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**CASE STUDY:  
BRIDGING THE HEALTH CARE GAP WITH A PHONE CALL:  
THE MEDICALHOME AND CONSEJOSANO MODELS**

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**Abstract:** Mexico’s overburdened public health system is unable to meet demand, driving people of all income levels to the private sector and contributing to very high out-of-pocket expenditures. The MedicallHome model provides a convenient, affordable option to access high-quality health care without the burden of scheduling, transportation, or wait times. MedicallHome is a subscription telemedicine program connecting patients throughout Mexico by phone with doctors in a Mexico City call center. Using standardized protocols, these doctors resolve more than 60 percent of issues over the phone. When callers require referrals, they have access to a national network of clinics, labs, and hospitals at substantial discounts. An adaptation of this model, ConsejoSano, was launched in the United States in 2014, connecting Hispanic residents to the same doctor-staffed call center in Mexico. Although doctors serve as health advisers, rather than physicians, to U.S. customers, they fill an important gap in the supply of health care providers for the fast-growing Spanish-speaking population.

## **BACKGROUND**

Nearly all of Mexico’s population of 120 million is covered by public insurance through the Instituto Mexicano del Seguro Social, Seguro Popular, or industry-specific public insurance plans. Despite near-universal public insurance coverage, Mexico’s total spending on health care is relatively low (6.2% of gross domestic product), coupled with one of the highest rate of out-of-pocket expenditures in Latin America (44% of all care expenditures).<sup>i</sup>

Though health services are provided free at the point of care, the public system is overburdened, lacking the capacity to fully meet demand.<sup>ii</sup> Many people prefer to pay out of pocket to access private care, despite the financial strain.

At the same time, the telecommunications industry in Mexico is one of the most sophisticated and saturated among Latin American countries. Rapid growth of landline coverage began in 1997, encouraged by regulatory changes.<sup>iii</sup> More recent growth in the mobile phone market, particularly among prepaid contracts that enable market access for low-income populations, has made Mexico a growth leader in mobile phones, even in rural areas.<sup>iv</sup>

With the rise of the telecommunications industry, coupled with one of the fastest-growing middle classes in Latin America,<sup>v</sup> the founders of MedicallHome saw an opportunity to build a market solution to the health care access gap. “We thought we could provide complementary health services,” says Jorge Woolf, CEO of MedicallHome’s parent company, Salud Interactiva. “We could make care affordable, available, accessible.”

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## **WHAT IS MEDICALHOME AND HOW DOES IT WORK?**

MedicalHome, a brand of parent company Salud Interactiva, provides telephone access to licensed doctors 24 hours a day, seven days a week, along with deep discounts at a national network of more than 10,000 providers, including clinics, labs, and hospitals. Primarily targeting low- and middle-income households, MedicalHome packages are priced from \$2 to \$5 per month for a range of services. At the top range, the package includes life insurance, dental and vision discounts, and retail discounts, in addition to the standard MedicalHome service.

### **MedicalHome partners with telecommunications companies, driving a low-overhead, asset-light model.**

MedicalHome reaches new customers through corporate partnerships with major telecommunications and banking companies, including Telmex, the largest phone service provider in Mexico. A telemarketing campaign enrolls customers of these partner companies in its services. These partnerships support rapid growth through their immense reach, providing MedicalHome with access to millions of potential customers.

MedicalHome operates on a subscription model: a monthly charge is added to the phone bills for enrolled customers. The subscription model creates a recurrent revenue stream, keeps overhead low, and provides a highly efficient channel for billing through partners.

**Standardized operations create efficiencies across the model.** The Healthcare Contact Center at the heart of the MedicalHome model is staffed with 60 general practitioners, nutritionists, and licensed psychologists, all of whom must have at least two to three years of clinical experience. They are also required to continue practicing outside of the call center to maintain and strengthen their clinical skills. Doctors answer calls on average within 10 seconds and use standardized protocols developed in partnership with the Cleveland Clinic in the United States to identify emergencies within two minutes. With an average of 500,000 calls per year, the doctors resolve 62 percent of cases by phone and refer the remaining cases for in-person treatment. Mexican

#### **Genesis of MedicalHome**

MedicalHome's three founders originally owned a telemarketing company with call centers. When one of the founders became ill during travel to the United States and called a doctor for medical advice, he realized the doctor could be located anywhere. Thinking about their call centers in this context gave him the idea for MedicalHome.

The company was founded in 1998, with the hiring of the first employee, Jorge Woolf, who is now CEO of the parent company, Salud Interactiva. They chose the American name MedicalHome because of a cultural perception that American things are higher quality.

