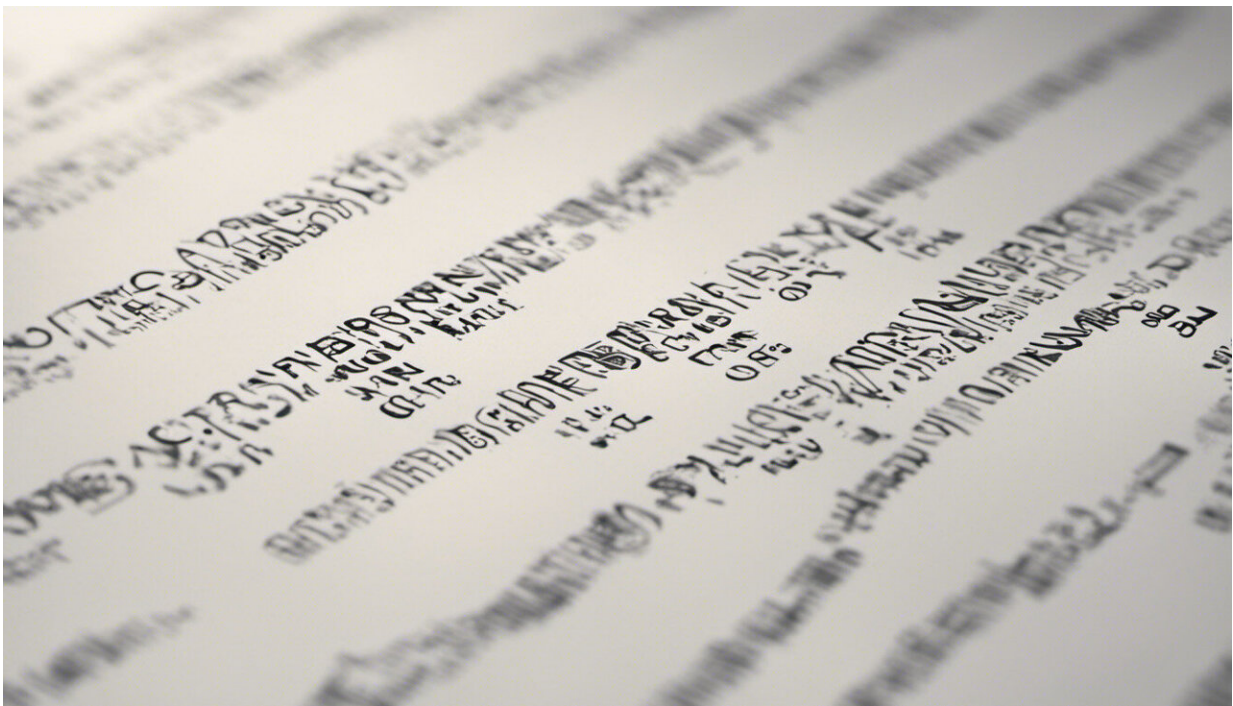


Amazon just took over a primary health care company for a lot of money. Should we be worried?

July 27 2022, by Mohiuddin Ahmed and Paul Haskell-Dowland



Credit: AI-generated image ([disclaimer](#))

This week, Amazon announced [plans](#) to fork out US\$3.9 billion (A\$5.6 billion) to acquire U.S. health care company [One Medical](#).

One Medical [reportedly](#) provides primary care on a membership basis to

some 800,000 people across the United States. In its own words, it claims to be "on a mission to make getting quality care more affordable, accessible and enjoyable for all."

But why is Amazon—the company that helps you get a cheap home projector, or a toaster—investing in this area?

What is One Medical?

With a [subscription fee](#) of just US\$199 per year, One Medical helps bridge the gap between the U.S.'s inefficient public [health care](#) system and people's need for (expensive) health care insurance.

It provides a comprehensive set of online resources for paying members, including a mobile app to seek medical support and "24/7 access to virtual care."

Evidently the company has done well for itself, reporting a net revenue of more than US\$250 million in 2022's [first quarter](#).

Meanwhile, Amazon has been increasing its presence in the health care sector for some years. In 2018 it acquired [PillPack](#), which became [Amazon Pharmacy](#). And in 2020 it introduced [Amazon Care](#)—a virtual health care company that connects patients with a range of telehealth and primary care services.

By acquiring One Medical, which was a competitor, Amazon is moving further in on the U.S. health care market. This isn't dissimilar to what it did with book retailers, when it first launched as what was essentially an [online bookstore](#).

Is it all about data?

Amazon knows a lot about its customers. Through user browsing and purchases made on its website, it collects [vast amounts](#) of data to better understand what people need and want—with the ultimate goal of selling more products and services.

