

Health systems should be keeping watchful eyes on Amazon, retail clinics

Article

The news: Healthcare disruptors such as **Amazon**, **CVS**, **Walmart**, and **Walgreens** are considered bigger threats to incumbent health systems than [virtual care-first companies](#) such as **Teladoc** and **Ro**, according to a new survey from Health Tech Nerds.

- The healthcare content creators surveyed **90 digital health startup executives and investors** to collect predictions on what to expect for 2023.

Ranking the threats: Health tech execs were asked to rank different companies as threats to health systems' core business in 2023. Respondents could only choose from a select group of companies (which explains why UnitedHealth Group wasn't listed, for example.)

- **52% say Amazon**—which is soon set to close its **One Medical** acquisition—is the biggest threat to health systems.
- The next biggest threats were retail health companies **CVS (47%)**, **Walmart (36%)**, and **Walgreens (27%)**.

Telehealth-focused healthcare companies weren't seen as a threat:

- **Only 16%** of health tech execs pegged **Teladoc** as a threat, and **14% viewed Ro** as a threat.
- **Ro also received by far the most responses (62%)** when health tech execs were asked which of these companies will be **non-consequential to health systems** in 2023.

Why it's worth watching: Retail and tech giants are more likely than D2C healthcare and telehealth companies to disrupt health systems' operations.

We think there are two connecting factors explaining this:

1. D2C and telehealth-focused business models aren't intimidating hospitals.

Companies like Ro, Hims & Hers, and Teladoc now have billion-dollar valuations and play an important role in helping consumers access care. But the top 3 companies (Amazon, CVS, and Walmart) ranked in this survey as the biggest threats to health systems are different types of beasts: they all have market caps in the *hundreds of billions*.

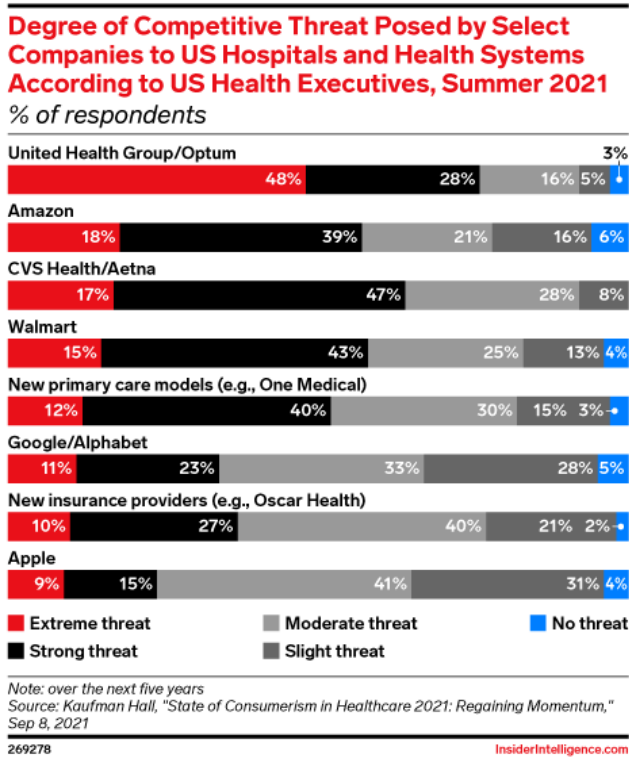
That's scary for incumbents because...

2. Acquiring an insurance asset could be coming next.

Amazon, Walmart, and Walgreens were listed in this survey as the three most likely corporations to buy an insurance arm in 2023. It's not a coincidence that these conglomerates—along with CVS, which already owns Aetna—were also ranked as the biggest threats to health systems.

Our take: The most disruptive and powerful healthcare companies will be the ones that build out insurance products to add to their care delivery business since that's where the money is. Getting the entire healthcare ecosystem under your umbrella is UnitedHealth Group's aim, and

with 70,000 staffed or aligned physicians—making it the largest US employer of doctors—UHG is close to making that ambition a reality. Telehealth-focused companies aren’t ready to play in this arena.



This article originally appeared in Insider Intelligence's Digital Health Briefing—a daily recap of top stories reshaping the healthcare industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.

- Are you a client? [Click here to subscribe.](#)
- Want to learn more about how you can benefit from our expert analysis? [Click here.](#)