After years of pursuing corporate customers and experiencing delayed purchasing decisions, they implemented a new strategy to directly target consumers through partnerships with other sectors. The new offering was a subscription package including unlimited access to the call center and a referral medical network. Starting with an initial partnership with one telecommunications company, the company began to make sales and grew rapidly, expanding partnerships to additional sectors.

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regulations prohibit doctors from prescribing medication over the phone without an in-person consultation, which partially drives these referrals.

The MedicallHome model is built to leverage every resource in multiple ways across brands through centralized back-office functions. For example, the Healthcare Contact Center is also leveraged for the company's multiple other brands. Salud Interactiva builds all infrastructure, support services, and information technology (IT) platforms (including mobile apps, call center software, and electronic health records) in-house, with a tight focus on efficiency, cost reduction, and quality control. The business processes and IT platforms support all brands and services offered by the company. The only outsourced component is sales (done through a call center), and that process is closely monitored.

**High customer volume drives MedicallHome's ability to negotiate discounts.** MedicallHome customers receive discounted access to a national network of providers, including doctors, clinics, labs, pharmacies, and hospitals, with coverage in every state and nearly 300 cities. Because of the high customer volume, MedicallHome can negotiate significant discounts with these providers. It has also leveraged high volume to negotiate discounts on life insurance, eye care, and dental services and popular national retail brands, including restaurants, entertainment, and travel.

MedicallHome is profitable and earnings grow every year. With the model and infrastructure developed, the company projects that profitability is possible within two years in new regions, such as the Philippines (see below).

**Several elements of Mexico's health care ecosystem facilitated the development and growth of MedicallHome.** As noted above, the public health care delivery sector is unable to meet demand, and even low-income populations are spending significant amounts of money out of pocket to seek private care. This creates a prime target market for MedicallHome, which is both more affordable and more convenient than the market standard.

Moreover, because of the national surplus of general practitioners, MedicallHome is able to recruit quality doctors.<sup>vi,vii</sup> General practitioners in Mexico typically hold positions at multiple hospitals and clinics and may have a private practice on the side. Shift work at a call center is relatively easy to fit into this pattern.

Also important to note is that MedicallHome was developed as a complement to, rather than replacement for, medical insurance. Salud Interactiva reports that the model is able to handle minor medical expenses, such as consultations and labs, more efficiently than insurance companies. Insurance companies can then focus on covering major medical events, such as

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surgery or hospitalization, which they can perform more efficiently than MedicallHome. Several insurance companies have developed formal partnerships with MedicallHome to leverage this advantage.

## **IMPLEMENTATION AND SCALE**

MedicallHome was launched in 1998 with two doctors and one customer service representative. After a slow start and early revisions to the business model (they first tested a 1-900 toll line before turning to direct sales to households through industry partners), MedicallHome rapidly expanded throughout Mexico and formed partnerships across new sectors.

**MedicallHome takes an aggressive approach to reaching new customers and markets both within Mexico and across Latin America.** By developing strategic partnerships with banks, telecommunication companies, insurance companies, outsourcing companies, and the public sector, Salud Interactiva anticipates rapid growth of the MedicallHome model in the region. The CARSO Group (owned by Carlos Slim) is now a shareholder of Salud Interactiva. The CARSO portfolio also includes Inbursa banks (recently purchased by Walmart), Telmex, Telnor, Telcel, Claro, and many other companies with operations through Latin America, all of which represent potential partnerships for MedicallHome.

The company also reaches new customers by developing creative commercial partnerships. For example, a traveler purchasing a bus ticket with a partnering bus company can pay an additional 10 pesos (USD0.60) and access MedicallHome services during the trip. University students can purchase insurance from their school, including a MedicallHome subscription, for 300 pesos (USD18.50).

**Recent expansion to the Philippines provides an opportunity to test the model in a new market.** The MedicallHome model launched in the Philippines in July 2015 as Konsulta MD, a joint venture between Salud Interactiva and Globe Telecom, the Philippines' primary telecommunications provider with 40 million customers. This replication launched with the most basic package (Healthcare Contact Center and ambulance referrals when needed), priced at 149 PHP (USD3.20) per month for a family. Filipino regulations allow doctors to prescribe medication by telephone, averting the need for some referrals and generating additional savings for customers. Unlike ConsejoSano, described below, Konsulta MD replicates MedicallHome's partnership with a telecommunications company and the establishment of a country-specific call center. Salud Interactiva expects this model to grow throughout the Philippines and then into new markets in the region, following a similar pattern to MedicallHome in Mexico.