Amazon also has the option to tap into a worldwide network of Amazon-branded devices, such as Echo and Alexa. [Recent research](#) has suggested Amazon uses [voice data](#) collected through Alexa to target [potential customers](#) with advertisements.

Often, [tech companies](#) claim they collect data to generate a more positive experience for customers. They might be able to present you with personalized product options, saving you time and energy.

But what about when you combine this data with more privileged and [sensitive information](#) related to your health?

Connecting the dots

Amazon isn't just a giant online shopping mall. It's also a leading provider of artificial intelligence (AI) services.

While there may be some legislative protections in certain jurisdictions, it wouldn't be difficult for Amazon to connect the dots between people's health care data and all the other data it already collects.

Home > Household Appliances > Small Kitchen Appliances

Tiger IH Pressure Rice Cooker JPK-G18A 10 Cups
Brand: Tiger

\$740.00

Secure transaction Returns Policy

Brand: Tiger
Material: Ceramic
Capacity: 1.8 Liters
Item dimensions: 4 x 3 x 5 millimetres
L x W x H
Item weight: 6.6 Kilograms

About this item

- IH (induction heating) system generates high heat power
- Heat storage properties of heat sealing ceramic coating
- 5 layer heat sealing ceramic coating inner pot
- High-temperature boiling more strongly brings out the sweetness of rice

Only 5 left in stock.
Quantity: 1
Add to Cart
Buy now

Secure transaction
Ships from: Hello Kitchen AU
Sold by: Hello Kitchen AU
Add to Wish List

Buy it with

Some of these items dispatch sooner than the others. Show details

This item: Tiger IH Pressure Rice Cooker JPK-G18A 10 Cups, \$740.00

Asell Rice Container Bin with Pour Spout Plastic Clear 2L 7500, Plastic, White, Clear, 1 Pack, \$335.00

Tiger Cook 3.5 Gall microcomputer rice cooker White TIGER JBH-G101-W \$305.22

Total Price: \$1,085.22
Add all items to Cart

Amazon tries to keep users in its online retail environment by constantly suggesting more products to buy. Author provided

An Amazon spokesperson said One Medical customer information protected under the US Health Insurance Portability and Accountability Act (HIPAA) would be "handled separately from all other Amazon businesses as required by law."

This does point to some basic level of privacy protection; [HIPAA](#) is designed to protect people's personally identifiable information, [medical history](#) and other sensitive health data.

But how well Amazon can assure customers this is being adhered to will hinge on it being transparent. Without this, it will be hard for anyone on the outside to figure out the inner workings of the data handling.

The spokesperson said: "As required by law, Amazon will never share One Medical customers' personal health information outside of One Medical for advertising or marketing purposes of other Amazon products and services without clear permission from the customer."

In regard to needing "clear permission from customers," ideally this means Amazon will ensure the permissions process is absolutely transparent. But transparency around data-sharing requests remains a murky issue in the big tech space.

After all, voice data collected by Amazon devices can [be deleted](#)—but how many people do this? How many are aware they can?

Will Amazon start targeting [Amazon Pharmacy](#) ads for vital medications to One Medical patients who have provided "clear permission" for data sharing?

In the past, Amazon has admitted to handing over people's personal data (collected through its Ring doorbells) to U.S. police, [without consent or warrants](#).

Expanding its empire?

As Amazon steps further into the health care space, it's not a stretch to think it could combine its AI capabilities and Alexa voice data to target sick people with medical products or Amazon Care services.

In a [worst-case scenario](#), we may see Amazon monopolize the U.S. health care industry, with its usual practice of undercutting competitors

and hard-selling to customers. It lures customers with low prices, before egging them into buying more.

Amazon Pharmacy already offers [discounted drugs](#) to Prime members. And it could be imagined those willing to pay higher fees might secure better health care from Amazon, opening a door into health insurance services.

The wealth of information Amazon is aggregating also makes it a more attractive target for cyber attacks and [data](#) leaks. Information that was previously held in various, disparate networks is now contained within the servers of one organization. Criminals will inevitably take an interest.

The sensitive nature of patient information, coupled with the fact that many health organizations still use outdated digital infrastructure, means the health care industry is ripe for exploitation.

Could it happen here?

Luckily, the Australian health care system is not like the U.S. model, where there's no universal health care program.

Currently, [just over half](#) of Australian residents have private health insurance. But private health membership has declined, on and off, since the country's publicly funded universal health care scheme was introduced in 1975 (as Medibank), before being replaced by the Medicare system in 1984.

Australia has [more than 30](#) health insurers offering around 3,500 different health insurance products. With this much competition, it's unlikely Amazon will be interested in entering the Australian market with [health](#) care products—at least for the foreseeable future.

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Provided by The Conversation

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<https://techxplore.com/news/2022-07-amazon-primary-health-company-lot.html>

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