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OneMedical: A Pioneer in Patient-Centric Care with a Glimpse into the Future of Healthcare

Siddhanth Iyer, Randall W. Lee, MD 06/04/2023

Patients throughout the United States frequently endure unsatisfactory experiences during their visits to doctors' offices or hospitals, and they often express their grievances to friends and acquaintances. These negative encounters often stem from inadequate communication between physicians and patients, subpar care, or overall frustration with managing challenging chronic conditions. Recognizing the significance of the patient-physician relationship, the medical community extensively monitors and assesses the overall experience of patients, akin to customer satisfaction in other industries. <u>A study</u> affiliated with The University of Western Ontario studied the effects of patient-centered care on patient outcomes, patient emotional health, and the amount of additional diagnostic testing and referrals. The study included 315 patients belonging to 39 primary care physicians, and the results showed that positive physician-patient interactions were correlated with better recovery, better emotional health, and fewer referrals and diagnostic tests.

In addition to the patient experience, there are several other factors that can detrimentally impact a patient's visit to the doctor. One significant issue is the absence of off-hour appointments, which inevitably leads to inconvenience and workday stress for patients who must go through the hassle of arranging face-to-face meetings with their physicians.

It is important to note that the current structure cannot be solely attributed to physicians, as they already grapple with various healthcare inefficiencies and the burden of seeing more patients than they would prefer merely to maintain their practice. However, despite these challenges, patients should not be subjected to a flawed system or substandard healthcare.

Tom Lee founded OneMedical in 2007 to address the inefficiencies prevalent in numerous healthcare systems, which often result in patient dissatisfaction. OneMedical has successfully developed a business model that seeks to tackle these challenges head-on. The company runs on a \$199/year membership fee_reduced to \$99/year for students- that allows patients to access primary care physicians (PCP) at 24 different locations nationwide. Members can text providers, schedule same-day appointments, get quick medication refills, and set up telehealth visits. OneMedical excels in its patient-centric approach, delivering exceptional customer service that sets it apart. Unlike many large healthcare systems, OneMedical was specifically designed to cater to the demanding schedules of its patients. Moreover, the company has successfully integrated modern technologies, filling a gap that exists within traditional healthcare systems. These factors have contributed to the thriving success of OneMedical.

Throughout a physician's training, medical students and residents are taught to prioritize the patient directly in front of them, fostering a genuine connection and actively listening to their medical, social, and family history. However, there is growing pressure from corporations to restrict the amount of time spent with each patient to accommodate a larger volume of individuals. Unfortunately, the CEOs of many traditional healthcare systems have shifted their focus towards maximizing revenue, often at the expense of the patient experience.

OneMedical has embraced a service and technology-driven approach, mirroring successful industries, to establish itself as a provider of exceptional patient experiences. In 2019, a <u>Forrester Case study</u> examined how OneMedical effectively bridges the gap between digital and physical patient encounters. This study demonstrated that OneMedical prioritized the patient

experience by utilizing a user-friendly app and conducting regular surveys for both members and non-members to gather valuable insights. The collaborative efforts of the product, clinical, and technology teams ensured the swift incorporation of feedback into product updates. Moreover, OneMedical has optimized operations and leveraged advanced technologies to enable physicians to dedicate more time to their patients. For instance, OneMedical claims that their physicians spend 10% less time on documentation by utilizing their self-developed electronic medical record (EMR), which is designed to be user-friendly. Additionally, thanks to proprietary operational efficiencies, an impressive <u>98%</u> of in-person visits commence punctually. And Patients are loyal to OneMedical as the study also highlights that <u>85%</u> of members stay with OneMedical.

The advent of the COVID-19 pandemic played a pivotal role in catapulting OneMedical's popularity and fostering its rapid growth, primarily driven by the organization's robust telemedicine capabilities. Telemedicine emerged as a highly sought-after solution during this period, providing patients with a flexible alternative for accessing medical care. Even as the pandemic subsides, the demand for telemedicine remains significant, highlighting its enduring value in delivering convenient healthcare services to patients.

OneMedical's remarkable success led to its <u>acquisition by Amazon for a substantial \$3.9</u> <u>billion</u>, as Amazon sought to make significant inroads into the healthcare industry. The reaction from Wall Street to this purchase was varied, with analysts carefully examining the news and questioning Amazon's motives and strategic approach. However, those who held equity in OneMedical were thrilled with the 77% premium offered by Amazon, reflecting the significant value they gained from the acquisition. OneMedical's journey is poised to become a captivating case study for years to come. However, concerns have arisen regarding a potential shift in the patient-centric focus under the control of <u>Amazon</u>. Reports from OneMedical employers indicate a noticeable shift from prioritizing the patient experience to emphasizing patient volume. This shift raises questions about the future trajectory of OneMedical and its commitment to maintaining its patient-centric approach under the new ownership. <u>An NPR article published in 2021</u> surveyed staff members from OneMedical, and one of them said, "The minute we went IPO, we pivoted away from patient care to membership volume..." Amazon has garnered a reputation for its relentless pursuit of operational efficiency, often associated with extended work hours for its employees. Given the recent decline in Amazon's share price, shareholders may exert pressure on management to align with the values commonly observed in other large hospital systems. This raises concerns that OneMedical's patient-centric approach could potentially be compromised, potentially reverting to more traditional practices.

As we progress, an increasing number of companies will undoubtedly draw inspiration from the accomplishments of OneMedical, recognizing its capacity to effectively engage patients and deliver exceptional customer service. Over the past three decades, the healthcare industry has been largely characterized by consolidation and driven by profit-maximization strategies orchestrated by corporate C-suite executives. In this landscape, witnessing OneMedical's triumph by prioritizing the patient once again was truly refreshing. Ideally, this success story will inspire other innovative healthcare organizations to learn from OneMedical's achievements and develop alternative care models to address the pressing needs of patients who are longing for transformative change. The authors have no conflicts to report.