

Epic's Google Cloud pivot opens the door for more health system customers

Article

The news: Google Cloud and Epic reached an agreement to let Epic's health system customers move their workloads to the cloud. Google announced this week that **Hackensack Meridian Health**, an Epic client, will start the shift.

How we got here: The deal marks the first step in allowing health systems that use Epic to move their systems to Google Cloud. For Epic, it's a change in business strategy from 2020,

when the electronic health system (EHR) vendor [stopped working with Google Cloud](#), saying its hospital clients weren't showing enough interest to merit the investment.

The tie-up's significance: Provider organizations are migrating to the cloud to ingest and analyze large quantities of healthcare data. The shift away from data centers and toward the cloud also facilitates easier connections of disparate systems compared with using individual servers.

- **61% of healthcare IT executives** say they've moved at least some of their operations to the [cloud](#), according to a July 2021 survey from The College of Healthcare Information Management Executives.
- And about **2 in 3 (64.5%)** who have not yet transitioned to the cloud anticipate doing so within the next five years.

The EHR allure: Healthcare cloud vendors want to strike deals with EHR vendors because they come with preexisting hospital clients. The bigger the EHR company, the better it is for the cloud provider.

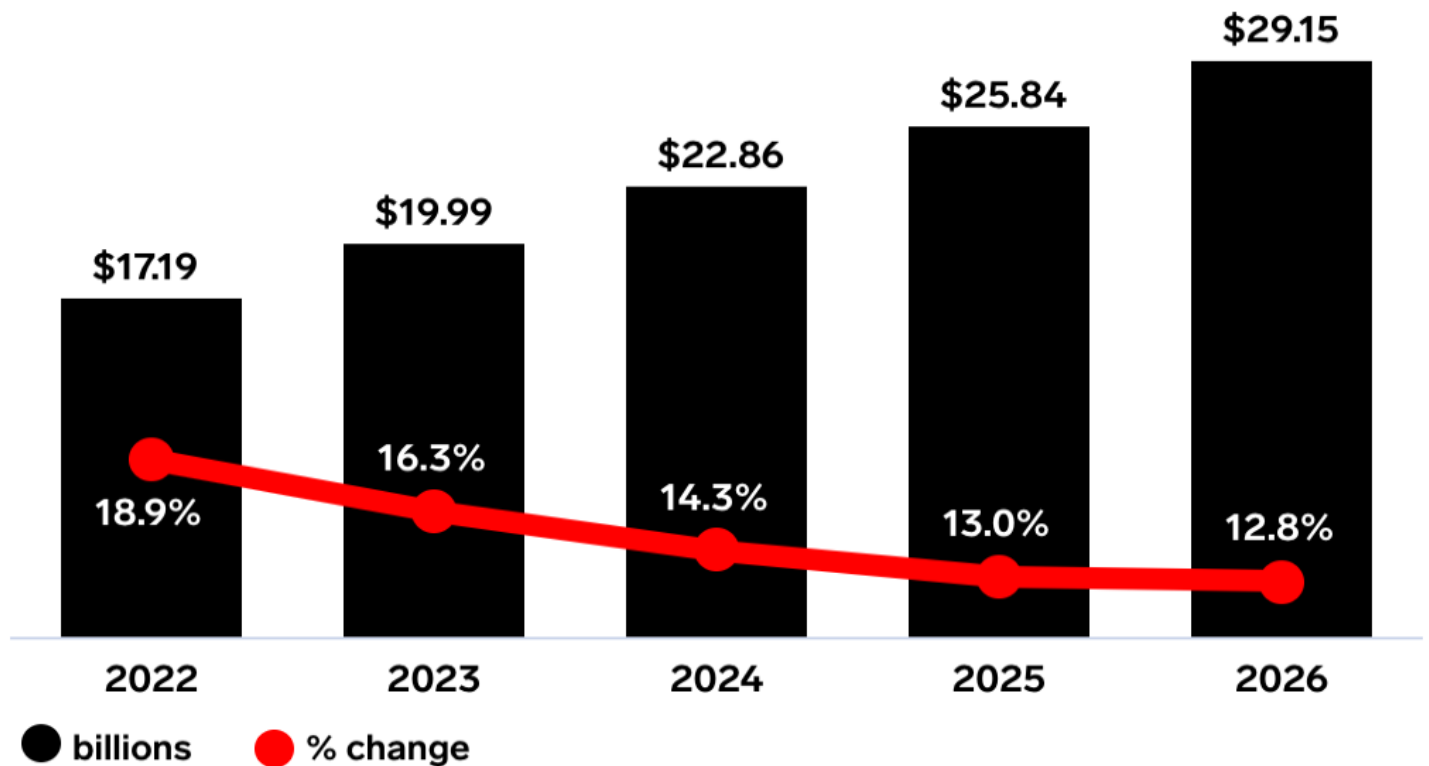
- **Epic holds the largest market share (32.9%) in the US acute care [hospital EHR market](#).** It's followed by **Oracle Cerner (24.4%)** and **Meditech (16.7%)**, per KLAS Research.
- Google Cloud's Big Tech competitors **Microsoft Cloud for Healthcare** and **Amazon Web Services** already have collaborations with Epic and Cerner.
- Google brought on Meditech to build services and solutions on its cloud in 2020. It once made a gargantuan effort—to the tune of \$250 million in discounts and incentives—to sell Cerner on Google Cloud, but ultimately fell short, per WSJ.

Closing the gap in the cloud market: Google has struggled to reel in EHR companies—but having Epic back in the mix should be a springboard to help it catch up to Big Tech rivals.

- Google trails both Microsoft and Amazon in the **\$17.19 billion [healthcare cloud market](#)**, holding only an **8.4% share**, per Insider Intelligence's estimates.

Healthcare Cloud Spending

US, 2022-2026



Note: US healthcare provider and facility spending on cloud-based systems and services

Source: eMarketer, June 2022

[InsiderIntelligence.com](https://www.insiderintelligence.com)

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