

How Microsoft's \$19.7B Nuance acquisition will help it boost its cloud strategy

Article

The news: Microsoft [revealed](#) new services for its cloud platform, like the ability to share data with other providers using the national standard for electronic health information

exchange (aka FHIRt).

- Providers can now bring together disparate sets of patient information like patient meds, CT scans, and radiology reports to create a longitudinal patient record via Azure healthcare APIs and new AI tools.

Why Microsoft's tech matters: The new cloud offerings will help meet physicians' overwhelming demand for improved interoperability of patient health data.

Most physicians believe the healthcare industry's lack of interoperability is preventing them from delivering more personalized care. Since many hospitals have their clinical notes stored in EHR systems that are separate from software programs that manage and store CT scan and MRI images, it's difficult for physicians to easily access a complete picture of their patients' health.

- Nearly **59% of doctors** believe better interoperability will help them more quickly identify high-risk patients, while **95% of docs** agree enhanced interoperability will ultimately improve patient outcomes, [per](#) Google Cloud's July 2021 physician healthcare interoperability survey.

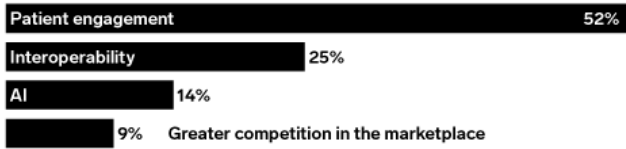
Why Microsoft's new cloud offerings could succeed: Microsoft's new offerings give it an opportunity to bundle its services or upsell to healthcare clients already using the recently acquired Nuance's voice AI tech.

Earlier this year, Microsoft [bought](#) AI voice recognition tech company Nuance in a massive \$19.7 billion deal to boost its cloud strategy. Nuance's tech is being tapped by more than **90% of US hospitals** and 500,000 clinicians—which means Microsoft now has access to a large pool of provider organizations it can use to market its cloud services.

Plus, if a hospital already trusts Microsoft as a healthcare partner, it'll be easier to tap the tech giant as a cloud vendor, too. Security and privacy levels are a top concern when [selecting](#) a cloud provider, which has likely become more important as hospitals experience an increasing number of data breaches through their third-party vendors this year. So, if hospitals are already using some of Microsoft's tech (like Nuance), that means health execs likely have already vetted the tech giant's security controls—making Microsoft a seamless choice for cloud services as hospitals become more interested in the tech: Healthcare organizations plan to **increase their hybrid cloud deployments by 32%** over the next five years, [per](#) a December 2020 Nutanix report.

Biggest Focus* for the Health IT Industry According to US Healthcare Chief Information Officers, March 2021

% of respondents



Note: n=65; *aside from COVID-19
Source: Stoltenberg Consulting, "9th Annual Health IT Industry Outlook Survey," June 15, 2021

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