

# DreamIt Health Startup Medlio Has a Virtual Insurance Card: An Interview With David Brooks

*We first met David Brooks last year when we interviewed him about his work at the start-up qliqsoft. David contacted us recently to tell us about a new company he started called Medlio.*

*Disclosure: Based on our belief in this product (you'll see why!) we are proud to be advisors to Medlio.*



**Mary Pat:** *Medlio is called a “virtual health insurance card,” which is pretty intriguing right off the bat. Give us the back story on Medlio and tell us what it does for patients and for physicians.*

**David:** I guess the back story of Medlio stems from my involvement in the mobile and digital health space, combined with my first-hand experience starting and running a primary care medical practice. On one hand, I've worked in an industry that has been desperately searching for new and innovative ways to improve outcomes while driving down costs. Last year alone, \$1.2B was invested in digital and mobile health start-ups. Despite all this investment, there have been very few success stories. On the other hand, I've spent countless hours on the front-lines of care, trying to help a primary care office remain financially viable while delivering high-quality, personalized care. There is a tragic divide between what we are trying to accomplish with technology and where we are today in the practice of medicine.

At some level, I believe much of the efforts of new technology initiatives have lost touch with what is happening in the field. Technology solutions frequently presume a base level of engagement by patients that simply does not yet exist. Other solutions promise to help physicians be better providers, with somehow the implication being that they are not doing enough today.

My partners and I started with the very simple question: how do we get patients to download a smartphone application that begins the process of participation at the absolute most basic level? Furthermore, how do we get the same application to provide meaningful value to patients, providers and payers? Right or wrong, these are the major stakeholders of our current healthcare system, and if we cannot create value for each, we will almost certainly incentivize resistance.

Medlio is creating a virtual health insurance card. For patients, the application provides current, up-to-date benefits information, and eliminates the frustration of paper forms. For providers, the application accurately estimates the cost of encounters so that patient balances can be collected prior to service. The goal is to enhance the patient experience, while creating greater transparency at the point of transaction.

We believe payers will be very interested in supporting our effort. As their business model changes from risk-shifting to risk-management, they are increasingly focused on finding new, effective ways to reach their customers.

***Mary Pat: Does Medlio eliminate the need for healthcare organizations to copy or scan the patient's insurance card?***

**David:** Absolutely. It also eliminates the need for patients to carry the card in their wallet, and the payer to print and mail the cards in the first place. Insurance cards are nothing more than a means of conveying an identification number from

patient to provider. Cards may also list basic benefits information, but that information is continuously subject to change. As a result, regardless of what a card says, the office rendering care should always confirm insurance status and benefit levels every time they see the patient. In other words, the information is not static. Additionally, with the growing prevalence of high-deductible plans, patients have a growing need to confirm specific service line benefits (i.e., physician office visit, urgent care, ER, etc...), as well as current deductible balances. Medlio can provide that. A printed card cannot.

***Mary Pat: What form does the virtual insurance card take? Does it look like an insurance card as we see it today?***

**David:** For patients, Medlio offers a smartphone application where a user enters their insurance card information. Medlio looks up the user's benefits information and presents it in an easy-to-read format on the user's smartphone. When a patient visits their physician, they can either check-in directly from their phone if the provider uses Medlio's desktop application, or they can securely send the insurance card information (along with a real-time eligibility verification) directly to the provider. The provider sees a combination of the basic insurance identification card, as well as a current snapshot of the patient's benefits as verified by the insurance provider.

Medlio for patients will be available on iOS, Android and tablet devices (both iPad and Android tablets.) Medlio for providers is a web application.

