

Here's what Oscar Health's Q2 2021 earnings tell us about the future of health insurtechs

Article

The news: Oscar Health released its Q2 2021 financial results (which put a spotlight on its overall membership growth) and at the same time, announced its plans to expand into new markets:

- Oscar Health's **total membership grew to 563,114** in Q2 2021—a **35% annual increase** from its 417,480 members last year.
- It plans to leverage its momentum to expand its plans into three new states and 146 counties.

How we got here: The CMS' initiative to extend the **Affordable Care Act (ACA)** open enrollment period enabled more members than ever before to sign up for health insurance plans this year.

In previous years, ACA plan enrollment was typically held in November through January in most states—but this period was extended during the pandemic.

- President Biden created a special enrollment period (SEP) that was initially planned to extend open enrollment for three months, but was extended to August 15, 2021 (an additional four months).
- This SEP meant individuals had more time to sign up for a new plan, including those who may have missed the initial deadline to get insurance, those who lost their employer-sponsored coverage, and those who simply wanted to switch their health insurance plan were given more time to sign up for a new plan.

As a result, insurtechs like Oscar Health saw a bump in membership growth, and in turn revenues.

- Oscar said it raked in **\$838.1 million in Q2 2021 from direct policy premiums** (an annual increase of 44%) thanks to increased enrollment from the special enrollment period.

What's next? Insurtechs are launching diabetes-focused, low-cost health insurance plans—a smart bet to sustain new member growth considering how many people suffer from the condition and are looking for ways to offset rising out-of-pocket costs for managing chronic conditions.

- Oscar Health announced it will roll out a new plan that'll enable diabetic patients to get **\$0 PCP visits, \$0 diabetic labs, and cap insulin costs at \$100 a month.**

- And **Bright Health** offers specialized plans for Medicare Advantage (MA) patients, including one with \$0 PCP copays and \$0 prescription copay on some medication. Plans like this can help insurtechs sustain the growth they've been witnessing by not only reaching a ton of new members, but keeping them engaged as well: Diabetes is a top driver of chronic disease in the US, which continues to grow—and **insulin can cost up to \$300 a vial** without insurance.
- Plus, Oscar Health's option to [view](#) lab results on its app could help it attract and retain tech-savvy patients: About **28% of health consumers** would consider switching providers due to a poor digital experience, per Cedar's 2020 Healthcare Consumer Experience study.