

What One Medical's Q3'21 earnings unveil about primary care consumer growth strategies

Article

The news: Tech-enabled primary care entrant **One Medical** released its Q3 2021 earnings report, revealing mixed results:

- One Medical outpaced its Q3'21 expectations with a **40% annual jump in total membership to 715,000 patients** at the end of the quarter.
- On the other hand, the primary care disruptor reported a **medical loss ratio of 87%** (referring to the cost of medical claims divided by the premiums collected), causing some investors to raise concerns during the earnings call.

Digging deeper into the earnings: One Medical's membership boost may have been aided by its September **Iora Health** acquisition—while its medical loss ratio can likely be attributed to onboarding new at-risk members.

In September, One Medical closed its **\$2.1 billion acquisition** of Medicare Advantage-focused competitor Iora Health.

- That means one month of its Q3 2021 earnings likely accounts for a large portion of its newly acquired members.
- **Iora Health serves over 39,000 senior patients**, which added on to One Medical's 621,000 members (as reported at the end of Q2'21).

On the other hand, One Medical attributes its high medical loss ratio to bringing more at-risk MA members on board:

- **CFO Bjorn Thaler** indicated the people “who are coming in unmanaged this year [are] certainly running at medical claims expenses ratios that frankly are higher than what [One Medical] has typically seen.”

What's next for primary care disruptors? One Medical is reaching pediatric and adult patients in addition to its senior members—which could be a key differentiator to boost consumer acquisition.

For example, One Medical recently **launched** a chronic disease management program that'll help patients manage their chronic condition—signaling its interest to provide patients lifetime care, since chronic conditions are typically long-term.

Plus, One Medical offers in-person pediatric care in addition to 24/7 virtual care, which could help bring in more new members than primary care entrants like **Oak Street Health** and

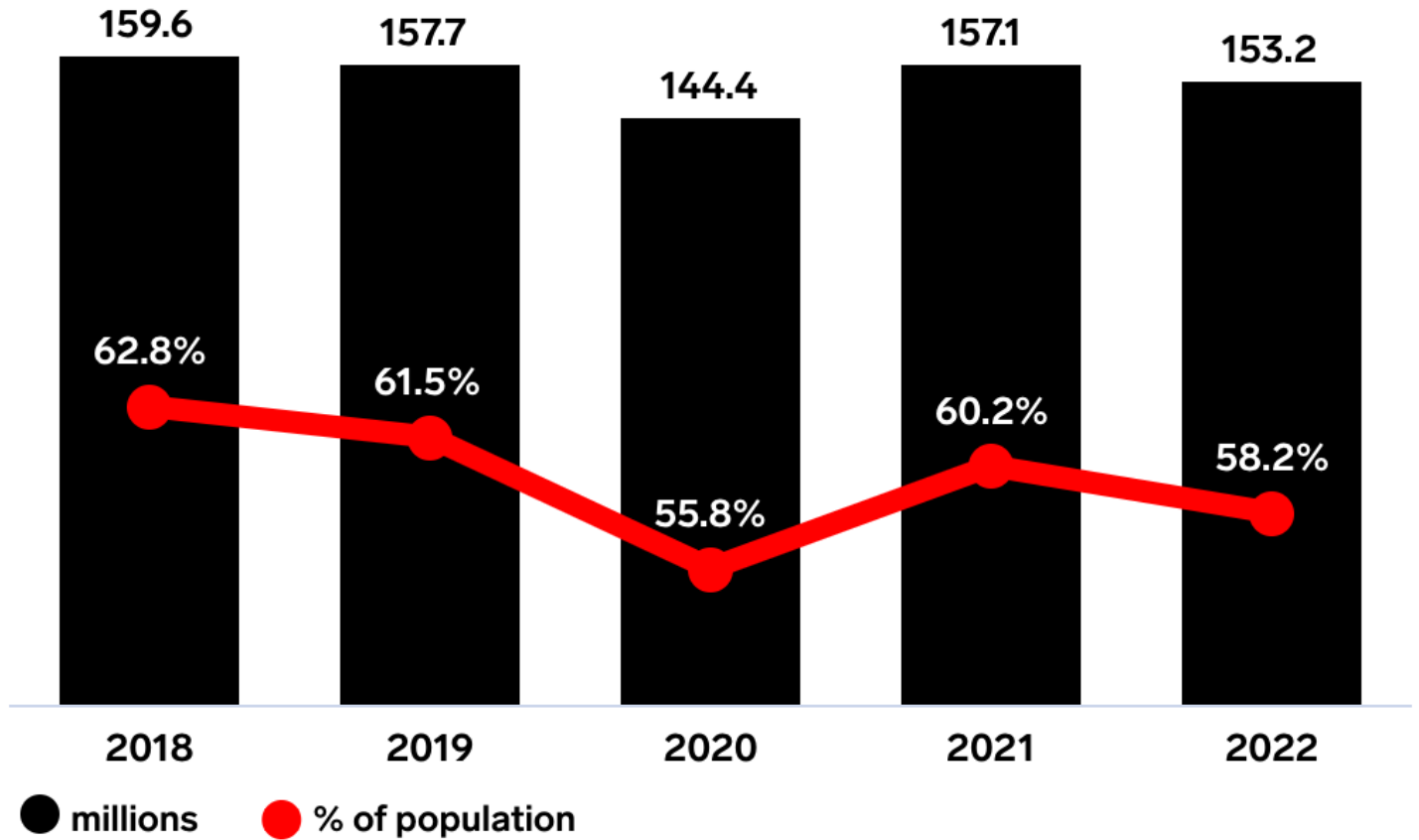
ChenMed focusing on senior care alone:

- Parents who use One Medical could be more likely to bring their kids to the same doctor's office simply due to factors like convenience and low cost, especially if their employer is covering membership fees.
- One Medical partners with large employers like **Google** and **Yelp**, for instance.

Go deeper: To learn more about primary care disruptors' growth strategies, check out our ***Primary Care Disruptors Report***.

Primary Care Physician Patients

US, 2018-2022



Source: eMarketer, January 2021

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