

# COLLECTIVE HEALTH

## PROVIDING SELF-MANAGED HEALTH INSURANCE FOR SMALL BUSINESSES

Project URL: [collectivehealth.com](http://collectivehealth.com)

Project Twitter: [@collectvhealth](https://twitter.com/collectvhealth)

- Economic Empowerment
- Health
- Data
- Internet
- Mobile

Collective Health is a software-as-a-service site that wants to upend health insurance: it automates and streamlines insurance risk analysis and admin, usually costly work carried out by health benefit consultancies, to put self-insuring within the reach of small businesses for the first time.

The company was set up by serial Silicon Valley tech entrepreneur Ali Diab after he went through a nasty, protracted battle with his own insurer to try to get them to cough up for an emergency operation that saved his life, in April 2013, but which they argued should have been pre-authorized.

He lost that battle but is clearly hell-bent on winning the war against what he calls insurance's 'morally hazardous middlemen': by making health insurance transparent and aligned with the interests of the person being insured – a far cry from the status quo.

Health expenditure accounts for a fifth of GDP in the USA, and health insurance premiums have risen 13% each year over the past decade; while the profits of insurers have soared even as the numbers they insure have gone down.

94% of employers with a staff of over 5,000 already self-insure. But only 16% of those with staff of fewer than 200 do so, deterred by costs and administration. Collective Health's cheap, easy-to-use coverage planning tool lets companies model risks and perform analysis so they can set up a plan, budget for it, and handle customer support and claims.

It gives employers a simple drag-and-drop menu of which procedures they can cover, lets them choose whether to split payments with staff, and costs are all shown up front. It also has nifty cost-cutting add-ins: such as the option to use Uber to transport patients to appointments, or access free telemedicine.

While staff premiums tend to be the same, because they are no longer contributing to the insurer's profit and overheads, businesses tend to save money. Staff, meanwhile, are actively educated about their care and given a breakdown of their plans, neatly organised in colour-coded boxes.

The site, cofounded with friend Dr. Rajaie Batniji, a physician of internal medicine and political economist at Stanford, is backed by Founders Fund, Formation 8 and Social+Capital. It's only available in California so far, but will be available in 50 states by January 2015.

Image courtesy of Collective Health

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