

# Amazon amps up its primary care presence—and it's stacking up to be a menacing threat to competitors

Article

**Amazon and Crossover Health** are **expanding** their primary care clinics to five new locations, bringing Amazon's total employee healthcare clinics to 17 spread across Arizona, California, Kentucky, Michigan, and Texas. For context, Crossover Health's clinics offer comprehensive health services for primary care, behavioral health, physical therapy, and health coaching, and access is limited to Amazon employees.

**Amazon isn't just scaling its on-site health clinics— it's also scaling its virtual care company, [Amazon Care](#), and recently announced it'll be **targeting** employers in particular.**

- For context, Amazon Care gives users access to a mobile app to get connected with virtual doctor's visits, house visits, and prescriptions—and Amazon has been piloting the service to its employees only.
- And now Amazon is **planning** to scale the service beyond its employees as a service to other employers—that means it will be facing off against other B2B telehealth vendors.
- Amazon has over **1 million employees** (as of October 2020), so if it's testing the waters with employers and eventually planning to roll out Amazon Care further to general consumers, that'd make it a big threat in virtual care. After all, that's what Amazon did with its cloud tech arm, [Amazon Web Services](#)—which started out as an internal infrastructure solution to handle Amazon's rapid growth and quickly turned into one of the biggest cloud vendors in the world.

**Amazon represents just one instance of the massive amount of **consolidation** happening among healthcare incumbents and entrants alike:**

- **In just the past couple of **years** Amazon went from dabbling with online pharmacy services to holding multiple pieces of the healthcare pie:** It now has a full-fledged pharmacy arm of its own, growing health system, pharma and EHR partnerships, the launch of its own healthcare analytics business (Amazon HealthLake)—and now, expanded primary care clinics.
- **But it's not just tech entrants using vertical integration as a means to become bigger and better healthcare players.** For example, traditional companies like **UnitedHealth's [Optum](#)** and **[Cerner](#)** have been on an M&A spree to bring different parts of the healthcare supply chain in-house.

**Amazon is uniquely positioned to disrupt healthcare, though—since its core businesses like Prime and AWS are experiencing escalating **profits**, it's able to shoulder the risks that come with vertical expansion.** It could even leverage its other business segments to fuel its healthcare strategy— just how **Walmart** is using its supercenters to expand its primary care

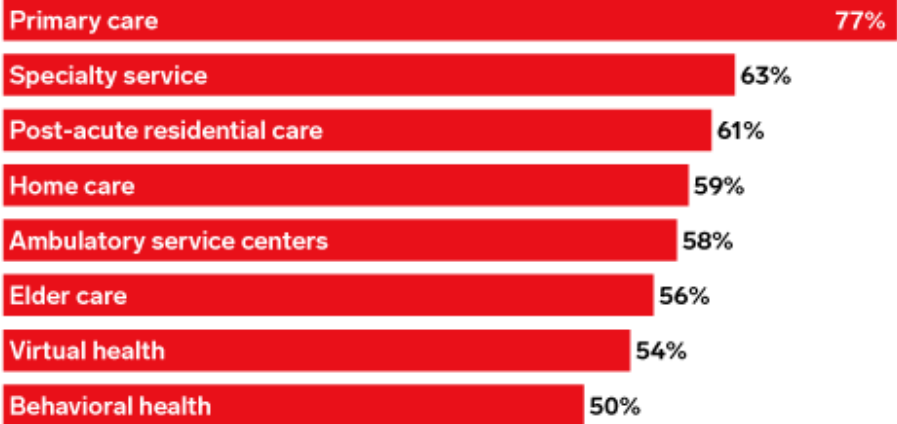
clinics. Amazon could potentially leverage its Prime subscription to fold in other offerings, since it comes baked with massive brand presence and loyal consumers.

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### Areas of Investment for 2021 According to US Healthcare CFOs, Sep 2020

*% of respondents*

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Source: BDO, "2021 BDO Healthcare CFO Outlook Survey," Jan 12, 2020

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