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ZocDoc: Tech Rx for overcrowded waiting rooms?

The appointment-booking tool is quietly ushering the technophobic medical profession into the digital era.

By Alex Konrad, reporter

FORTUNE -- Physicians love gadgets and technology as much as anyone, but you'd never know it from the way many of them manage their medical practices. Shelves groan with patient files. Plenty of doctors still write out prescriptions. And patients can spend an eternity on hold waiting to book appointments by phone.

ZocDoc, a four-year-old tech company, is solving one of those problems. Its website and mobile apps allow patients to search for doctors by specialty and other categories, read reviews, and schedule visits electronically. (Think OpenTable, the popular restaurant reservation site, only for health care.) Consumers like the convenience of the service -- the company says it has some 700,000 monthly users. But it turns out that some of ZocDoc's biggest fans are doctors and hospitals, which use the service not only to win new patients but to help their offices manage appointments and reduce patient paperwork.

Doctors pay ZocDoc a monthly subscription fee of \$250 to enable would-be patients to book online or via the app. ZocDoc's software integrates with existing appointment software used by hospitals and some private practices, instantly updating those schedules when a consumer makes a change on ZocDoc. Those without compatible appointment systems get access to ZocDoc's web-based calendar software, which helps them manage all their appointments, including those made in person or on the phone.

For Tom Poole, a vice president at Beth Israel Medical Group in New York City, ZocDoc helps reduce costly no-shows because patients can cancel a visit with the click of a mouse or a tap on a screen. He adds, "When patients have to call, very often they get frustrated." New York-based ZocDoc, which now operates in 11 cities in the U.S., has raised more than \$95 million in funding from Goldman Sachs (GS), Founders Fund, Khosla Ventures, Russia's Digital Sky Technologies, and others. ZocDoc's backers think the service could eventually offer other digital services to its growing network of physicians; the site already asks consumers to provide basic personal data, but ZocDoc could eventually capture and store enough data to allow patients to admit themselves into a hospital or doctor's office with the swipe of a cellphone.

For now, though, company founders Cyrus Massoumi and Dr. Oliver Kharraz say they are focused on adding new cities (three more are in the pipeline) and signing up more doctors and hospitals. In the process, they're helping, in a small way, to digitize the medical profession -- one waiting room at a time.

