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With their Alternative Approach to Traditional Insurance, Healthcare2U Enables Individuals with Modest Incomes to Afford Primary Care Consultations for Early Detection of Major Health Conditions



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CEOCFO: Mr. Bonner, the first thing I see on your website is "Redefining the Delivery of Healthcare," what is your approach?

Mr. Bonner: *In 2006, I was diagnosed with cancer. Before that diagnosis, I lacked a dedicated primary care physician to oversee my healthcare needs and health fluctuations. As I traveled for work, a bump appeared on my tongue, so I began visiting random urgent care facilities in various cities. Each time I went to an urgent care facility, I had to re-explain my symptoms and concerns because they didn't share my medical history with each other. Because of this, my cancer went undiagnosed for over nine months, and I spent five years on a care regimen from MD Anderson.*

At the time, my career was in Business Process Outsourcing. BPO taught me to seek process improvement opportunities by examining challenges and issues through a unique prism. I applied that experience to improve access to healthcare, specifically primary care. A more efficient method of accessing healthcare was needed, especially without placing the responsibility of communicating personal health records on the patient. Because of my background and cancer experience, I was determined to discover an affordable and practical solution. This passion led to the creation of Healthcare2U in 2013. Although I was aware of existing concierge, and direct primary care membership programs, they primarily catered to affluent individuals. My goal, however, was to develop a membership that was accessible and affordable to everyone.

My focus centered on establishing a service enabling individuals with modest incomes to afford primary care consultations. By generating a systemic change and partnering with numerous doctors to embark on this journey with me, we had a genuine opportunity to revolutionize healthcare and redefine how it's delivered.

My objective was to offer an option that encouraged the early detection of health issues by facilitating access to board-certified physicians and internists. Identifying and treating conditions earlier would mitigate the long-term impact of undiagnosed health conditions. For instance, certain conditions like diabetes often go unnoticed without regular medical

check-ups, resulting in nerve deterioration or neuropathy. It is widely recognized that diabetes is the leading cause of cardiovascular mortality, but with early detection, it can be managed effectively.

My motivation stems from a profound desire to provide a service that benefits everyone. I aim to enhance the healthcare industry in a way that allows people of diverse cultural backgrounds and financial constraints to seek medical attention where and when necessary. Healthcare2U 's model alleviates individuals' financial burden when deciding whether to consult a doctor.

Healthcare2U is committed to making affordable and accessible primary care available throughout the United States, presenting an alternative approach to traditional insurance. We currently serve members and maintain operations in all 50 states.

CEOCFO: How does your program work?

Mr. Bonner: *Healthcare2U operates on a membership-based model, like tanning salons or wholesale clubs. Our membership provides unlimited access to family care physicians or internists within our Private Physician Network. It is important to note that Healthcare2U's offering is a hybrid Direct Primary Care membership, distinct from insurance and devoid of claims for the services covered within the membership.*

Our approach is fully capitated, meaning that the membership fee covers the entirety of the plan's offerings. Consequently, our members face no additional charges following a visit to their doctor.

"Healthcare2U was thoughtfully crafted to deliver affordable and easily accessible healthcare. Our innovative Direct Primary Care membership eliminates the obstacles often tied to primary care access through traditional insurance. Our mission is to kickstart a healthcare revolution by fostering robust patient-doctor connections and enabling the early detection and proactive management of critical health concerns." Andy Bonner

The scope of our plan is extensive, mirroring the comprehensive nature of a typical primary care doctor's office. Every service rendered within such an office is included in our membership. These services encompass unlimited primary care for acute conditions, granting members the flexibility to consult with a doctor up to 30 times per month for only \$10 per visit. Urgent care visits are \$25 each, and bilingual telehealth or virtual care is available 24/7 at no extra cost.

Our nationwide presence ensures that our members can access doctors regardless of location. We facilitate the seamless transfer of medical records between Healthcare2U and Healthcare2U Physician Services providers for every visit, mitigating care fragmentation and minimizing the likelihood of misdiagnosis. Furthermore, our plan incorporates an annual physical examination accompanied by four essential labs: complete metabolic panel, complete blood count, thyroid-stimulating hormone, and lipid panel. Additionally, we offer unlimited early-stage chronic disease management for 13 prevalent chronic diseases, including anxiety, arthritis, asthma, blood pressure, congestive heart failure, chronic obstructive pulmonary disease, depression, diabetes, fibromyalgia, gastroesophageal reflux disease, gout, hypertension, and thyroid conditions.

