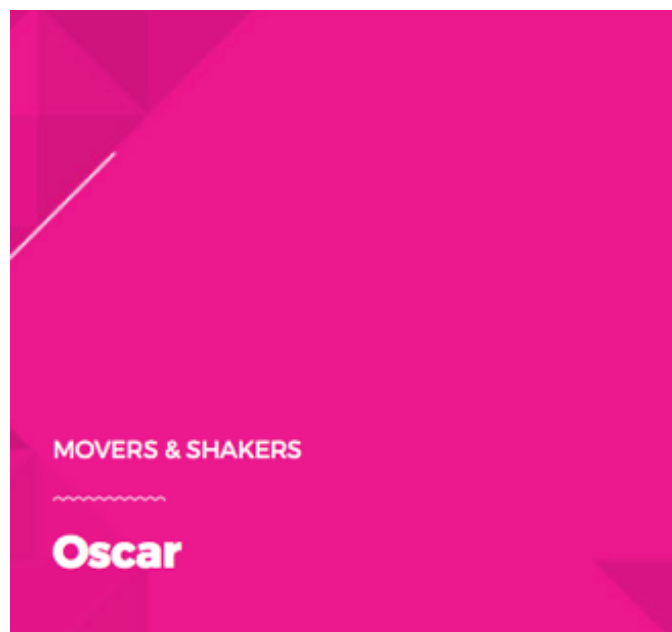
There Is a New Frontier Out There ...

So much that is possible,
and doable, in the world of
transformative healthcare.
Be in the know. Take the lead.

Shape in Healthcare” series, featuring top companies out of our ZIGZAG Healthcare library that we think are great ideas. This week, we feature Oscar, a health plan innovator that is controversial in various ways, but that just weeks ago [announced](#) a major partnership with the Cleveland Clinic.

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Featured Disruptor: Oscar



[Oscar](#) is a revolutionary, new kind of insurance company putting a major stake in the ground to advance a tech-start-up-like, consumer-driven healthcare experience.

Why Do We Like Oscar? Started in 2013 and designed for the individual insurance market, Oscar launched in New York City with its “ultra-consumer-centric” plan designs and marketing including subway ads featuring messages like “Health insurance that’s easy” and “Dragging healthcare kicking and screaming into the 21st century.” With Oscar plans, members receive free 24/7 calls with doctors, preventive care, and “Oscar

Concierge” (a dedicated care guidance team for members). All elements of the Oscar plans are designed to cater to the modern consumer, including slick insurance cards sent in a box (à la receiving a brand new iPhone), a Facebook-esque online portal that tracks members’ medical histories, wearable devices and other technology handouts, and health-incentivized rebates. To note, there is much that is “disliked” about Oscar too, including its narrow network focus and the fact that Joshua Kushner – brother to President Trump's son-in-law, Jared Kushner – is one of the co-founders.

Why Does Oscar Make Sense? As Oscar has migrated through the on-again, off-again difficulties of a start-up, many in our industry have bet against Oscar. In fact, Oscar struggled in its New York, California and Texas markets, reporting major losses as they re-tuned their operations; but major funders have provided millions of dollars (almost a total of a billion dollars) in capital, enabling Oscar to be a force to be reckoned with. In December 2016, Oscar opened its first in-person clinic, what it calls an “[Oscar Center](#).” It was opened in Brooklyn in partnership with Mount Sinai Health System. In mid-June 2017, Oscar announced the addition of its “virtual clinic” [dashboard](#) to provide members’ health histories and other details for doctors.

One of the biggest hits for Oscar, though, is that it is working to crack the “customer/consumer/patient

experience” not that is so relevant in healthcare today. This is part of why Cleveland Clinic chose Oscar. Starting in the Fall 2017 open enrollment period (pending approval), co-branded Cleveland Clinic | Oscar health plans will be offered to consumers in northeast Ohio. With this, Oscar will be paired with Cleveland Clinic’s 3,500+ doctors along with its network of nurses, hospitals and outpatient, health and wellness centers. According to Cleveland Clinic’s [CEO](#): "We were very intrigued about a technology platform that focuses on how the provider can better engage with the patient ... Cleveland Clinic has been focused on expanding its telehealth capabilities, and Oscar's mobile-friendly platform allows patients to set up a telehealth visit in minutes.”

To learn more about Oscar, go to <https://www.hioscar.com> or [join us](#) at ZIGZAG Healthcare to download our Oscar Innovation Packet including an executive summary, quick links to more information sources, and other tools.

Always looking ahead,



Kim Athmann King, MBA, FACHE

DO YOU KNOW...

June 29 marked the [10th anniversary](#) of Apple’s launch of the iPhone. Can you believe it? In January 2007, Steve Jobs started his MacWorld presentation with this

statement: “Every once in a while, a revolutionary product comes along that changes everything.” What a difference a decade has made. What a difference the iPhone – the smartphone – has made in all industries, including healthcare. While healthcare has been slower to be transformed, the [digital revolution](#) in healthcare is speeding up. This is your growth strategy opportunity because as author and co-founder of *Wired* magazine, [Kevin Kelly, said](#): “The future happens very slowly and then ... all at once.”

DO YOU KNOW ABOUT...

Centene Health is the other health insurer (in addition to Oscar) with [plans to expand](#) its products available on the ACA exchanges in 2018. With the ACA repeal/replace debate still raging and with nearly all other health plans holding or pulling out of markets, Centene (with lots of experience managing the care of low-income Medicaid members) plans to expand in its Florida, Georgia, Indiana, Ohio, Texas and Washington markets and, as well, will add coverage in Kansas, Missouri and Nevada. According to *Modern Healthcare*: “While some health insurers are bailing on the Affordable Care Act exchanges, others are swooping in to take the business they leave behind.” [Oscar](#), meanwhile, has announced plans to expand its health insurance products to serve six states in 2018: Ohio (with Cleveland Clinic), Texas, New Jersey, Tennessee, California, and New York.

DO YOU HAVE A STRATEGY AND SOLUTION FOR THIS?

Related to the “customer/consumer/patient experience,” just two weeks ago I was asked to present to about 500 healthcare executives in Salt Lake City on the rise of the consumer in healthcare and what this means for hospitals, health systems and other healthcare organizations. What does the consumer want? 1. Personalized experience. 2. Choice. 3. Convenience. 4. Digital. Click [here](#) for a summary PDF of the presentation, and contact [us](#) to learn or discuss more.



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