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**The launch of ConsejoSano in the United States provides opportunity to test new application of the model's key assets to reach a new customer base.** Elements of the MedicallyHome model were adapted to the U.S. through ConsejoSano, a joint venture launched in 2014 with Salud Interactiva and the independent, U.S.-based ConsejoSano team. ConsejoSano founder and CEO Abner Mason saw an opportunity to leverage elements of the MedicallyHome model to meet the needs of Spanish speakers in the U.S. health system. With guidance from multiple law firms regarding telemedicine regulations, ConsejoSano created a model they believe satisfies U.S. regulatory requirements, particularly around licensure.

ConsejoSano is designed primarily as a health navigation service, analogous to a personalized WebMD, for Spanish speakers in the U.S. Subscribers have 24/7 telephone access to the MedicallyHome Healthcare Contact Center but, because of practice limitations, the Mexican doctors act as health advisers and are not considered to have physician-patient relationships with ConsejoSano clients. Callers are initially prompted to select advice related to general health, emotional health, or nutrition (with a focus on diabetes and obesity). The call is then routed to the MedicallyHome call center in Mexico. Every caller has a unique caller ID, which indicates to the call center doctor their employer, health information on record, and location. The doctors use the same MedicallyHome protocols to determine whether basic advice will be satisfactory.

Unlike the MedicallyHome model, which targets customers through telecommunications companies, ConsejoSano subscriptions are marketed primarily to large employers and health plans, though subscriptions are also sold direct to consumer. Strategic partnerships, such as its alliance with Mercer, are critical to ConsejoSano's success. Mercer, a global consulting firm that brokers health services for large corporations' health plans, has designated ConsejoSano as a preferred vendor, a relationship that directly connects it to large employers.

Priced to attract low-income workers, an annual subscription is \$60 per year for an individual or \$120 for a family of up to five when purchased through an employer or health plan. Employers and health plans may choose to partially or fully subsidize the cost of the ConsejoSano membership. A member's first call initiates the annual membership fee and activates unlimited use of the service for a year. When sold directly to consumers, the plan is \$120 per year for an individual or \$180 for a family (charged monthly, rather than annually). Initially, ConsejoSano is targeting five states with 65 percent of the Hispanic population in the U.S.: California, Texas, Florida, Illinois, and New York.

ConsejoSano is designed to support integration with the formal health system, rather than bypass it. Hispanics are the fastest-growing population in the U.S., making up nearly a fifth of the U.S. population, projected to increase to 30 percent by 2050.<sup>viii</sup> Yet Hispanics are also the most underinsured minority population.<sup>ix</sup> Through the Affordable Care Act, millions of Hispanics are

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projected to become newly insured in the next five years; 4.2 million Latino adults gained insurance coverage in 2014 and early 2015.<sup>x</sup> There are not enough Spanish-speaking providers to meet demand, and many Hispanics disengage from the health care system because of language barriers, lack of insurance coverage, and a lack of knowledge about how the system works.<sup>xi</sup> ConsejoSano's focus on health system navigation is intended to help its members more effectively access local health networks.

The vast majority of ConsejoSano calls are resolved by phone, but health advisers are able to make referrals to local practitioners or local resources when needed. Though there is no analogue to MedicallHome's national network of providers, ConsejoSano has developed a clinic locator system (currently operating for California and Texas) that allows call center doctors to find local providers with bilingual staff, based on a caller's zip code. For uninsured callers, the system identifies federally qualified health centers and free clinics and can facilitate priority appointments. For corporate customers, they can identify in-network providers and discuss options included in the employee benefits package that are more cost effective than urgent care or the emergency room.

ConsejoSano also offers educational videos for its customers, focused on preventive care and patient engagement. For example, one video explains how to use health insurance and the meaning of terms like "co-payment" and "deductible." Another video gives tips on healthy eating, using foods common to the Latin American diet. "We are the missing link in tying the patient to the health system in the U.S.," said Medical Director Alfredo Ratniewski. "We are not stealing patients from doctors in the U.S. It is the opposite. We are encouraging our customers to see their doctors in the U.S. and establish a primary care relationship."

The company expects to reach profitability within the first two years, largely due to initial sales and its agreement with MedicallHome, which waives call center fees up to a preset cap in exchange for MedicallHome earning equity in the company.