In addition to these core services, we facilitate ancillary offerings as part of our program, such as discounts on MRI, CT scans, X-rays, prescription medications, vision care, and more. All of this is affordable, enabling members to access comprehensive primary care services without undue financial strain.

CEOCFO: There are not enough primary care physicians in general, so how do you provide extensive coverage?

Mr. Bonner: *We have meticulously curated a network of physicians who own their practices across the United States. Since 2013, we have diligently worked to establish and foster relationships with these physicians. We are fortunate to collaborate with these medical professionals, navigating them through this unique healthcare environment.*

Our membership model frees physicians from the constraints of dealing with insurance carriers, coding, claims filing, and other administrative burdens. This freedom allows them to focus on practicing medicine in line with their original

aspirations and unencumbered by extraneous responsibilities. This issue represents one of the inherent flaws within our current healthcare system.

Before 2015, doctors were required to navigate an extensive catalog of 16,000 codes when selecting and submitting claims for reimbursement from insurance companies. Inaccurate coding often resulted in challenges and delays in receiving payments from insurers. The ensuing back-and-forth between doctor's offices and insurance companies became laborious. Today, the number of codes has surged from 16,000 to over 64,000, adding to the complexities of filing a claim.

Consequently, doctors have had to expand their workforce to handle the increased claims filing, yet rejection rates persist at high levels. Doctors find themselves contending with unpaid claims and mounting what is known as bad debt. It is not uncommon for physicians to hold significant amounts of outstanding bad debt that remains unpaid by insurance companies.

Doctors spend excessive amounts of time and resources on hiring staff capable of navigating the complexities of reimbursement within the traditional fee-for-service framework. Many physicians are compelled to abandon their practices due to an inability to keep up with these challenges or the overwhelming obligation they present. This is where we come in, offering a breath of fresh air to these physicians. With our model, they receive consistent monthly payments based on a capitated amount. Physicians can focus on patient care without the added concern of administrative intricacies.

The current convoluted state of the healthcare system significantly contributes to doctors leaving general practice or being absorbed by hospitals. The increased workload necessitates seeing more patients to maintain previous income levels, leading to shorter patient visits and physician burnout. By opting for a Healthcare2U membership, patients benefit from spending more quality time with their doctor, and physicians know they will be compensated without the need to grapple with complex coding requirements. Our flat-rate system ultimately benefits patients by affording doctors the time and opportunity to delve into their medical histories, thereby identifying potential health risks at an earlier stage.

CEO CFO: Some physicians offer limited services only, while others may have in-house labs or x-ray services. How does this come into play?

Mr. Bonner: *Regrettably, the capabilities of family care physician offices have diminished over the years. In the past, doctors had their own X-ray equipment and lab services on-site. However, due to the challenges associated with staffing and reimbursement, many doctors have transitioned away from providing these services directly. Instead, they rely on regional providers to fulfill those needs.*

At Healthcare2U, we have established contracts with service providers to address this gap. We have a lab setup that can assist physician offices lacking internal lab capabilities. Through our network, we can bridge these gaps and provide physicians with accurate and timely results, enabling them to effectively discuss the findings with their patients.

CEO CFO: What is the model to reach people; what is your business model?

Mr. Bonner: *Our business model does not involve direct sales to individuals. We do not actively promote individual memberships where someone can purchase a membership with a credit card. Instead, we primarily focus on the group market. We directly engage with employers, advocating for them to cover the cost of our services or offer it as a voluntary benefit that employees can choose to have deducted from their paychecks.*

In addition, we can integrate our services within existing health plans. This integration means we collaborate with insurance carriers and third-party administrators to bundle our offerings with traditional health plans, such as self-insured plans. By doing so, we enhance the health plan and member experience. Our members enjoy complete access to our physician network for our services. We can assist by pointing members to resources for specialist visits, hospital stays, cardiologist consultations, and other necessary appointments beyond our scope of services.

CEO CFO: What is the key to maintaining all these moving parts efficiently at Healthcare2U?

Mr. Bonner: *The inspiration behind our mission stems from my personal experience, which I call "solving for Andy." Throughout nine months, I encountered multiple misdiagnoses and experienced the awkward task of carrying my medical*

history to each urgent care visit. The limitations imposed by the Health Insurance Portability and Accountability Act (HIPAA) prevented these facilities from communicating with one another.

As someone with the means and freedom to seek healthcare wherever I desired, I realized the complexities inherent within the system. Drawing upon my business process outsourcing background, I recognized that if healthcare proved challenging for me, it must be overwhelming for others. This realization fueled my passion for addressing the issue, not just for those who can afford concierge medicine, but for the vast majority. I take pride in referring to our approach as concierge medicine for the 99%. We strive to offer accessible and high-quality healthcare to those who cannot afford it. We are making significant strides in achieving this goal.

