

Amazon Care is dead, but the tech giant's health-care ambitions live on

After the sudden shutdown of its ambitious telemedicine experiment, the company continues to explore options for a major expansion into the health industry

[Caroline O'Donovan](#) September 4, 2022 at 6:00 a.m. EDT



Registered nurse Rocio Ortiz administers a vaccine at an event for workers at an Amazon fulfillment center in 2021. (John Locher/AP)

Late last month, staffers at Amazon Care — the company's in-person and virtual primary care service — were called into a meeting and given bad

news: [Amazon was shutting it down](#). Some employees were let go immediately. Others walked out. Everyone was promised paychecks through the end of December.

The news caught Amazon employees by surprise — including those who used the service as patients. The company's human resources staff had been promoting Amazon Care as a health benefit the same week it shut down, an Amazon employee told The Washington Post.

"This is a huge shock to a lot of us," said the employee, who spoke on the condition of anonymity to protect their job.

The demise of Amazon Care also came as a shock to industry observers. After launching publicly in 2019, it expanded quickly and was touted as one of the company's most important innovations. But there were also signs of trouble. To understand where Amazon is headed next in health care, the industry is looking for clues from a different direction: Amazon's acquisitions.

[*Amazon's health-care ambitions sometimes clashed with medical best practices*](#)

Amazon is in the process of acquiring primary care start-up One Medical for \$3.9 billion, although regulators said Friday they are taking a closer look at the deal. While the e-commerce giant's exact path into health care is unclear, Amazon has shown sustained interest in the primary care market, including providing home health care for seniors (a burgeoning opportunity as the baby-boom generation ages) and selling telehealth and mental health services to employers.

Amazon has long experimented with different models for expansion and growth. Amazon Web Services, its dominant cloud division, stemmed from its own needs but became a huge revenue center when Amazon started

selling it to other companies. For years, though, it failed to break through in groceries with Amazon Fresh, and in 2017 it acquired Whole Foods to boost that side of its business.

Health care may lend itself to the latter model. [The Post previously reported](#) that former Amazon Care employees had concerns about the tech giant's fast and frugal approach to health care and that medical professionals hired to provide care sometimes clashed with the company over its approach. And in a note to staff announcing the closure, the current executive in charge admitted that Amazon Care was failing to please its corporate customers.

[*Amazon will see you now: Tech giant buys health-care chain for \\$3.9 billion*](#)

"It must mean something went wrong in the calculus," said health-care consultant Paddy Padmanabhan of the Amazon Care closure.

Ali Parsa, CEO of digital health company Babylon Health, said when it comes to building a primary care service from scratch, "there are no shortcuts."

"I'm not sure somebody can replicate this overnight," he said. "I think the acquisition of One Medical is an admission that they need to learn that knowledge."

Some industry experts and current and former Amazon employees said Amazon will likely have to narrow and focus its health-care goals — perhaps to employer-based models, or virtual mental health care, or caring for the 65+ population. Others said Amazon's plan is still to ultimately dominate consumer health care across the board, much like its efforts in e-commerce, logistics and cloud services.

The Post spoke with six current and former employees, as well as four industry experts, about where Amazon's strategy for health will go post-

Amazon Care. Some spoke on the condition of anonymity because they're still employed by Amazon and aren't authorized to speak publicly, or because they previously signed a nondisclosure agreement.

"We believe health care is high on the list of experiences that need reinvention, and Amazon is committed to advocating on issues that are important to our customers, our employees, and policymakers," Amazon spokesperson Julia Lawless said in an email statement.

Amazon founder Jeff Bezos owns The Post.

One way to understand where Amazon sees big opportunities in health care is to look at how it is exerting its influence in Washington, D.C.

In March 2021, Amazon Care [helped found](#) a lobbying group called Moving Health Home along with other health care companies. That included a home health company, Landmark Health, whose founder, Adam Boehler, ran Medicaid and Medicare under former president Donald Trump.

The coalition has encouraged Congress to extend waivers approved during the coronavirus pandemic that loosened federal regulations around home health care. The group's ultimate goal is to make those waivers permanent.

It has also encouraged the Centers for Medicare & Medicaid to cover treatment delivered at home at the same rate it pays for care delivered at a medical facility, a shift that could hold massive financial benefits for health and technology companies, especially if private insurers followed suit.

Moving Health Home spent \$440,000 on lobbying the federal government in 2021, and an additional \$220,000 in the first half of 2022, [according](#) to OpenSecrets, which tracks the influence of money in politics. How much of that funding came from Amazon is unclear.

The investment, while modest, is notable: Amazon Care was Amazon's only at-home care operation, and One Medical doesn't provide in-home care. Lobbyist Krista Drobac, who heads Moving Health Home, declined to be interviewed about Amazon's intentions, but said at the time that the group had not been made aware of Amazon Care's closure before the public announcement.

