

Amazon's Healthcare Act II: The Introduction of Amazon Clinic

On November 15, 2022, retail giant Amazon announced the introduction of Amazon Clinic, “a virtual health service that delivers convenient, affordable care for common conditions.”¹

The message-based virtual storefront will operate in 32 states and provide care for the following common health conditions:

- (1) Acne
- (2) Asthma Refills
- (3) Birth Control
- (4) Cold Sores
- (5) Conjunctivitis
- (6) Dandruff
- (7) Eczema
- (8) Erectile Dysfunction
- (9) Eyelash Growth
- (10) Genital Herpes
- (11) Gastroesophageal Reflux Disease (GERD)
- (12) Hyperlipidemia Refills
- (13) Hypertension Refills
- (14) Hypothyroidism Refills
- (15) Men's Hair Loss
- (16) Migraines
- (17) Motion Sickness
- (18) Rosacea
- (19) Seasonal Allergies
- (20) Sinusitis
- (21) Smoking Cessation
- (22) Urinary Tract Infections (UTIs)
- (23) Yeast Infections²

Amazon Clinic patients will be able to select their condition from the 23 above-listed choices, then “choose from a network of leading telehealth providers [provided by Steady MD and HealthTap] based on their preferences.”³

Patients will be able to see the waiting time and cost (since Amazon Clinic does not yet accept insurance) associated with each clinician so patients can make a fully-informed decision.⁴ Patients will fill out an intake questionnaire and then will be connected to a clinician for a message-based consultation.⁵ The clinician will call in any needed prescriptions, and then follow up with the patient as needed for up to two weeks thereafter.⁶

This launch is also expected to eventually be augmented by Amazon's deal with OneMedical (which transaction is currently under antitrust review⁷). In July 2022, Amazon announced its \$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” in 25 markets.⁸ It is anticipated that “Amazon will bring One Medical's clinical network, subscription telehealth service, electronic health record and thousands of employer contracts in-house.”⁹ Exactly how One Medical will fit in with Amazon Clinic, however, has not yet been disclosed.

The launch of Amazon Clinic comes less than two months after the announcement that Amazon Care would be shut down. Amazon Clinic, the retail giant's virtual and in-person medical care service, was rolled out in 2019 as a pilot employee benefit for their own employees and quickly expanded to servicing non-Amazon employers across the U.S. (including large companies such as Hilton, TrueBlue, and Silicon Labs) by 2021.¹⁰ The service combined virtual and in-person care, offering home health services, telehealth appointments, and prescription delivery.¹¹ 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.¹² The August 2022 announcement rolling back Amazon Care came as a shock, as Amazon had 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.¹³ Amazon executives explained that Amazon Care was not the “right long-term solution for [its] enterprise customers” because it was not a “complete enough offering for the large enterprise customers [Amazon had] been targeting.”¹⁴

Further, Amazon Care is not Amazon's only failed healthcare initiative. The Haven joint venture, formed between Amazon, Berkshire Hathaway, and JPMorgan Chase, disbanded in January 2021, three years after its formation.¹⁵ The goal of Haven was to tackle high and increasing costs for employee healthcare.¹⁶

As reported by one industry commentator:

“Clinic is very much built in the Amazon mold. It’s a marketplace where third parties can leverage Amazon’s platform and reach to find customers, and Amazon can leverage third parties to quickly scale what [it] offers to its consumers. And it helps Amazon extend the business funnel for other Amazon operations — in this case Amazon Pharmacy...”¹⁷

- 1 “Introducing Amazon Clinic, a virtual health service that delivers convenient, affordable care for common conditions” By Nworah Ayogu, Amazon, November 15, 2022, <https://www.aboutamazon.com/news/retail/what-is-amazon-clinic> (Accessed 11/28/22).
- 2 *Ibid.*
- 3 However, patients may utilize their flexible spending accounts (FSA) and health savings accounts (HSA). *Ibid.*; “Amazon expands health care footprint with virtual clinic offering” By Arielle Dreher, November 16, 2022, Axios, <https://www.axios.com/2022/11/16/amazon-expands-health-care-footprint-with-virtual-clinic-offering> (Accessed 11/28/22).
- 4 However, patients may utilize their flexible spending accounts (FSA) and health savings accounts (HSA). Ayogu, Amazon, November 15, 2022.
- 5 *Ibid.*
- 6 *Ibid.*
- 7 “Amazon’s \$3.9B One Medical purchase is being reviewed by FTC, filings show” By Dave Muoio, Fierce Healthcare, September 6, 2022, <https://www.fiercehealthcare.com/health-tech/amazons-39b-one-medical-purchase-being-reviewed-ftc-filings-show> (Accessed 11/28/22).
- 8 “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);
- 9 *Ibid.*
- 10 “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:

As one tech industry pundit noted in response to Amazon’s announcement ending Amazon Care, “Amazon is known for sticking to a long-term vision while experimenting with different approaches to achieve its goals.”¹⁸ True to form perhaps, Amazon has pivoted from one approach (Amazon Care) to another (Amazon Clinic), and has gone back to its roots – as a marketplace in which third parties are aggregated for use by consumers – albeit with a healthcare spin.

- 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).
- 11 “Amazon Care” Amazon, <https://amazon.care/about> (Accessed 3/9/21).
 - 12 *Ibid.*
 - 13 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 (Accessed 8/24/22).
 - 14 “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).
 - 15 “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).
 - 16 *Ibid.*
 - 17 “After mothballing Amazon Care, Amazon reenters tele-health with Amazon Clinic, a marketplace for third-party virtual consultants” Ingrid Lunden, TechCrunch, November 15, 2022, <https://techcrunch.com/2022/11/15/amazon-clinic-telehealth-telemedicine/> (Accessed 11/28/22).
 - 18 Bishop & Soper, GeekWire, August 24, 2022.



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