

Amazon Takes Another Big Step Toward Getting Into Healthcare

Description

Amazon (NASDAQ: AMZN) has been dropping hints about its ambitions in healthcare for years. The company acquired online pharmacy Pillpack for nearly \$1 billion last June. It formed a joint venture with Berkshire Hathaway and JPMorgan Chase called Haven, which is aiming to disrupt the healthcare system, and the company has loaded its conversational artificial intelligence (AI) Alexa system with healthcare skills, like notifications when prescriptions need to be refilled and information on users' blood sugar levels.

This month, Amazon took its biggest dive yet into the \$3.7 trillion healthcare industry. The company just launched Amazon Care, a primary-care clinic for Amazon employees in Seattle, accessible at amazon.care.

Baby steps

Like Amazon's other big innovations — including its cloud-computing division Amazon Web Services, its third-party marketplace and fulfillment services, its cashier-less Amazon Go stores, and its fast-growing logistics operation — Amazon is starting its healthcare initiative by testing it out in-house, serving its own employees first before potentially opening it to the public.

Amazon Care combines a number of features you would expect from an Amazon-led healthcare venture with the more traditional services that other healthcare enterprises provide.

Promising to offer the best of both in-person and virtual healthcare, Amazon Care's main services include urgent care for things like colds and infections, preventative wellness consultations and lab tests, testing for sexually transmitted infections, and answers to general health questions.

Not surprisingly, Amazon Care puts a heavy focus on <u>technology</u>. The service offers an in-app text chat that will connect patients seeking advice to actual nurses within minutes of making a request. It also offers video-based appointments with doctors who can offer diagnoses and treatments, something most physicians refuse to do over the phone or through videoconferencing. Amazon combines those virtual care services with in-home or in-office visits as needed, and prescription drug delivery in as little

as two hours. The company is partnering with Oasis Medical for the virtual and in-person services.

What's next

With its own online pharmacy, unmatched end-to-end delivery capabilities, and a reputation for fast delivery and customer satisfaction, Amazon may be better positioned than any other company to provide speedy and reliable prescription drug delivery. Such a service offers a significant alternative to a healthcare process that is ripe for disruption. Most patients would rather avoid making trips to the local pharmacy and Amazon could be the solution.

Similarly, voice-activated Al Alexa forms a basis for Amazon to collect information from patients and provide simple advice, as it has already begun doing. Haven, the health insurance-focused joint venture, has moved slowly and mostly remains a mystery, but that project will likely inform Amazon Care as it progresses.

As a <u>spokesperson told CNBC</u>, Amazon Care is designed to "help Amazon employees get fast access to healthcare without an appointment, at the convenience of their schedules, at their preferred location (home, office, or virtual). Amazon Care eliminates travel and wait time, connecting employees and their family members to a physician or nurse practitioner through live chat or video." Putting customer convenience above all else is a classic Amazon tactic.

More than anything else, the company's success has come from making things easy and convenient for customers. Its e-commerce business has been so successful because the company consistently pushes itself to make delivery faster, make returns easier, add more products, and provide better customer service. Its mission is to be Earth's most customer-centric company, and healthcare, which regularly ranks among Americans' most-hated industries, is ripe for disruption and could benefit from an increased focus on the customer.

Amazon is already one of the biggest companies in the world, but the healthcare industry, worth trillions of dollars and representing something everyone needs, has enormous potential for the company. Amazon has many of the attributes, including customer trust, needed to disrupt the sector, and the company has a long history as a disruptor. The Amazon Care launch could be just the beginning of the tech giant's invasion of healthcare.

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