

# CVS Health beats Amazon, UnitedHealth in home health bidding war

Article

**The news:** CVS Health won the [bidding battle](#) for home health tech services company **Signify Health**.

- The retail giant will acquire Signify in an **\$8 billion** deal at **\$30.50 per share**, per CVS Health.

**How we got here:** CVS Health wasn't the only contender in the bidding war. By late August, both **Amazon** and **UnitedHealth Group (UHG)** had their eyes on Signify to boost their healthcare strategies, per Bloomberg.

At the time, we posited that the acquisition could widen UHG's value-based care footprint. Especially since Signify already partners with health plans in VBC arrangements to provide analytics and financial models that help cut costs.

For Amazon, we predicted a Signify Health purchase could fit neatly in its home healthcare plans. Signify provides home-based care, including in-home health assessments.

**It all comes back to CVS:** Signify Health will broaden CVS Health's physician network considerably and help CVS' Aetna contend with competitors like **Humana**.

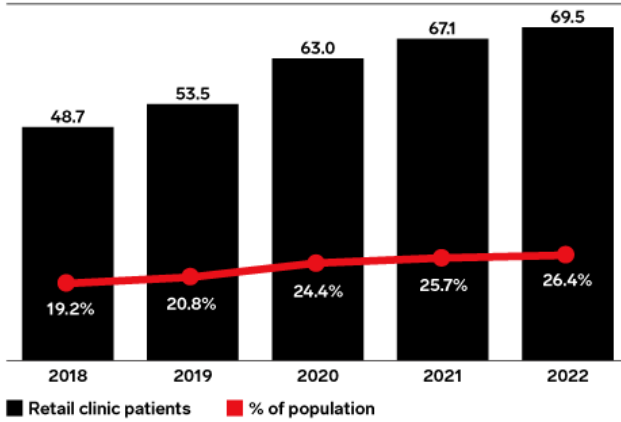
After scooping up **Caravan Health** earlier this year, Signify Health has a network of more than **10,000** physicians across all 50 states. That's important for a retailer like CVS because expanding its physician network is a key component of its strategy. Unlike retail clinic competitors like **Walmart** (which also hires nurse practitioners), CVS wants its new primary care clinics to be primarily physician-led.

Plus, Aetna-competitor Humana recently acquired the largest home healthcare provider in the US (**Kindred at Home**).

- It employs **43,000 caregivers** across **40 states** alone, and has a **65% overlap with Humana's Medicare Advantage (MA)** marketplaces.
- Signify Health could help Aetna dive deeper into the home healthcare market. For example, Signify's clinician network uses home-based visits to identify a patient's clinical and social needs and then connects patients to follow-up care.
- In fact, Signify Health's physicians spend on average **2.5 times longer** with a patient at home than providers spend in the average primary care visit, per CVS. That could mean **better patient retention and loyalty**.

## US Retail Clinic Patients, 2018-2022

millions and % of population



Note: ages 18+; adults who visit retail clinics in-person at least once during the calendar year; examples include CVS MinuteClinic, Walgreens Healthcare Clinic, Kroger's The Little Clinic, Walmart Care Clinic, etc.  
Source: Insider Intelligence, Jan 2021

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InsiderIntelligence.com

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