

Big Tech's biggest healthcare moves in 2022

Article

The trend: Big Tech is coming for healthcare—we've heard that before, right? The trials and tribulations of Big Tech players trying to carve their presence in healthcare have been well documented. But that hasn't stopped these billion-dollar enterprises jostling for position in the **\$11+ trillion** global healthcare market.

Below, we detail the biggest healthcare moves Big Tech players made in 2022.

1. Amazon's twists and turns in healthcare got curvier in 2022

It bought a primary care group and opted to turn its B2B virtual care division into a D2C platform.

[Amazon acquired](#) primary care disruptor **One Medical** in July for **\$3.9 billion**.

- The deal gives Amazon access to more than **8,000 employer clients** who offer One Medical's healthcare services as an employee benefit.
- The primary care company in total reaches about **800,000 members across 25 US markets**.

Why it matters: The acquisition puts Amazon in close competition with **CVS Health's** and **Walgreens'** primary care ambitions. We think Amazon could be eyeing an insurance asset next—perhaps a senior-focused company to dovetail with One Medical's Medicare Advantage segment (**Iora Health**), which accounts for half of the primary care group's revenue.

Amazon also **shut down Amazon Care** and **started Amazon Clinic**.

- Amazon's B2B telehealth service, [Amazon Care](#), never gained enough traction among employer clients and announced in August it would shut down at the end of the year.
- But the Big Tech giant quickly pivoted, launching a [D2C virtual care clinic](#) (Amazon Clinic) in November, offering message-based healthcare services to **adults ages 18 to 64 who live in one of 32 states**.

Why it matters: Many common services such as lab tests or other diagnostic procedures aren't included in the new clinic, raising questions about Amazon's ability to compete with existing D2C healthcare brands like **Hims & Hers**, **Thirty Madison**, and **Ro**.

2. Google makes its B2B health projects a focus

Throughout the year, it signaled a sharp turn from the company's previous consumer-facing approach to healthcare.

[Google scored a coup](#) by securing electronic health record (EHR) company **Meditech** as a client for its **Care Studio** platform.

- Care Studio works with EHRs to help give clinicians a longitudinal view of a patient's medical history. That entails gathering and normalizing a wide range of data in many forms, including PDFs and eFaxes.

- Google had previous deals with large health systems to let physicians try the tech giant's clinical search tools. Meditech came on board as a Care Studio EHR vendor client in March.

Why it matters: The partnership allows Google to get Care Studio in clinicians' hands at various new health systems considering Meditech has over **600 hospital clients**.

Google Cloud and Epic also partnered to enable the EHR company's health system customers to migrate to the cloud.

- Epic's health system customers will be able to move their workloads to the cloud. **Hackensack Meridian Health**, an Epic client, will start the shift.

Why it matters: The tie-up is a big win for Google Cloud since EHR vendor partners come with preexisting health system clients.

- **Epic holds the largest share (32.9%)** in the US acute care hospital EHR market.
- But Google still **trails Microsoft and Amazon in the \$17.19 billion healthcare cloud market**, holding **only an 8.4% share**, per Insider Intelligence's estimates.

3. Microsoft is also beefing up its healthcare cloud business

We think this is a sensible bet given the company's lineup of assets that aim to help B2B customers improve operations.