At Healthcare2U, we strongly advocate for members to establish an ongoing relationship with a primary care physician of their choice. While we recommend maintaining continuity of care with a specific doctor, it ultimately remains the patient's decision. However, our Patient Advocacy Line becomes instrumental when a member may find themselves in a different location, such as San Francisco, and require medical attention. By contacting our dedicated team, we can efficiently schedule an appointment with a nearby physician in our network, ensuring continuity of care and access to quality healthcare.

Continuity of care revolves around the seamless transfer of medical history, allowing healthcare providers to comprehensively understand a patient's background. Our unique business model enables us to securely store and share this information with the designated physician, with the member's consent. Such continuity is challenging to achieve within the confines of traditional insurance systems.

To illustrate, consider the example of two urgent care facilities located across the street from each other. If a patient visits one facility and seeks care at the other the following week, requesting the transfer of medical records becomes problematic due to the separate ownership and the constraints imposed by HIPAA. This situation closely resonates with my experience, which motivates Healthcare2U to overcome such barriers.

We aim to solve for Andy and prevent other members from enduring similar frustrations. Within Healthcare2U, we centralize medical information, allowing it to follow the patient within our network. To the best of my knowledge, this is the only organization that offers a comparable level of comprehensive care and HIPAA-compliant medical record management.

Our commitment to our members begins with our Patient Advocacy Line, which serves as a reliable point of contact. Our bilingual care team offers personalized support, guiding members through the services available within their plan. Taking our commitment, a step further, we proactively assist members by making all necessary appointments on their behalf. Our members never have to directly communicate with a doctor's office or navigate the complications of healthcare administration. We handle all these tasks to alleviate the responsibility of our members and ensure a smooth and coordinated healthcare experience.

We securely house all medical information in our dedicated and protected database to enhance our comprehensive approach. Each time a member visits a healthcare provider, their complete Healthcare2U medical history is readily available, safeguarding against the challenges I encountered during my journey. Rest assured, what happened to me will not be repeated for our valued members.

CEO CFO: Do people recognize the importance of all medical info in one place unless they have been faced with a problem themselves?

Mr. Bonner: *The common perception among patients is that clinics and doctors' offices engage in effective communication and information sharing. However, this assumption is not reality.*

Imagine you contact Healthcare2U on a Saturday morning due to feeling unwell. During the telehealth call, you consult a board-certified physician who prescribes medication to address your condition. Suppose that, by the following Tuesday, your symptoms persist. You contact us again and arrange an in-office appointment to see a doctor. However, the doctor you interacted with on Saturday is not necessarily the physician assigned to your case in person.

With Healthcare2U, your designated doctor works at one of our clinics. Nevertheless, immediately following your telehealth consultation with the physician on Saturday, your medical history, including the prescribed medication and the specific condition treated, is transmitted to Healthcare2U. Consequently, this information is placed within your Healthcare2U record.

When you arrive at the doctor's office on Tuesday, we ensure the transfer of your medical history from Saturday, making it readily accessible for the doctor before entering the examination room to attend to you. This concept is known as continuity of care, where you either see the same practitioner or deliberately choose to consult with another. Regardless, Healthcare2U guarantees to monitor your medical journey, a unique aspect of our organization.

The cost of healthcare is steadily rising; this can financially impact individuals. Many people contend with high-deductible health plans, which makes it challenging to prioritize essential healthcare measures, such as annual physicals or regular visits to a doctor. Our membership program addresses this concern by consolidating all relevant medical information in one centralized HIPAA-compliant location. Furthermore, it affords individuals the flexibility to consult with doctors nationwide.

When a member contacts us, they provide minimal details, such as their name and date of birth, and their information populates our customized database. This database stores comprehensive demographic information for our members, including their age, place of residence, family members covered under the plan, plan details, and medical history.

We can confirm their existing health plan by assessing their records. If they do, we guide them back to their respective plan. However, if they do not have an overlying health plan, we discuss the available resources in their local area that cater to patients without health insurance. These resources encompass community hospitals and county hospitals that accommodate such individuals.

CEO CFO: Do the doctors coming out of medical school today understand and come on board or is it a harder sell to the newer physicians?

Mr. Bonner: *The newer doctors often bring forward innovative and valuable ideas; their adoption rates are very high for this type of plan. They realize the fee-for-service way of business, especially in the primary care arena, needs to be fixed, and they are looking at alternatives.*

CEO CFO: You mentioned people needing to go to a specialist. How do you deal with people for basic services who are not part of a larger program? How do you help them get to the right place and how do you help them with the cost?

