

# Amazon shutter its telehealth business—but that doesn't mean its healthcare ambitions are over

Article

**The news:** Amazon called it quits on its telehealth business, **Amazon Care**. The tech giant will no longer offer the service after December 31 since it isn't "a complete enough offering for the large enterprise customers it has been targeting," per an internal memo.

**The writing was on the wall:** Since rolling out its B2B telehealth business in 2019, Amazon struggled to gain traction among employer clients.

As of 2021, it only nabbed a handful of partners, including **Silicon Labs**, **True Blue**, **Hilton**, and **Whole Foods Market** (which Amazon already owns).

- That didn't stop Amazon Care from making its service available in more cities, though.
- Last year, it announced it was expanding its virtual and in-person care services to employers in 20 new cities this year, including **Chicago** and **New York**.
- But at the time, we **posited** that it was too early to call **Amazon Care** a virtual care disruptor especially since its client roster hadn't grown as wide as other employer-focused telehealth vendors.

**Amazon redirects its focus to One Medical:** Amazon's recent **One Medical** **acquisition** gives the tech giant far more B2B clients than it could ever score on its own.

One Medical's services reach nearly **8,000 employers in 25 US markets**. Plus, One Medical already offers its own virtual care services in addition to in-person clinics. That means operating both Amazon Care and One Medical would become redundant for Amazon.

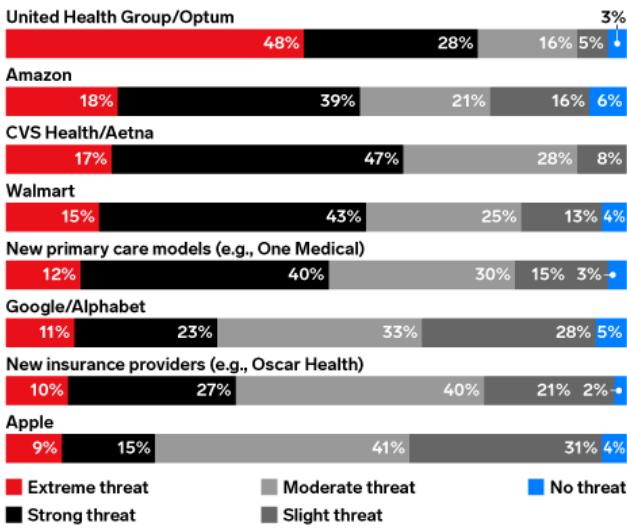
**Our take:** We think that Amazon has its eyes set on carving deeper into the home healthcare and diagnostics space.

Amazon's One Medical acquisition is only the beginning in Amazon's healthcare playbook. In fact, last week, Bloomberg **reported** that both Amazon and **UnitedHealth Group** submitted bids to scoop up value-based care and home health company **Signify Health**.

- Signify Health is already an established home health services provider, including in-home health assessments. That could fit neatly with Amazon's other home health offerings, like its **Alexa Together** subscription for seniors.
- Plus, adding Signify Health to its roster could help Amazon markedly boost its physician network. Signify Health's network now includes **200+ health systems**, **100 Federally Qualified Health Centers (FQHCs)**, and **10,000+ primary care practices** thanks to its recent **Caravan Health purchase**.

## Degree of Competitive Threat Posed by Select Companies to US Hospitals and Health Systems According to US Health Executives, Summer 2021

% of respondents



Note: over the next five years

Source: Kaufman Hall, "State of Consumerism in Healthcare 2021: Regaining Momentum," Sep 8, 2021

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