The Amazon spokesperson said that, even after Amazon Care shuts down, the company will "continue to work with industry stakeholders, including Moving Health Home, as part of this transition."

Amazon has also signaled its intentions through potential acquisitions. The Wall Street Journal reported last month that Amazon was [among the bidders](#) for an at-home risk assessment company called Signify. Signify, which is also a member of the Moving Health Home coalition, employs a staff of clinicians who visit private homes to evaluate older adults.

The Wall Street Journal [reported](#) last week that Signify is likely to be bought by CVS, but Amazon's initial interest, combined with its ongoing lobbying activity, suggests it could have plans in the at-home care space.

Amazon's other acquisition target, One Medical, in June 2021 acquired Iora Health, a primary care service aimed at adults 65 and over, a population that is growing rapidly as the baby-boom generation ages. Treating that population at home is a potentially lucrative market: Revenue in home health care grew by more than fifty percent between 2013 and 2020, according to the [Census Bureau](#).

An Amazon spokesperson said the company can't comment on its deal with One Medical until it's completed, a process that could take months; the Federal Trade Commission issued a request for additional information from both parties on Friday.

[After months of deadlock, Lina Khan is unleashed](#)

Amazon's health-care investments have been aimed at serving its own employees. As the second-largest private employer in the U.S., health care is a major cost for Amazon.

By building an internal health service, the company hoped to cut costs while creating a convenient product that could be sold to other major employers, just as its internal cloud computing operation grew into the highly profitable Amazon Web Services.

According to ratings, reviews and interviews with patients, Amazon Care succeeded in delighting patients, but the project's real customers — corporations — didn't feel the same way. In an email to staff, Amazon health vice president Neil Lindsay said Amazon Care "is not a complete enough offering for the large enterprise customers we have been targeting."

The One Medical deal would help Amazon acquire the workforce and physical infrastructure for primary care just as it did with Whole Foods and grocery.

"They decided this is too hard to build on their own from scratch, so they are acquiring somebody to give them a kick-start in the same way they tried to do with perishable goods by acquiring Whole Foods," said Babylon Health's Parsa, who does not have direct knowledge of the deal.

[Amazon just bought my doctor's office. That makes me very nervous.](#)

It could also potentially help Amazon in its quest to lower employee health-care costs, as One Medical is largely provided to consumers as an employer benefit, former Amazon employees said. Before shutting down, Amazon Care had announced a deal with online therapy company Ginger, which also

uses an employer-based business model. Though the status of that partnership is unclear and Ginger declined to comment, it's another sign Amazon is interested in employer-based models.

Health consultant Lyndean Brick said virtual mental health "works very well, and [Amazon is] just one of many players that are doing this."

Amazon has a long history of experimentation — and abandonment. It famously killed the Fire Phone in 2015, its would-be answer to the iPhone, after spending just one year and \$170 million on the project, according to [the New Yorker](#). More recently, Amazon CEO Andy Jassy announced the company was walking away from its bookstores and other brick-and-mortar retail investments in an effort to refocus on areas of growth.

Amazon's health-care division in particular has seen high-profile projects come and go. In 2018, Amazon announced it was partnering with finance behemoths JP Morgan and Berkshire Hathaway on a health insurance project called Haven that was supposed to revolutionize the employer-based health-care model. But in January 2021, Haven announced it was [shutting down](#), though the "learnings," JPMorgan CEO Jamie Dimon said in a letter to employees at the time, had been "invaluable."

Haven wasn't the end of Amazon's lofty health ambitions. The same month it closed shop, Amazon senior vice president Dave Clark, who has since left the company, wrote a public letter to newly inaugurated President Biden offering to help organize the administration's coronavirus vaccination operation. Having processed over a million coronavirus tests for its own employees, the company later tried to sell its own coronavirus testing kit online, only to [close the lab](#) in June.

[*Why Amazon is buying One Medical*](#)

In recent months, Amazon gave every indication that Amazon Care was a growing and important part of its overall health-care business.

The company was actively recruiting staff and attending industry conferences this summer, according to LinkedIn posts and Amazon's own website. It launched its at-home, mobile services in San Francisco in June, saying it would soon expand to 20 U.S. cities. In a letter to shareholders earlier this year, Jassy called Amazon Care and Pharmacy among the company's most exciting examples of innovation.

Amazon Care's surprise closure left health-care providers scrambling to provide an explanation to patients who heard the news in the media, according to a current Amazon staffer who spoke on the condition of anonymity because they aren't authorized to speak publicly.

Inpatient and primary Amazon Care services will shut down by the end of September, while urgent care via video and chat will be available until the end of the year, according to an email sent to patients this week, a copy of which was obtained by The Post.

"There was no guidance, and still isn't any guidance, on how to advise medical patients on their ongoing care," the current Amazon Care staffer said in a message. The company, she continued, was continuing to make "it difficult to give patients the fully rounded care experience they deserved."

Yeganeh Torbati and Christopher Rowland contributed to this report.