

The Doctor is In – At Amazon

Labor & Employment Law Update

By Suzannah Wilson Overholt on October 30, 2019

Last year we reported on Haven Healthcare, the venture started by Amazon, Berkshire Hathaway and J.P. Morgan. Amazon has now announced a pilot program for its employees in Seattle that puts a modern spin on employer provided health care.

Announced in September, Amazon Care provides telemedicine and in-person health care services. Employees can see a provider via a mobile app or website and text a nurse on any health topic. If follow-up care is needed, a nurse can make a home visit. Amazon contracted with a private practice for the nurse visits to collect lab samples, perform some testing (e.g. strep throat), administer common vaccines, and perform physical examinations. Courier Care delivers medications to employees' homes (likely linked to Amazon's earlier purchase of medication delivery company PillPack).

This announcement follows Amazon's hiring of a health care technology expert and a physician who supervised a chain of health clinics in Seattle. Amazon strengthened the telemedicine component of Amazon Care last week when it purchased Health Navigator, which supports medical providers through automated technology. Health Navigator has a tool that recognizes a patient's written complaints and acts like a doctor would when listening to a patient describe symptoms. The company also has a health "bot" chat function that asks a patient questions and then interprets the answers to recommend next steps for care. A "diagnosis symptom checker" generates a list of possible causes for a symptom based on a patient's responses to questions.

Amazon Care is not connected to the employees' regular health care providers, which may limit coordinated care. However, Amazon maintains that the program is a supplement to, not a substitute for, health insurance already offered to its employees. Only employees who participate in Amazon's health plans can participate in Amazon Care.

Amazon's model is a far cry from the employer sponsored health clinics of yesteryear and reflects a growing trend among employers interested in controlling health care costs. Employers hope such clinics will prevent chronic diseases among their workforce through a renewed emphasis on primary care and improve productivity since employees do not have to miss time from work for doctors' appointments. They are also a recruiting (and retention) tool. Clinic operators have been exploring ways to use technology or develop new models to extend the reach of their services.

In 2018, a-third of U.S. employers with 5,000 or more employees offered general medical worksite clinics, up from 24% in 2012. Many of these employers contract with third-party clinic operators, creating a growing market for such companies. Health systems operate about 18% of worksite clinics.

Amazon's model is different, however, because Amazon is self-insured and is creating its own health care system separate from the existing market by contracting directly with providers and acquiring the assets to provide telemedicine services. This appears to be an introduction to Haven Healthcare's objective and could have wide ranging implications for insurers, health care providers and employers by restructuring the manner in which health care is provided and coordinated. We will continue to monitor this developing trend and provide further updates.

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