

## Amazon's New Moves in Healthcare

Amazon, the largest e-commerce company in the world,<sup>1</sup> has made large, strategic moves over the past several years to make a place for themselves in healthcare. This article will review Amazon's most recent advancements in the industry, including those related to Amazon's voice-controlled personal assistant, Alexa, and Amazon's employee healthcare system, Amazon Care, and how this non-healthcare company is changing the industry.

### *Amazon Alexa*

In 2019, Amazon launched an initiative using its personal assistant and Amazon Echo smart speaker technology, called Amazon Alexa (Alexa), to assist in home healthcare, health-related questions, health monitoring, and medication and other reminders.<sup>2</sup> According to new projections, the smart speaker market is expected to be worth over \$23 billion by 2025.<sup>3</sup> Alexa and Amazon are leading this market with 61% of market share.<sup>4</sup> Early in 2019, Amazon released new technology abilities (termed "skills" by Amazon) for Alexa that are compliant with the *Health Insurance Portability and Accountability Act* (HIPAA).<sup>5</sup> These skills, made in collaboration with healthcare partners, include checking the status of prescription deliveries; managing health improvement goals; post-operation updates and symptom checking; scheduling urgent care appointments; providing personalized health information based blood sugar tracking and trends; and, reviewing prescriptions, setting reminders to take medications, and requesting prescription refills.<sup>6</sup> These skills were developed through partners such as Express Scripts, Cigna Health, Boston Children's Hospital, and Livongo (which recently merged with Teladoc Health).<sup>7</sup>

During the COVID-19 pandemic, Alexa has been trained in new skills, such as explaining an individual's risk level for the virus; analyzing their symptoms; disseminating up-to-date information from the *Centers for Disease Control and Prevention* (CDC) and *World Health Organization* (WHO); and, helping consumers find test centers.<sup>8</sup> Alexa devices were also used in overwhelmed hospitals to allow nurses to check in on patients remotely through video, saving clinical staff valuable time and reducing the risk of infection between provider and patient.<sup>9</sup>

Amazon has opened up the development of these skills to healthcare organizations, in order to allow providers to

develop new healthcare skills for the device, and has a dedicated Health & Wellness team in their Alexa development branch.<sup>10</sup> The team's main goal is to connect patients with their care, and future innovations between Amazon and corporate partners hold the potential to enable patients to take control of their health, stick to prescribed regimens, watch videos and information on basic care and even physical therapy routines, more efficiently connect patients and providers, and reduce avoidable healthcare costs – such as those related to patient nonadherence with medication schedules.<sup>11</sup>

### *Amazon Care*

Amazon also began offering their pilot employee benefit program, Amazon Care, in 2019.<sup>12</sup> The service is a combination of virtual and in-person care, offering home health services, telehealth appointments, and prescription delivery.<sup>13</sup> Employees are encouraged to use the 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>14</sup> The program expanded quickly, from servicing only employees and their dependents in the Seattle area to operating throughout the entire state of Washington by September 2020.<sup>15</sup> Amazon Care contracts with a medical practice called Care Medical to provide these services.<sup>16</sup> Most recently, on March 17, 2021, Amazon announced that its telemedicine program will be made available to employers nationwide.<sup>17</sup> Services will be immediately available to Washington State employers, with all Amazon workers and any interested private employers able to join by the summer of 2021.<sup>18</sup>

The director of Amazon Care, Kristen Helton, attributed this recent expansion partially to the COVID-19 pandemic, which emphasized the need for in-home care and remote services, such as those provided by this program.<sup>19</sup> Helton also stated that Amazon's telemedicine services have garnered high satisfaction scores from its employees in Washington, where the service was launched in 2019.<sup>20</sup> Amazon Care's expansion of in-person services nationwide also appears to be eminent. In fact, Amazon Care's contractor, Care Medical, filed paperwork to begin operating in five new states in February 2021 alone, totaling 17 states where Amazon Care is preparing to provide in-person services outside of Washington State.<sup>21</sup>

Of note, the joint venture called Haven, formed between Amazon, Berkshire Hathaway, and JPMorgan Chase, disbanded in January 2021, three years after its formation.<sup>22</sup> The goal of Haven was to tackle high and increasing costs for employee healthcare.<sup>23</sup> While this 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>24</sup> Insights from this venture will likely be important for Amazon in its expansion plans for Amazon Care.

Further, Amazon Care appears to have picked up Haven's mantle in collaborating with others to bring sweeping legislative, regulatory, and reimbursement changes to the U.S. healthcare system. On March 3, 2021, a new coalition called "Moving Health Home" was announced.<sup>25</sup> The program includes eight founding organizations: Amazon Care, Landmark Health, Signify Health, DispatchHealth, Elara Caring, Intermountain Healthcare, Home Instead Senior Care, and Ascension.<sup>26</sup> Moving Health Home has five main policy priorities:

- (1) Expand Medicare coverage of "higher-acuity home-based services," such as emergency services;
- (2) Retain site of care flexibility for hospitals in order to allow them to treat patients in residential settings;
- (3) Reform or eliminate the Medicare budget neutrality requirement<sup>27</sup> and include codes for home-based evaluation and monitoring (E/M) to provide seniors better access to treatment;
- (4) Create a bundled payment model for extended home care as a quality-improving and cost-effective solution for long-term care facilities; and,
- (5) Amend the *National Association of Insurance Commissioners* (NAIC) model law on commercial network adequacy to designate the home as a site of care, so that home-based care can more easily meet commercial and Medicare Advantage network requirements.<sup>28</sup>

Moving Health Home has created these priorities based on new evidence related to quality, cost savings, and patient satisfaction.<sup>29</sup> The COVID-19 pandemic accelerated the move to at-home care by temporarily removing many of the regulatory and financial restrictions that hampered growth in, and transitions to, this area.<sup>30</sup> Moving Health Home, as well as other organizations, are now advocating for many of these temporary allowances to become permanent, including those discussed above as well as telemedicine reimbursement.<sup>31</sup>

### Conclusion

Similar to how Amazon developed its now widely-used *Amazon Web Services* (AWS) platform, the company developed Amazon Care to address its own needs for employee coverage at lower costs.<sup>32</sup> Now, as Amazon prepares to launch its healthcare system nationwide to employees and to other private businesses, its experience in contracting with businesses through AWS should serve it well.<sup>33</sup> One key to launching into the telemedicine space, experts say, will be these effective contracting skills, as well as differentiation and recognition.<sup>34</sup> Amazon's healthcare services provided through Alexa and its pharmacy services will likely help the organization differentiate itself.<sup>35</sup> Further, Amazon already enjoys widespread brand-name recognition that will aid its expansion into this new sector.<sup>36</sup> Should the Moving Health Home initiative create greater financial incentives for the kind of healthcare that Amazon Care provides, these services will be in even greater demand and position Amazon for long-term industry success. Whether this coalition will, in fact, have any major effects remains to be seen, but what is clear is that Amazon Care is making strategic moves to expand their own offerings and be an agent of change in the wider U.S. healthcare system.

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