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Why Is Trump Acting So Dumb About Healthcare?

Robin Grearson · Wednesday, July 26th, 2017

What if I told you that in the near future, millions of us would be looking to an app for healthcare, instead of “insurance.” From Jared Kushner’s brother.

No, really.



Jared Kushner’s younger brother Joshua founded several companies. One of them is Oscar. At one time in its history, Jared and Joshua had been the parties controlling Oscar, and Jared divested from his Oscar-containing entity only in January 2017, according to the most recent financial disclosure. Meanwhile, a narrative has been growing about what happens to Oscar if the Affordable Care Act is repealed. The *Wall Street Journal*: “[Uncertainty Ahead for Health Insurer Started by Kushner’s Brother](#).” BuzzFeed: “[Trump’s In-Law Is Trying to Make Billions Off Obamacare](#).” *Forbes* calls Oscar “a health insurance company built around Obamacare,” and claims we “have the makings of a Hollywood-worthy sibling rivalry.” The suggestion is that Jared’s brother’s fate is almost tragic: poor Clinton-voting Joshua is just sitting around his office, hoping his brother’s father-in-law will stop trying to crush his dreams!

This narrative is false.

Oscar has reported that, yes, it is losing money under Obamacare as it grows—*Forbes* says \$205 million just in 2016. Oscar’s marketing describes the company as “revolutionary,” but it’s redesigned the interface to appeal to people who want insurance to be simpler. The plans are still bound by federal and state law. Company executives have yet to reveal that their business’s greatest potential to succeed will likely be reached *only if the Affordable Care Act fails*. The investors who gave Oscar \$400 million last June, around the time Trump locked in the GOP nomination, might not be looking for the slow-and-steady growth of an upstart taking on entrenched players. They might instead be placing bets that there are massive profits ahead, and a once-in-a-lifetime upheaval that will reorder the industry. How would Oscar compete? Even Amazon is reportedly planning for [a healthcare gold rush](#).



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But what if Oscar is the first-mover? What if Oscar has a plan to apply the same kind of network effects that Facebook, Google, PayPal, and others tapped to add large numbers of users to their platform quickly—users who stay on that platform for hours? (Spoiler: it does.)

Did I say *platform*, and not “insurance company”? I did. In the future, health services will be delivered like everything else, through a platform that looks more like a game than an insurer.

How do I know?

Oscar filed a patent application on July 22, 2014, that was published by the US Patent and Trademark Office on November 26, 2015. It’s been around longer than Trump’s campaign for the presidency. (Reminder, Jared only divested from Oscar in January 2017). The application’s “System and Method for Modeling Healthcare Costs” describes in technical detail how the modeling will work. The model is designed for a user who doesn’t have insurance—the patient would be comparison-shopping for health care, something that a person with an insurance plan doesn’t really need to do. People thrown off of Medicaid, for instance, or unable to afford insurance after the ACA is repealed, would be Oscar’s prime demographic, a person who shops for X-rays or lab tests according to price.

If the patent was published over 18 months ago, why hasn’t anyone in the White House whispered a word about Oscar’s ideas for a free-market healthcare system? Not the president, not his son in law, whom Josh describes as his best friend, and not First daughter Ivanka, whom Josh *thinks of as a sister*.

Is Jared really letting Trump *yammer on and on to the Times* about healthcare as if he’s confusing it with life insurance, while keeping silent about his own brother’s post-Obamacare plannings? Or is it possible that Trump knows about the system but is looking to stage-manage some big reveal, somewhere down the road?



But first, *would* Oscar save the day? Consider a hypothetical take on how the future (patented) Oscar platform might work:

Imagine Yelp-style reviews of doctors and labs, Amazon’s suggested companion items and Facebook’s behavior-modifying algorithms and games. Then imagine logging in to your health profile, viewing ads based on your medical history. Let Oscar know what your symptoms are while

you review your recent workout/nutrition/meditation numbers. Step through menus of symptoms and assess for yourself the odds of whether you're likely to have what you think you have. Then shop for docs or clinics in your neighborhood for a nurse, a specialist, or even a surgeon. Perhaps advertising would pop up, offering financial services as you're considering whether to have treatment. Self-serve capitalism, freedom of "choice." A GOP wet dream.