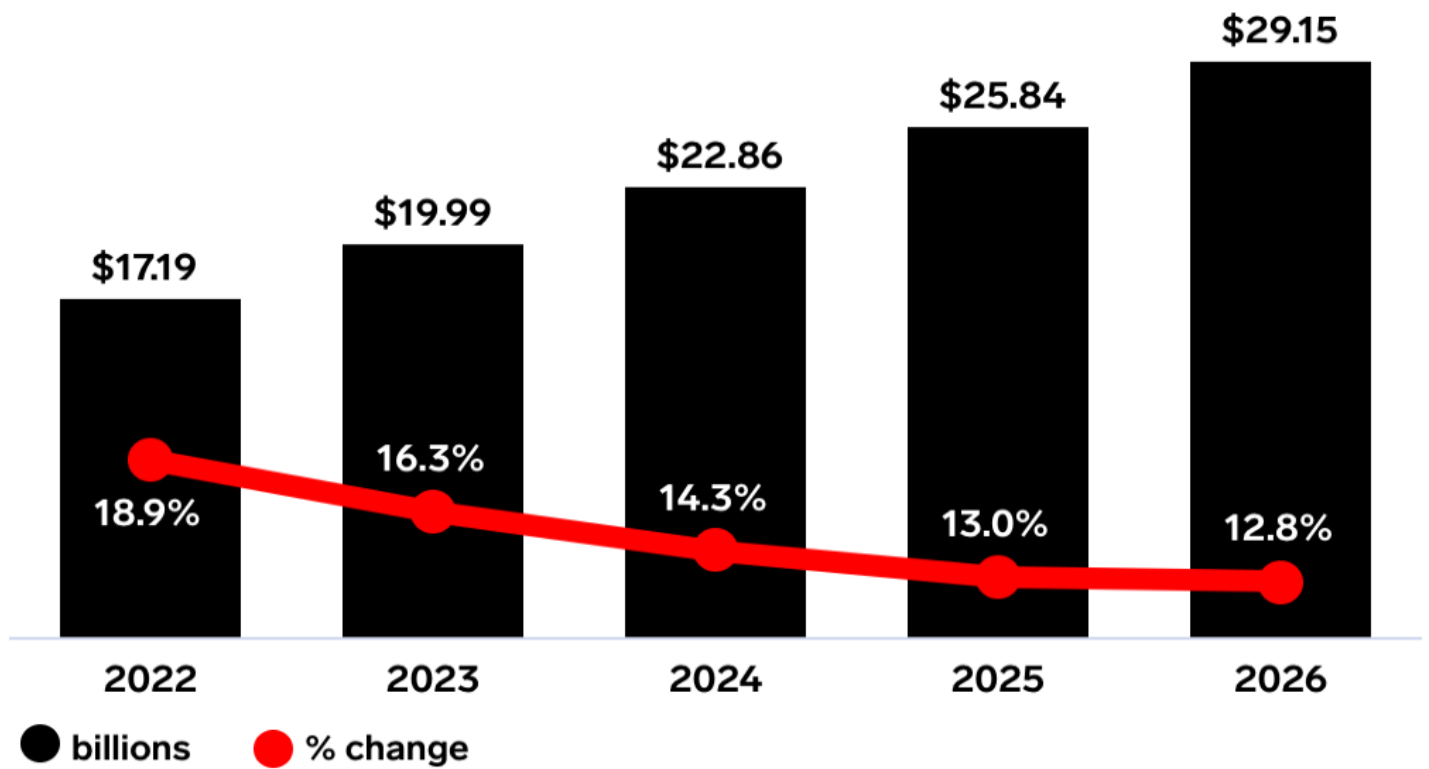
- **Microsoft Cloud for Healthcare** combines services from its **Nuance, Azure IoT, and Teams** divisions to help provider customers manage workflows, deploy virtual visits, and remotely monitor patients. Since its 2020 rollout, Microsoft Cloud for Healthcare has expanded its offerings.
- For example, earlier this year, Microsoft Azure unveiled a suite of tools designed to unify health data in the cloud. Its platform gathers data from diverse devices and apps and structures it in the cloud so it's usable for clinicians.
- It followed that March roll out with another in October that includes a missed appointment prediction tool for health systems.

Why it matters: These added services are helping Microsoft win over providers and payers who are increasingly giving Microsoft Cloud for Healthcare high marks for its products'

capabilities. The cloud provider recently reeled in Jefferson Health, Mount Sinai Health System, and UPMC as new customers.

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

4. Apple's pitch to the healthcare world is that it wants to be taken seriously

There wasn't one distinctive healthcare development that stuck out for Apple in 2022, which could explain why the company released a 60-page report explaining how its healthcare work

is meaningful.

- For example, Apple described how its **Health Records iPhone tool** lets physicians and patients share medical data and how new health monitoring features are coming to the **Apple Watch**.

So what? Our big takeaway from the report was that Apple's getting more serious about being a **trusted healthcare research partner**, teaming up with various medical institutions to let users enroll in health studies using their iPhone.

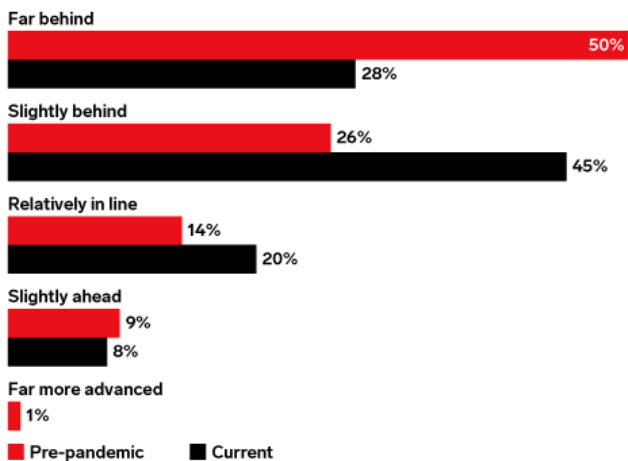
Our take on Big Tech in health: These four tech giants aren't embarking on equivalent healthcare paths, but they're all benefiting from pandemic-era trends. These include providers and payers looking for more efficient ways to analyze data and the use of consumer-facing technologies to deliver and manage care.

As they penetrate further into healthcare, Big Tech companies are learning important lessons along the way and adjusting their business strategies accordingly. Amazon is a prime (no pun intended) example. Employers and insurers weren't seeing the value in what Amazon Care offered them compared to market competitors, so the company shut it down and rolled out consumer-focused health services, cutting payers out of the picture. Time will tell if the plan ultimately works out, but it's a sign that Big Tech firms aren't afraid to fail and refocus.

Heading into 2023, we'll likely see more M&As, partnerships, and healthcare-specific innovation as Big Tech entities flush with capital can take risks that incumbents cannot. Their ability to provide software and services that deliver digitally driven efficiency across the healthcare ecosystem will put legacy players on notice and pressure them to adapt to new market realities.

How Would US Health Executives Rank Their Hospital/Health System's vs. Nonhealthcare Companies' Digital Offerings?

% of respondents, Summer 2021



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

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