

Med-tech giants Baxter and Hillrom consolidate in \$12B deal that could shake up the connected health space

Article

The news: Medtech giant **Baxter** is acquiring fellow medtech company **Hillrom** in a **\$12.4 billion deal** that's expected to close by early 2022.

Why it matters: Together, Baxter-Hillrom will be able to offer a strong portfolio of digital health solutions to its hospital and health system customers.

- Hillrom develops medical devices that advance connected care in hospitals. Traditionally, it manufactured hospital equipment like EKG machines and patient monitoring tech, but it's been adding more digital health solutions to its product suite systems and rebranding itself as a leader in connected care.
- Baxter develops medical products for chronic conditions, hospital care, surgical care, and critical care, and only recently delved deeper into digital health in August when it [partnered](#) with **Amazon Web Services (AWS)** to transform its cloud infrastructure and better support its remote patient monitoring (RPM) platform, **Sharesource**.
- Both companies' trajectories were headed toward developing solutions for remote virtual care—so it makes sense their paths converged.

What's next? Baxter's acquisition of Hillrom makes it a stronger competitor against younger, tech-driven digital health companies clawing at the same share of the growing hospital-at-home market.

The senior population is swelling and older adults want to age in their homes.

- **By 2030, 1 in 5 US adults will be 65 and older**, [according to](#) the US Census—and **88% of seniors prefer to receive care at home as they age**, [per](#) a May 2021 AP-NORC Center study.

And the hospital-at-home movement is gaining traction on the government stage, making it all the more enticing to dive into:

- For example, big-name companies like **Amazon Care**, **Amwell**, **Intermountain Health**, and **Ascension Health** banded together to form a coalition ([Moving Health Home](#)) to lobby for transforming healthcare delivery to include a patient's home as a viable clinical site of care.
- And earlier in August, [The Choose Home Care Act of 2021](#) was introduced, which aims to expand Medicare members' access to clinical-grade care at home.

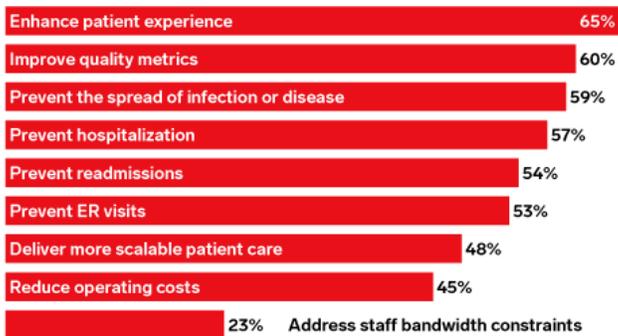
Even though Baxter and Hillrom are not traditionally digitally-driven healthcare companies, their massive existing footprint in hospitals and health systems could give the combined entity

a leg up.

- For example, they already develop hospital-grade equipment that could propel their RPM initiatives to administer at-home diagnostics or infusion services (products they've already excelled in innovating and selling).
- Together, Baxter-Hillrom's footprint spans over 1,200 healthcare clients (including hospitals and health systems) in more than 100 countries.

Reasons US Health Organizations Have Invested in Technologies that Allow Them to Deliver Care Outside of Hospitals According to US Health System Executives, Jan 2021

% of respondents



Note: in the past 12 months

Source: Current Health, "Remote Care Delivery: Perceptions, Adoption, and Trends," March 25, 2021

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Go Deeper: To learn more about how top US health systems, payers, and researchers are using remote patient monitoring tech, check out our [**Remote Patient Monitoring report here.**](#)