Yes: In the free-market future, we will shop for healthcare approximately the way we shop for pet care...but with apps and incentives. Lots of our data will be held by whichever massive company holds the patent and wins the users. Individual doctors' micro-practices might scramble to compete outside of these platforms, or lower prices within them, only to lose out to cheaper "telemedicine" providers based...wherever? Since Alphabet invested in Oscar, some form of integration with Google may be inevitable. We might send symptoms into a queue and, say, attach a picture of some mystery bruise or rash, and whatever doc is available video-chats us back (conversations which are, of course, transcribed and stored and repurposed). The doc writes a prescription, and a drone sends it to the doorstep in an hour.

It might not be the future I want, but I can see where it would be something that, if I were Oscar, I might want to pay a lobbyist to talk to someone in power about. Someone like, say, the President of the United States, or someone close to him. Especially since the White House seems to be so consumed with "fixing" healthcare. (Isn't it kind of weird that the President and his team have so deliberately not named any ideas? I don't recall reading anywhere that Jared is recused from healthcare, but I would think he clearly should be.

To continue the thought experiment, how might the world change once virtual medicine becomes standard? Will it matter if a doctor is a mile away or 10,000 miles away, or is mostly artificial intelligence? Care will be cheaper than going to a "real doctor," can be located anywhere in the world. And we'll take it. We don't want that now, but later, it'll be standard. As telemedicine grows, nursing staffs—and unions—will shrink in size and power. In-person visits will become a premium, mostly for the rich folks or Congressmen with great insurance. Advertising will likely ride on top of medical information the way it does now, with our browsing histories used against us.

Our "health plans" will keep us effectively, physically, under surveillance. We will be rewarded for completing workouts or filling out surveys (discounts, coupons, free classes!). And this gamification and incentivizing will never stop, because our health and our attention are profit centers. (Side note: Before Oscar, executives Mario Schlosser and Josh Kushner started gaming company Vostu, which [was accused of copying social games](#) such as Zynga's FarmVille. The lawsuit settled, but they clearly learned the economics of monetizing attention.)

It's not that there isn't a particular logic to taking a Silicon Valley sledgehammer to some of what's wrong with the health insurance industry. And there is advantage to bringing telemedicine to areas where currently, there are no doctors at all. (Oscar already employs telemedicine docs). With China's Ping-An [contributing to Oscar's last financing](#), you have to wonder if Oscar's idea is to build one, global system, like Uber or Facebook, for healthcare. Any questions of the pros and cons of how free-market healthcare would work should be discussed and debated, and in public. Instead, Republicans are hiding their bills, refusing to share even any vision they might have, to put to rest the panic and fear of millions and millions of us. No, they keep pushing us to the cliff. Are they pushing to repeal the Affordable Care Act with "nothing to replace it," because something like Oscar's patented system is secretly in the wings?



Image of Jared Kushner by Flickr user [DonkeyHotey](#). Used under [CC license](#).

If one of the president's in-laws runs a company that will heal the wounds left following Trump's obliteration of Obamacare, why isn't the White House talking about it? Why drag us to hell and back instead of presenting the plan? Millions of Americans have been forced to watch months of theatrics and lying and subterfuge, their health in the balance and wondering if our leaders simply just hope we all die. Has the president been keeping Oscar up his sleeve all along?

With the clandestine melodrama surrounding Republicans' solution-free solutions, it's hard to imagine Jared wouldn't have shoved Oscar's patent app right under Trump's nose, like, Hey, you have this giant healthcare problem and, look, I own this company who will make a ton of money fixing it! (To confirm: New York State declared in [a June 2013 report](#) that "Jared Kushner and Joshua Kushner are deemed the ultimate controlling persons in Oscar's holding company system...").

Jared has reported on his financial disclosures that he divested from Thrive Capital Partners III GP, LLC, the general partner in Thrive Partners III, L.P., in January 2017. At the time of the New York State report, one of these entities effectively controlled Oscar.

