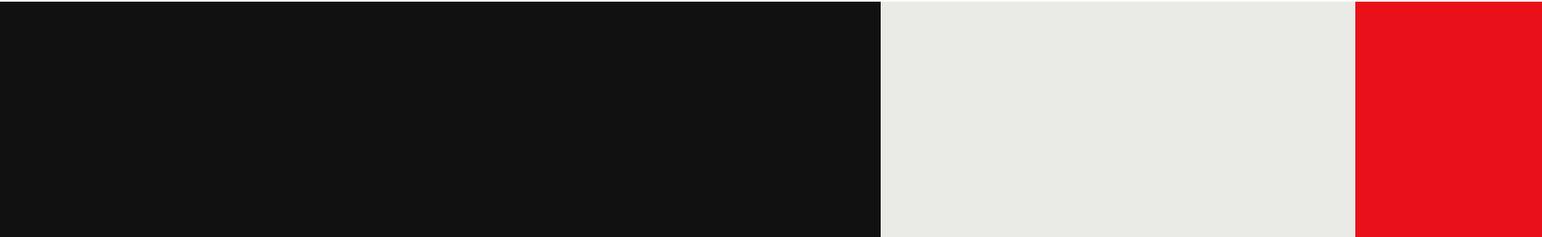
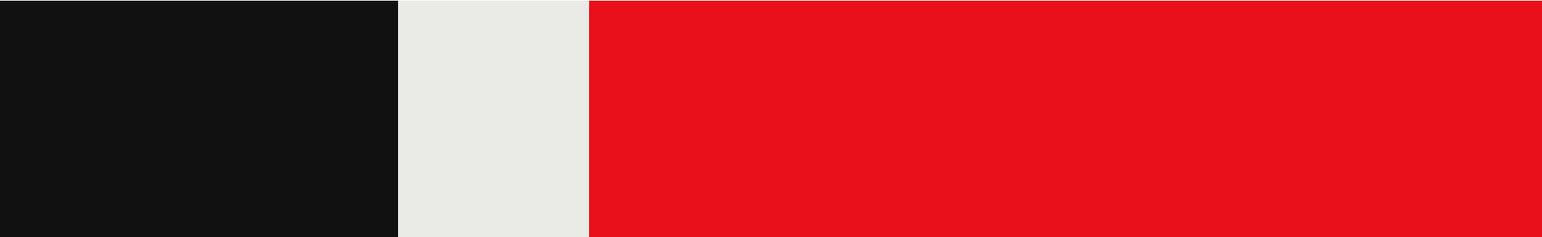


Microsoft buys Nuance for \$19.7 billion to build out healthcare cloud business

Article



Microsoft is [acquiring](#) Nuance Communications in a blockbuster **\$19.7 billion** deal—its second-largest acquisition to date behind its \$26.2 billion [LinkedIn buy](#) in 2016. The tech

giant plans to use Nuance's AI voice assistant tech to augment its healthcare cloud products.

Microsoft has been making big healthcare moves over the past year as demand for cloud-based tech spiked alongside the coronavirus pandemic:

- **The pandemic accelerated digital transformation in healthcare, and the industry's interest in cloud-based tech ballooned.** Around 70% of healthcare organizations said they plan to place a premium on their IT strategies, with a focus on the cloud: Over half have increased their public cloud (56%) and hybrid cloud (51%) use from 2019 to 2020, [per](#) a December 2020 Nutanix report.
- **Microsoft first launched its [Cloud for Healthcare](#) solution in October 2020.** The solution combined its existing services such as Teams, Azure IoT, and chatbots, to [provide](#) enhanced capabilities for interoperability, telehealth use, patient monitoring, and end-to-end security.
- **Despite being in the AI for healthcare game for less time than its big tech [rivals](#) Amazon and Google, Microsoft bested them for strongest healthcare AI tools in 2020.** Around 35% of healthcare organizations surveyed said Microsoft's Healthcare AI offerings are strong to very strong, beating out Google, Amazon, and IBM, [according to](#) the 2020 KLAS Healthcare AI report.
- **Earlier this year, major health system Kaiser Permanente [tapped](#) Microsoft's cloud solutions—a massive deal considering Kaiser serves over 12.4 million patients.** In February, Kaiser Permanente partnered with Microsoft and Accenture to help provide its care teams with data insights to personalize patient care—a partnership that brought it toe-to-toe with **Google's** health system [tie ups](#).

This blockbuster acquisition will help Microsoft sink its teeth deeper into health systems—making it a force to be reckoned with among big tech titans trailing into the same space:

- **Nuance has been a pioneer of AI in healthcare—and it's already entrenched itself in plenty of health-system and [EHR vendor](#) partnerships.** Even before the pandemic-induced digital health rush, Nuance's Dragon Medical One platform was being used by over [500,000](#) clinicians globally in October 2019. Nuance has forged partnerships with 90% of hospitals and health systems globally and have been in the industry long enough to prove ROI: For example, its AI solutions have helped reduce duplicate imaging by [40%](#) and capture [\\$1 billion](#) of appropriate reimbursement annually. Microsoft can now tap Nuance's deep roots in healthcare as an entry point to drive sales for its cloud products.

Use Cases for AI in Healthcare According to Health Executives in US, UK, and Germany, May 2020

% of respondents



Note: n=210

Source: International Data Corporation (IDC), "AI in Healthcare: Early Stage with Steady March to Maturity", Dec 2, 2020

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