

DALLAS, TX, October 10, 2013 **/24-7PressRelease/** -- Having heard Clay Christensen expound on disruptive innovation, it shouldn't come as a surprise that change always comes from outside of incumbent players. While health orgs are dooming their innovation to failure or dither by not taking any meaningful action, it's notable that a Nobel Peace Prize winner sees an opportunity to fix a critical portion of the U.S. healthcare system. As any good entrepreneur would do, Yunus identified an unmet need and so Grameen created an offering tailored to their target customers.

This article is a section of a longer paper on Direct Primary Care (DPC) that was introduced in an earlier piece - Health Plan Rorschach Test: Direct Primary Care. The following excerpt from that article briefly explains DPC if it's a new concept. Click through the previous link for additional context. Despite its inclusion in Obamacare, Direct Primary Care (DPC, aka Concierge Medicine for the Masses), it's surprising how few health insurance executives know about DPC. DPC is a model of paying for primary care outside of insurance. The individual or organization paying for healthcare pays a monthly fee (like a gym membership) for all primary care needs. Generally, DPC providers say they can address 80 or more of the top 100 most common diagnoses.

Grameen America Partners with DPC Provider to Low Income Patients

Nobel Peace Prize Winner, Muhammad Yunus, is famous for creating the concept of microfinance which has brought thousands out of poverty via the Grameen Bank. Grameen America is their U.S. affiliate which has already lent \$93 million to over 17,400 women impacting 70,000 people (each borrower averages a family of four). Their microfinance repayment rate is 99.4% in the U.S. which is even more impressive than they have achieved internationally. Grameen has partnered with lora Health to offer primary care services to their borrowers in New York. They believe addressing healthcare is a key facet of bringing people out of poverty.

Grameen's plan is to initially offer lora's services only to Grameen borrowers. After that, Grameen will extend lora's services to their family members (including children) and eventually more broadly. Like their microfinance program, it isn't designed as charity. Rather, Grameen borrowers will pay \$10 per week (\$43/month) which they expect will be economically sustainable. The borrowers, many of whom are undocumented workers, fall outside of what Medicaid and Obamacare address so the rest of the healthcare system is quite happy to keep these individuals out of the ER or even Federally Qualified Health Centers. Grameen's "competition" will be the ER and FQHC so they must demonstrate that higher level service and dealing with the same healthcare team provides distinct advantages over disjointed (though often free) care in the ER/FQHC.

This development will further debunk the myth that DPC isn't applicable to the broad populous. Given the extremely high Net Promoter Scores Iora achieves (higher than Google GOOG +1.57% or Apple AAPL +1.56%), if there is a "two tier healthcare system" (a common criticism of retainer-based medicine) it is higher income people getting the short end of the primary care stick. Doctors call the flawed fee-for-service model "hamster wheel primary care" because it's a nightmare for the doctor and delivers sub-optimal value for the consumer — i.e., rushed 7-minute appointments, insurance bureaucracy laden processes, and delays in getting to see a doctor, etc. Not unlike how mobile phone carriers have developed profitable offerings to serve low income immigrant populations, Grameen hopes to prove they can do the same in healthcare. It will be interesting to watch.

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