***Mary Pat: Can you describe the scenario you envision with Medlio for a patient checking in for a doctor's appointment?***

**David:** In a perfect world, a patient will log into their Medlio smartphone application after they park at their provider's office. Once the patient is within a specified

distance of the provider's office, the application will ask the patient if they would like to check in. The patient will simply tap "Check-In", and Medlio will notify the front-office person that the patient has arrived. The notice will also provide links for the front-office person to view insurance eligibility as well as forms data. If the patient has been seen before using Medlio, the application will notify the front-office person if any data has changed since the last visit. As the patient arrives at the front-desk, the front-office person will confirm the reason for the visit. They will then create an estimate of the encounter, which they will then push straight to the patient's smartphone application. The estimate will provide a detailed explanation of how the costs were calculated and the patient will have the option to pay directly from the app.

***Mary Pat: Much of what a patient will be responsible to pay at time of service relies upon the allowable that the doctor has agreed to accept from the insurance company. This is particularly critical for patients with high-deductible health plans (HDHPs.) How does Medlio know what those allowables are?***

**David:** There are a couple of ways to determine allowable rates. Some clearinghouses offer estimation tools where they determine the allowable rate by evaluating prior claims data, including remittance advices, to determine what a given payer allows a given provider for a given procedure. This removes the burden from the provider of having to do anything to calculate an estimate, but it's also a bit like putting the fox in charge of the hen house.

In my view, providers should absolutely know what their contracted fee schedules are with every payer. We are building in a simple tool for providers to input their allowed rates for each payer, and will most likely help providers gather that information if they do not have it readily available. This requires a bit more effort, but it also ensures that the correct rates are being used.

**Mary Pat:** *Many patients experience frustration when the physician office staff cannot tell them how much a visit will cost when they are deciding whether or not to come to the doctor, or if they are doctor shopping. Can Medlio check eligibility and benefits at the time a patient calls to potentially schedule an appointment?*

**David:** Absolutely. As long as the provider performs an eligibility look-up in Medlio at the time they are scheduling the appointment, the only thing needed to estimate the cost is the reason for the visit.

**Mary Pat:** *Many practices are already paying for eligibility through their practice management system or their clearinghouse. Will using Medlio eliminate the need for other eligibility and benefits products? How about other payment estimator products? What does Medlio cost the provider? What does the smartphone app cost the patient?*

**David:** Yes, Medlio eliminates the need for any other eligibility, benefits and payment estimator products. In our view, while most clearinghouses offer eligibility verification, few if any are well integrated into practice management systems, and none integrate the patient into the experience. We are completely focused on creating an exceptional user-experience that empowers patients and front-office personnel alike.

We are evaluating provider pricing now, and are committed to keeping cost down so that it does not become a barrier to adoption. The smartphone application will be free to patients, though we may have to limit the number of free look-ups a user can perform over a given period of time.

**Mary Pat:** *Are there other things Medlio can do besides check eligibility and benefits and calculate an estimated out-of-pocket for the patient? Does it interface with practice management systems?*

**David:** In the process of creating a touchless check-in experience for patients and providing cost transparency, we are creating a highly extensible secure communication channel. We can then interface with both practice management and electronic medical record systems to support the delivery of any number of messages, from appointment reminders, to lab results, to care plan recommendations. While there is no question that interfacing to these core systems will eventually become essential, our first goal is to make sure we are providing something that patients care about today.

**Mary Pat:** *Is Medlio available today?*

**David:** It's a work in progress. We're developing Medlio in several phases and have already begun field-testing our web-based real-time eligibility verification solution.

We were recently selected to DreamIt Health's four-month accelerator program, based in Philadelphia and co-sponsored by Independence Blue Cross and Penn Medicine. Our goal is to complete as much of the solution as possible during the program, but we are going about it much more deliberately than we would have in the past. Rather than locking ourselves up in a room for 6 to 12 months, we are investing a lot more time on the front-end collaborating with patients and providers to identify and solve their biggest problems.

**Mary Pat:** *What are you doing to engage providers?*

**David:** We are about to open up our private beta to 50 additional provider participants. Beta participants are testing our web-based real-time eligibility verification solution and providing feedback to help us identify additional ways Medlio can create an exceptional user-experience for both providers and their patients. If anyone reading this interview would like to be considered for the private beta, please visit [www.medl.io](http://www.medl.io) and submit your email address as a provider.

