

## The End of Amazon Care: A Setback in Amazon’s Healthcare Experiment?

On August 24, 2022, Amazon announced its plans to shut down Amazon Care at the end of 2022.<sup>1</sup> The e-commerce giant determined that Amazon Care, a medical care service it uses internally and sells to employer health plans, was not the “right long-term solution for [Amazon’s] enterprise customers” because it is not a “complete enough offering for the large enterprise customers [Amazon has] been targeting.”<sup>2</sup> This Health Capital Topics article will discuss the history of Amazon Care and what this move may mean for Amazon’s larger healthcare efforts.

Amazon rolled out Amazon Care in 2019 as a pilot employee benefit for their own employees.<sup>3</sup> The service is a combination of virtual and in-person care, offering home health services, telehealth appointments, and prescription delivery.<sup>4</sup> The telehealth portion was facilitated via an Amazon-created telehealth smartphone application for non-urgent issues like colds and minor injuries; preventative health consults and vaccines; sexual health services; and, general health questions.<sup>5</sup> The program expanded quickly, from servicing only their Seattle area employees and dependents to non-Amazon employers across the U.S. (including large companies such as Hilton, TrueBlue, and Silicon Labs) by 2021.<sup>6</sup>

The August 24<sup>th</sup> announcement comes as a shock, as Amazon announced just six months prior that it would be expanding Amazon Care’s in-person services to 20 cities by the end of the year.<sup>7</sup> The company was also working to add behavioral health support to Amazon Care through a partnership with Ginger, a mental health company.<sup>8</sup> Further, in July 2022, Amazon announced an expansion of its primary care services through a \$3.9 billion acquisition of One Medical, a “publicly traded, membership-based

primary-care practice offering virtual and brick-and-mortar services to commercially insured patients.”<sup>9</sup> Amazon Care executives have stated that the issues that led to the decision to end Amazon Care preceded, and are separate from, the company’s decision to purchase One Medical.<sup>10</sup> Nevertheless, some health tech investors theorize that there would have likely been some overlap between One Medical and Amazon Care “that may have been awkward to navigate,” had they co-existed.<sup>11</sup>

As one tech industry pundit noted, “Amazon is known for sticking to a long-term vision while experimenting with different approaches to achieve its goals.”<sup>12</sup> True to form, Amazon Care is not the only healthcare initiative that Amazon has abandoned. The Haven joint venture, formed between Amazon, Berkshire Hathaway, and JPMorgan Chase, disbanded in January 2021, three years after its formation.<sup>13</sup> The goal of Haven was to tackle high and increasing costs for employee healthcare.<sup>14</sup> While the joint venture did not live up to some expectations, it may have informed its three partners on how to better create healthcare systems for their respective employees.<sup>15</sup>

While the end of Amazon Care is not anticipated to impact Amazon’s other healthcare projects, insights from these ventures will likely be important for Amazon as it continues its attempts to disrupt the healthcare industry. In fact, it appears that Amazon may already have its next big healthcare move in sight, as the company has been reported to be one of the bidders (along with CVS and UnitedHealth Group) for Signify Health, an in-home health assessments provider, which deal is anticipated to surpass \$8 billion.<sup>16</sup> Perhaps the closing of the Amazon Care door is a necessary step to opening another, larger door into primary care.

1 “Amazon to shut down Amazon Care at year’s end” By Jessica Kim Cohen, Modern Healthcare, August 24, 2022, <https://www.modernhealthcare.com/technology/amazon-shut-down-amazon-care-years-end> (Accessed 8/24/22).  
 2 *Ibid.*  
 3 “Amazon Care” Amazon, <https://amazon.care/about> (Accessed 3/9/21).  
 4 *Ibid.*  
 5 *Ibid.*  
 6 “Amazon Expands In-Home Care Program” By Robert Holly, Home Health Care News, September 23, 2020, <https://homehealthcarenews.com/2020/09/amazon-expands-in-home-care-program/> (Accessed 3/9/21); “Internal memo: Amazon Care to shut down, ‘not a complete enough offering’ for corporate customers” By Todd Bishop & Taylor Soper, GeekWire, August 24, 2022, <https://www.geekwire.com/2022/internal-memo-amazon-care-to-shut-down-not-a-complete-enough-offering-for-corporate-customers/> (Accessed 8/25/22).  
 7 For more information on Amazon Care, see “Amazon’s New Moves in Healthcare” Health Capital Topics, Vol. 14, Issue 3 (March 2021), [https://www.healthcapital.com/hcc/newsletter/03\\_21/HTML/AMAZON/convert\\_amazon\\_moves\\_healthcare\\_3.25.21.php](https://www.healthcapital.com/hcc/newsletter/03_21/HTML/AMAZON/convert_amazon_moves_healthcare_3.25.21.php) (Accessed 8/24/22).

8 GeekWire, August 24, 2022.  
 9 “One Medical acquisition reveals Amazon’s healthcare strategy” By Brock E.W. Turner, Modern Healthcare, July 21, 2022, <https://www.modernhealthcare.com/mergers-acquisitions/one-medical-acquisition-reveals-amazons-healthcare-strategy> (Accessed 8/24/22).  
 10 GeekWire, August 24, 2022.  
 11 *Ibid.*  
 12 *Ibid.*  
 13 “Haven, the Amazon-Berkshire-JPMorgan venture to disrupt health care, is disbanding after 3 years” By Hugh Son, CNBC, January 4, 2021, <https://www.cnbc.com/2021/01/04/haven-the-amazon-berkshire-jpmorgan-venture-to-disrupt-healthcare-is-disbanding-after-3-years.html> (Accessed 3/9/21).  
 14 *Ibid.*  
 15 *Ibid.*  
 16 “Amazon to shut down telehealth venture Amazon Care by end of year” By Katie Palmer and Mario Aguilar, Stat News, August 24, 2022, <https://www.statnews.com/2022/08/24/amazon-to-shut-down-telehealth-venture-amazon-care-by-end-of-year/> (Accessed 8/25/22).



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