Mr. Bonner: *Let us consider the fundamental level of the situation. Suppose an individual lacks a healthcare plan and this is their sole means of accessing medical services. In such instances, there exist community hospitals and specialized practitioners within the community whom individuals can seek assistance from. When a member contacts us, providing minimal details such as their name, as well as their date of birth, their information promptly appears on our customized database. We conveniently store comprehensive demographic information for our members, including their age, place of residence, family members covered under the plan, plan details, and medical history.*

By swiftly assessing their records, we can determine if they possess an existing health plan. If they do, we guide them back to their respective plan. However, if they do not, we engage in a discussion regarding the available resources in their local area that cater to patients without health insurance. These resources encompass community hospitals and county hospitals that accommodate such individuals.

CEO CFO: What does the next year to five years look like for Healthcare2U?

Mr. Bonner: *We are the leading company in our industry and are pioneering efforts to expand direct primary care nationally. Our commitment lies in addressing the needs of the underserved population, as we relentlessly forge ahead. Our remarkable year-over-year growth is surpassing expectations.*

Over the years, our progress has been recognized through our inclusion in the prestigious Inc. 5000 list, and more recently, we were acknowledged by Inc. Magazine as one of the fastest-growing privately held companies in the Southwest Region. Despite these achievements, we recognize that we have yet to reach our full potential. Therefore, we

strive for continuous improvement, expanding our services and enhancing their ease of use to drive widespread adoption. By doing so, we aim to extend our reach in the marketplace and positively impact the lives of more members.

At the core of our approach is the constant redefinition of our solutions and the exploration of opportunities to integrate innovative products into our portfolio. This approach ensures our relevance within the industry and motivates us to outperform our past accomplishments. Our main competition is ourselves as we strive to surpass the organizational standards set in the previous year.

Presently, we are engaged in discussions about the additional value we can bring to our members. We carefully assess the current gaps and deficiencies in the industry to determine which services can be implemented to fill them. When the time is suitable, we will unveil these solutions. In the meantime, we encourage you to keep a close watch on our progress, as we are poised for significant achievements.

CEO CFO: Are you seeking funding, investment, or partnerships as you grow?

Mr. Bonner: *Since its inception in 2013, our organization, co-founded by me and Dr. John Rodriguez, has experienced remarkable growth. Reflecting on our humble beginnings, I recall the days when I managed all accounting tasks from my home office. Through organic growth, we swiftly attained profitability in the early stages of our establishment. This success has enabled us to finance our operations and sustain our current growth independently.*

We currently find ourselves in a position where external funding is unnecessary to fulfill our mission. Our robust financial standing and prudent resource management allow us to maintain our operations and continue advancing our cause.

CEO CFO: What if anything might people not quite understand about Healthcare2U that they need to know?

Mr. Bonner: *There is a misconception regarding the immense opportunity and cost-saving potential we offer within healthcare plans. Our value proposition revolves primarily around our competitive price point, currently set at a monthly rate of \$45 per member.*

Unfortunately, this low pricing often leads to skepticism, as some people find it difficult to believe such an offering is genuine. This perception challenge persists, even though our nearest competitors and local or regional physician practices charge three times the amount—\$150 per month—for an equivalent service.

The general assumption is that our lower price point compromises the quality of our services. However, once a member experiences our services, and engages in initial interactions, they recognize our benefits. In many cases, we pique the interest of brokers who, although initially skeptical, decide to test our services with a group or within their own company. Through our exceptional performance, we consistently exceed expectations, encouraging them to engage with us continually across different organizations.

Overcoming this initial skepticism is paramount. I can readily demonstrate an immediate return on investment (ROI) to any company that participates in our services, effectively proving a positive ROI within the first year alone.

Today, we boast an extensive network of satisfied clients across diverse industries and demographics throughout the United States. Our clientele ranges from law firms, large CPA practices, and surgery centers to hospitals that utilize our services for their employees. Additionally, we cater to a wide array of service sector companies, including restaurants and nursing homes, who entrust us with the healthcare needs of their employees.

CEO CFO: Final thoughts?

Mr. Bonner: *Our primary objective is to foster the expansion of our company while prioritizing the delivery of affordable and equitable healthcare to all individuals. This remains our central focus. We have achieved this goal by employing board-certified physicians and providing comprehensive support to our members, ensuring they receive the most appropriate care for their specific needs, all while minimizing costs for both the members and their employers.*

Our unwavering dedication lies in pursuing this mission, persisting until every person in the nation can access affordable healthcare.