

Big Tech isn't going head-to-head with legacy digital health players—yet

Article

The news: Big Tech players are pushing their way into healthcare with a wide range of tech solutions—but their current industry standing shouldn't threaten [legacy digital health](#)

companies in the near term, per a report from KLAS Research and Bain & Company.

Big Tech's misaligned healthcare presence: Amazon, Microsoft, Apple, Oracle, and Google, and Salesforce are accelerating their healthcare ambitions. But they're mostly developing solutions that don't align with health systems' most pressing needs.

- Provider organizations' top areas of software investment include **revenue cycle management (RCM), patient intake, cybersecurity, clinical information systems, and telehealth**, per the report's findings.

For the most part, Big Tech's healthcare-tailored solutions are for areas that providers aren't keen on investing in over the next year.

- Lower-priority investment areas for health systems are **staffing, patient engagement, clinical communications, business analytics, and clinical decision support solutions**, per KLAS.

For example, Salesforce' CRM platform helps hospitals reach patients through various digital touchpoints. But **patient engagement solutions** received **fewer top 5 votes** than all but one category (staffing) when providers were asked to name their investment area of highest priority, the report found.

Investing in **business analytics solutions** is another **low-priority area** for providers, but this category is considered **an industry strength of multiple Big Tech** players, including Amazon, Microsoft, and Oracle.

One noteworthy exception: Telehealth is a high-priority investment area for health systems and is a strength of several Big Tech companies.

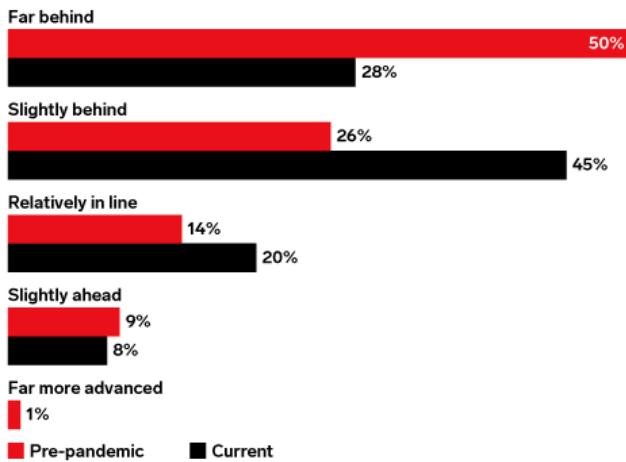
- Microsoft delivers telehealth through **Teams**.
- Google's **Cloud capabilities power virtual care**.
- Amazon will soon shutter its **Amazon Care** arm, but will still deliver virtual care via **One Medical**.
- And Salesforce offers **Health Cloud**.

Our take: Big Tech companies are not yet threatening incumbent digital health vendors in the areas that provider organizations most want to invest in.

But we expect those priority categories will continuously change over time. For instance, once this period of economic uncertainty is behind us, [providers may not prioritize RCM solutions](#) as highly. Conversely, they may place greater importance on patient engagement technology given the need to be more consumer focused.

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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