If you look for the company name, *Oscar*, in Jared's financial disclosures, you won't find it. In an endnote for Thrive Capital Partners III GP, LLC, the disclosure says that "underlying assets are not disclosed due to preexisting confidentiality agreement." However, New York's report explicitly declared Jared and Joshua "the only members" in Thrive Partners III GP, LLC. So it appears the brothers signed a legal agreement. Whatever other purpose the document served, this agreement kept Oscar's name from appearing in Jared's financial disclosure.

Among other investors, Oscar is backed by Google, Goldman Sachs, and POTUS's own BFF, Facebook board member and [Trump-hand-holder](#) Peter Thiel. But Trump is not bragging about how brilliant he is, how he's going to fix healthcare because his people are so brilliant. Trump instead is portraying himself as a know-nothing who confuses life insurance with health insurance. He's keeping Oscar to himself, or the people around him are keeping it from him—and us.

Another early Oscar investor is former Facebook board member [Jim Breyer](#), who's an in-law of Mitch McConnell and Elaine Chao through his marriage to Chao's sister, Angela. It's almost impossible to believe Oscar's aspirations are not on GOP's radar.

This proximity of the company and its investors to the president and the family is what confuses me about Oscar, and reflecting on the issues gives me a bad feeling, like it's too late to un-see a little glimpse of how the GOP might, instead of honest debate about privacy, technology, our personal health—force us to beat a path to Oscar's door. (What's HHS Tom Price been investing in lately, I wonder?)

I'm afraid America will end up with survival of the fittest before single-payer. Isn't the urgency just a push to get this done before we know what hit us? A single company, Oscar or someone else, will be the first-mover and end up with piles of money and loads of our data, thanks to Trump's "let's not regulate stuff anymore" presidency?

Under Obamacare, Oscar will operate in six states in 2018; it seems to be pursuing new markets and partnerships cautiously. Oscar sells insurance for business, through employer plans and to

individuals on and off the exchanges, Forbes reported. But Forbes also notes that Oscar only has 145,000 customers nationwide and lost millions last year. Without scaling to even a million customers, it's hard to imagine how the company will recoup \$727 million—without leaping to the kind of freemium information-service model suggested by the patent application.

Where might Oscar find millions of customers willing to accept a product that is several rungs down the ladder from what the Affordable Care Act currently requires?

Well, if [32 million of us](#) suddenly found ourselves unable to afford traditional insurance....

Trump is driving us to a post-Obamacare world with so much “freedom” that Oscar and others will be able to market products that are *less* than insurance but better than *nothing*. Is Trump pushing for the end of healthcare as we know it without telling us what comes next, because he *does* know what's coming?

Consider Oscar's self-description, from a recent job-posting:

We are changing how health insurance works. We want to create a healthcare experience that's intuitive and puts people, not cost or workflows, first. We're using a consumer-focused and tech-driven approach to do so. This positions us uniquely in the space – and creates one of the biggest opportunities in healthcare.



The full scope of Oscar's patent-application-pending ideas are likely not legal today. It will take some time to unwind the privacy of [HIPAA](#), for instance. But obviously, the biggest first step anyone could take towards the Oscar platform's future would be repealing the Affordable Care Act. One way to dominate an industry is to create it. Pursue “big opportunities,” and hope the people in power are sympathetic.

Is the schemer salesman who brought us Trump University setting us up to close another one of his deals? He nudges us closer and closer, with signature drama, towards a full repeal, never digging into the weeds, never owning any ideas of his own. Couldn't a repeal, or a terrible replacement without a mandate, a few tweaks to our privacy, drive millions of Americans to seek desperately for care and find the welcoming embrace of... Jared's brother, and a “System and Method for Modeling Healthcare Costs?”

I'm sufficiently cynical to ponder these questions while keeping in mind that the president is a real estate developer by DNA. Consider Trump's claim that he always [wants to be unpredictable](#). He's revealing developer instincts—keep your eye on a future that no one sees but you, slowly put the pieces in place, never revealing when you're gaining advantage.

Through this lens, might “fixing healthcare” by making free-market Ayn Randers ecstatic while keeping the rest of us suckers in the dark till it's too late—reflect a Trumpian notion of the ultimate deal?

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