

Amazon Care is expanding to 20 new cities—but it's too early to tell if the company is a virtual care disruptor

Article

The news: Amazon's telehealth business **Amazon Care** told Insider it's currently expanding its virtual and in-person care services to employers in 20 new cities this year, including **San Francisco, Miami, Chicago, and New York**.

- Beyond employers, Amazon Care is reportedly working on deals with insurers in the same areas it's expanding its client base.

But, it's too early to tell whether or not Amazon will be a telehealth disruptor: It's been nearly a year since Amazon Care scored its first employer client, and since then, its roster hasn't grown as wide as other employer-focused telehealth vendors.

Amazon's employer partners now include **Silicon Labs, TrueBlue, Hilton, and Whole Foods Market** (which Amazon owns).

- For contrast, other employer-focused telehealth vendors like **Included Health** (formerly **Grand Rounds** and **Doctor on Demand** pre-merger) have an extensive employer roster that will take time to catch up to.
- **Included Health** partners with employers like **AmeriGas, Walmart, and Target** to either provide their employees with telehealth or healthcare navigation services.

Although Amazon hasn't grown as rapidly in the employer space as its peers, there's still a lot of expansion opportunities among US employers of all sizes interested in boosting telehealth access for employees.

- Last year, about **31% of both small and large employers expanded their telehealth benefits available for employees**, per KFF's November 2021 annual report.

What about Amazon's plan to target insurers/payers? It likely won't be an easy feat to get the largest US health insurers on board, since many already have their own telehealth ventures.

In fact, legacy insurers like Aetna are focused on pushing their own virtual care platforms to employers.

- For example, in August 2021, **CVS-Aetna** launched **Aetna Virtual Primary Care**, for self-funded employers—the same target audience that Amazon Care is trying to reach.
- Similar to Amazon Care, Aetna's telehealth service offers access to physicians 7 days a week combined with in-person visits with in-network providers.

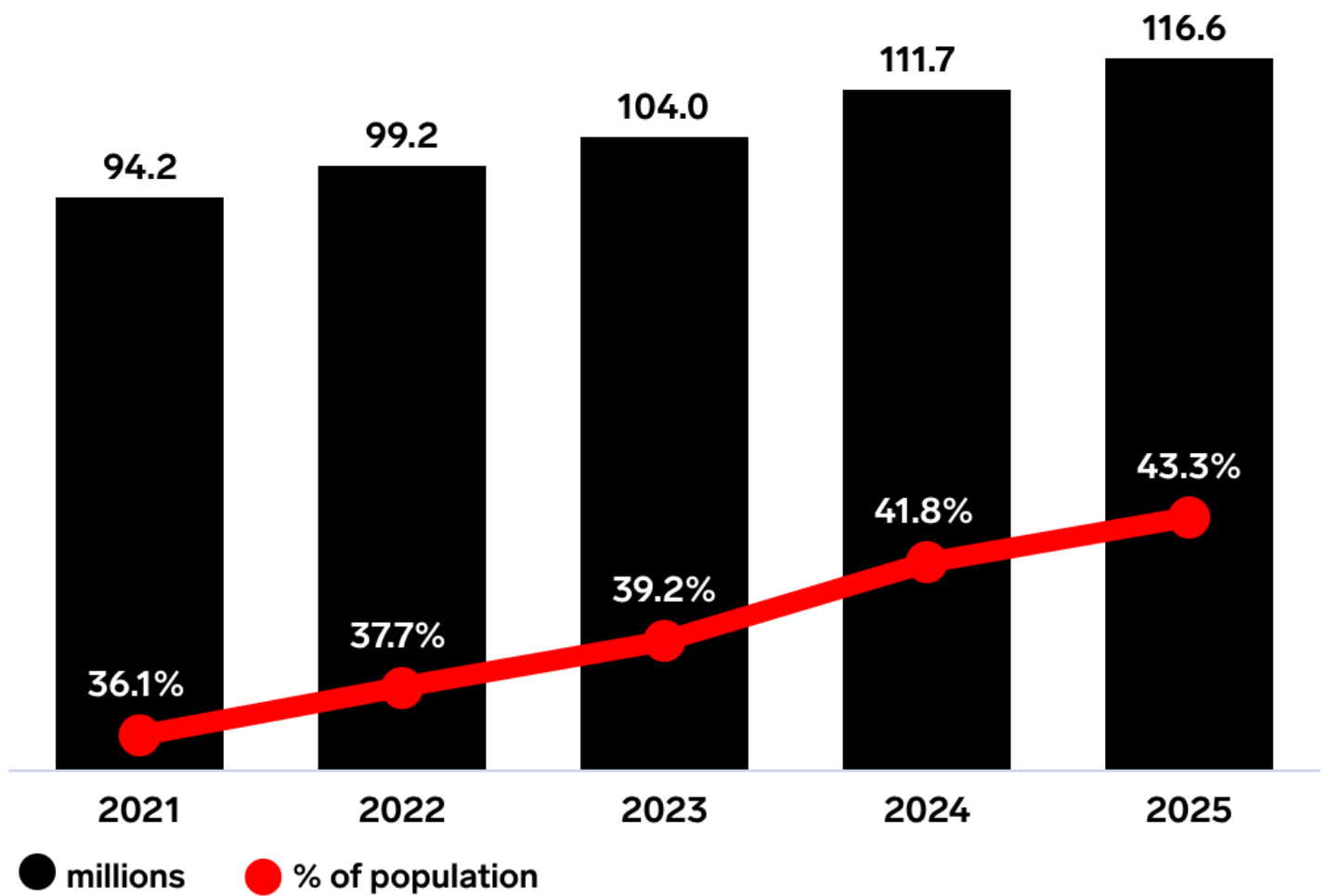
And Aetna isn't the only insurer with its own telehealth venture targeting employers.

- Shortly after **Cigna** completed its acquisition of telehealth platform **MDLive** last year, it **expanded** its virtual-first health plans to Cigna members in employer-sponsored plans.
- Through the plan, Cigna's employer clients have access to MDLive's virtual primary care, dermatology, behavioral health, and urgent care services starting January 2022—**with a \$0 copay**.

What's next? Amazon Care could easily score partnerships with smaller insurers that may not have a telehealth business built in-house yet—but we suspect larger payers will begin marketing their own telehealth ventures to employers first to cut out the middleman—and in turn, boost revenue.

Telehealth Users

US, 2021-2025



Source: eMarketer, August 2021

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