## **EVIDENCE OF IMPACT**

MedicallHome tracks metrics for both clinical and customer service. For example, a supervisor audits 5 percent to 10 percent of all clinical calls each shift to measure fidelity to clinical protocols; calls are evaluated using standardized metrics for clinical care and etiquette. Call center dashboards measure additional indicators each shift, and these data are reviewed in real time by the supervisor. The company also regularly calls customers to evaluate satisfaction with the call center and the provider network. The model does not facilitate tracking of long-term clinical impact, and no rigorous evaluations have been conducted to date.

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The model offers promise to reduce total cost of care with an asset-light mechanism to reduce utilization of health care and facilitate more efficient use. For example, 6 percent of MedicaidHome callers believe they have a medical emergency. Of this population, call center physicians determine that only 12 percent are actually experiencing emergencies that require an ambulance and immediate acute care. The remainder may need urgent care but can avoid emergency departments (EDs) and ambulance service, resulting in savings for the patient and the health system. In addition to cost reduction, the MedicaidHome model can provide a pressure-release valve in an overburdened public health system.

The ConsejoSano team in the U.S. expects its model will reduce costs to health plan payers, employers, and health systems, as well as to patients. Cost savings will likely be driven primarily by more efficient use of health care resources, as there would be fewer unnecessary ED and urgent care visits and greater use of preventive care to identify health problems before they become costly.

ConsejoSano reports that preliminary data indicate use of the call center service leads to a virtuous cycle of patient satisfaction and greater willingness to seek care in the future. Health systems and hospitals are expected to benefit because ConsejoSano members are more likely to utilize additional services. Employers and health plans benefit because users will be more likely to be and stay healthy. The service is also expected to reduce employee absenteeism, although data are insufficient to draw conclusions.

ConsejoSano is currently partnering with a large hospital system in California to test whether membership can reduce ED visits, hospital admissions, and mortality among a subpopulation of uninsured and underinsured with high utilization rates. Evidence from this pilot is expected by late 2016.



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## Notes

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<sup>i</sup> World Bank, Health Expenditures Data, <http://data.worldbank.org/indicator/SH.XPD.TOTL.ZS>.

<sup>ii</sup> J. A. Johnson and C. Stoskopf, *Comparative Health Systems: Global Perspectives* (Burlington, MA: Jones & Bartlett Publishers, 2010).

<sup>iii</sup> J. A. Quesada, M. Flores De Orta, A. Mendez et al., *Overview of the Telecommunications Sector in Mexico: Fixed and Mobile Lines* (Mexico City, Mexico: PwC, Feb. 2015).

<sup>iv</sup> Ibid.

<sup>v</sup> The World Bank, *Mexican Middle Class Grows Over Past Decade* (World Bank Feature Story, Nov. 13, 2012), <http://www.worldbank.org/en/news/feature/2012/11/13/mexico-middle-class-grows-over-past-decade>.

<sup>vi</sup> Organization for Economic Cooperation and Development, *OECD Reviews of Health Systems: Mexico*, 2005.

<sup>vii</sup> G. Nigenda, J. Idrovo, O. Mendez et al., “Understanding Health Workforce Wastage in Mexico,” Presentation at the World Health Organization’s Special Topic Contributed Paper Meeting on Measuring Health Workforce Inequalities: Methods and Applications, Durban, South Africa, Aug. 2009, [http://www.who.int/hrh/events/2009/hw\\_wastage\\_Mexico.pdf](http://www.who.int/hrh/events/2009/hw_wastage_Mexico.pdf).

<sup>viii</sup> Kaiser Family Foundation, *Health Coverage for the Hispanic Population Today and Under the Affordable Care Act*, 2013, No. 8432 (Washington, D.C.: Kaiser Family Foundation, April 2013).

<sup>ix</sup> Ibid.

<sup>x</sup> L. Bernstein, “Affordable Care Act Adds 16.4 Million to Health Insurance Rolls,” *Washington Post*, March 16, 2015, [https://www.washingtonpost.com/national/health-science/obamacare-adds-164-million-to-health-insurance-rolls/2015/03/16/01fff554-cbf3-11e4-8a46-b1dc9be5a8ff\\_story.html](https://www.washingtonpost.com/national/health-science/obamacare-adds-164-million-to-health-insurance-rolls/2015/03/16/01fff554-cbf3-11e4-8a46-b1dc9be5a8ff_story.html).

<sup>xi</sup> G. Sanchez, T. Nevarez, W. Schink et al., “Latino Physicians in the United States, 1980-2010: A Thirty-Year Overview from the Censuses,” *Academic Medicine*, July 2015 90(7):906-12.