

Statement of Oliver Kharraz, M.D. Zocdoc founder and CEO before the Committee on Ways and Means Health Subcommittee U.S. House of Representatives

Hearing on Innovation in Health Care

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Chairman Roskam, Ranking Member Levin, and members of the Subcommittee, thank you for the opportunity to testify today on how Zocdoc leverages technology to improve patients' access to care.

When I founded Zocdoc in 2007, technology was beginning to modernize the consumer experience across every industry, but healthcare was left behind. Doctor directories provided by insurers are often out of date, and calling one doctor's office after the other is inefficient and frustrating. I knew the status quo was unacceptable for patients.

I left my career at McKinsey & Co. with the aspiration to build a service that delivers the seamless, digital healthcare experience patients both expect and deserve. Most people told me it would never work. They said healthcare was too antiquated and too fragmented to be improved. However, as a doctor, a business man, and a patient, I believe that healthcare is the problem of our generation. If we don't fix it, it will break the bank, our health, or both. Those are unacceptable outcomes.

A decade later, Zocdoc's mission is to give power to the patient. More than six million patients across the country use Zocdoc every month, and last year we served more than 100,000 Medicare beneficiaries. Let me tell you how our service works. When patients come to Zocdoc.com or use our free mobile apps, they enter the reason they want to see a doctor, their location, and their insurance coverage. We surface nearby, in-network providers based on each patient's needs. They can read reviews on doctors – left by verified Zocdoc users – and most importantly, they can see doctors' real-time appointment availability. Patients then select a provider based on their preferences and book with a few simple clicks. Our service is completely free for patients, and providers pay to be part of our marketplace.

The results speak for themselves. National wait times to see a primary care doctor on average exceed three weeks when booked over the phone. In contrast, the typical Zocdoc appointment takes place within just 24 hours. How can we so dramatically improve patients' access to care? We discovered that doctors actually have significant near-term availability due to cancellations and last-minute schedule changes. In fact, 20 to 40 percent of their appointment slots go to waste. We call this the "hidden supply of care."

Our technology makes this hidden appointment inventory available in real-time. This dramatically accelerates patients' access to care and improves systemic inefficiencies. For example, we encourage preventive visits that are all too easy to put off and also prevent unnecessary visits to the emergency room – the most expensive place to receive care. If a patient with severe flu symptoms can book an appointment on Zocdoc at 10:00 at night for the very next morning, an E.R. visit can be avoided.

This might sound easy, but it took years of innovating before we moved from working with a handful of dentists in New York City to serving patients nationwide. Let me give you one example. In our earliest days, a few patients booked open appointment slots only to discover the doctor was out of the office. After personally hand-delivering flowers to a patient to apologize for the fact that their Zocdoc experience did not go as intended, I discovered a root cause of the mix-up. Instead of blocking off the doctor's calendar online, the office manager was using a Postit note on his monitor to remind himself that the doctor was out of the office.

We had to iterate and leverage technology to detect and proactively address these types of user quirks and behaviors. The Zocdoc experience today is the culmination of thousands of these 0.1 percent improvements.

Today, Zocdoc is the largest online healthcare marketplace, helping patients easily book appointments across more than 50 different specialties and nearly 2,000 procedure types. We partner with private practices of all sizes, as well as leading hospitals and health systems across the country. We have built out-of-the-box integrations with many of the more than 1,400 different practice management systems they use to manage their calendars.

Our team of 500 continually innovates to improve patients' healthcare experience, and I am proud of what we have accomplished. However, I know there are many more problems we need to solve. For example, while our provider network is robust in the major metropolitan areas, I am committed to improving patient access throughout our rural communities. This is among our top priorities in the months to come. We look forward to working with the Committee to overcome statutory and regulatory barriers that prevent rural doctors from participating in our marketplace.

I thank you again for the invitation to testify today. It is an honor.