

Why UnitedHealth and Amazon are battling for Signify Health

Article

The news: Amazon and UnitedHealth Group (UHG) submitted bids to acquire value-based care and home health company **Signify Health**, per Bloomberg.

Healthcare giants are circling: Retailers like **CVS Health** have also pursued Signify Health to boost their digital health strategies.

During CVS Health's latest [earnings call](#), CEO **Karen Lynch** said M&As will advance the company's primary care reach.

- Last month, CVS reportedly approached primary care disruptor **One Medical** for a sale. A deal never materialized, though, and Amazon later swooped in and [bought](#) One Medical for nearly **\$4 billion**.
- Now, CVS Health could be left at the altar again as UHG and Amazon go toe-to-toe for Signify. UHG reportedly submitted the highest bid at more than \$30 per share, per Bloomberg.

What an acquisition could mean for UHG: Signify Health could widen UHG's value-based care footprint.

UHG already has a massive physician network of **1.3 million in-network physicians**. Plus, its Optum business employs **60,000 doctors** in 2,000 locations worldwide.

- So UHG could be most interested in Signify Health's value-based care (VBC) business.
- Signify partners with health plans in VBC arrangements to provide analytics and financial models that help cut costs. Acquiring Signify Health could bring that tech in-house.

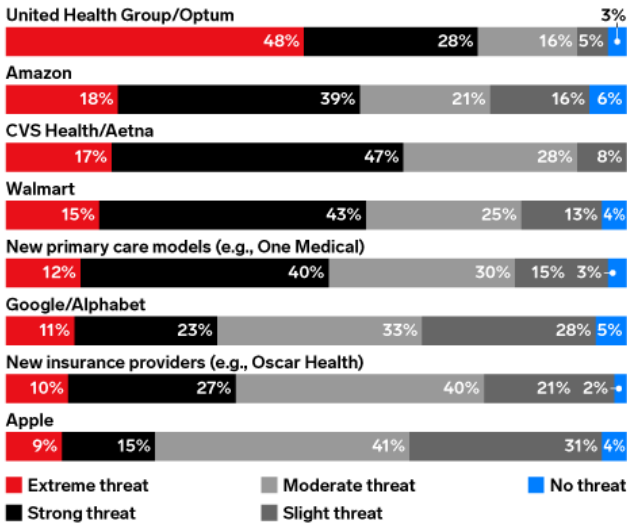
What it could mean for Amazon: The tech giant could be eyeing Signify Health to broaden its home health efforts.

In March 2021, Amazon [signaled](#) a deeper interest in home care when it teamed up with health tech companies like Signify Health and health systems like **Ascension** and **Intermountain Healthcare** to form Moving Health Home—a coalition that will lobby Congress to make long-term changes to home healthcare reimbursement policies.

- By year end, Amazon Care will expand its at-home care services to 20 new cities.
- Signify Health is already an established home health services provider, including in-home health assessments. That could fit neatly in Amazon's home healthcare plans.

Degree of Competitive Threat Posed by Select Companies to US Hospitals and Health Systems According to US Health Executives, Summer 2021

% of respondents



Note: over the next five years

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

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