

Press Release

Amazon launches personal health concierge platform Amazon Vitalis

Service will eliminate friction from the healthcare experience, and deliver better care with greater convenience at a lower price point

Building on capabilities from the One Medical network and Amazon Pharmacy, Amazon Vitalis will deliver wellness, healthcare and diagnostics over virtual and in-person formats

SEATTLE & LOS ANGELES (BUSINESS WIRE) -- Sept 21, 2022 (BUSINESS WIRE) Amazon (NASDAQ:AMZN) announced the launch of a dedicated wellness application Amazon Vitalis that will allow customers to manage all their health and wellness needs in a single place. Integrating across the spectrum of Amazon's services and solving pain points in the existing infrastructure, Amazon Vitalis will transform the care experience by providing customers more accessible and hassle-free access. Services will be accessible both online and in-person, by integrating into Amazon's familiar ecosystem of services to bring preventive care, at-home diagnostics and pharmacy at the customers' fingertips.

Convenience and responsiveness, accelerated by technology

Los Angeles resident Jamie Dovan, 64, a trial user for Amazon Vitalis pre-launch, describes how they manage type-1 diabetes and rheumatoid arthritis. "I set alarms on my phone to remind me to check my sugar levels and give myself a shot of insulin. After all these years, one would guess I wouldn't forget stocking up, but sometimes I do and then I have to drive out to my nearest pharmacy and hope they have it in stock. Without a referral, it costs about \$90 out-of-pocket. Planning for the doctor's visit has been a challenge all these years, because I don't get appointments sooner than a month or two away. And when I do get appointments, they need separate visits, one for my diabetes visit and another for arthritis."

Geography can be a major determinant for quality of care, with specialists for conditions like diabetes, arthritis, and general geriatric care concentrated in urban centres. "Since my knees got weaker, driving around has become harder too", Dovan concurs.

Assisting users towards day-to-day wellness and preventive care

Amazon Vitalis will help patients like Dovan not only with their better management of their medical needs, but also with living healthier lifestyles to reduce the very need for acute medical care. They will receive intelligent Alexa reminders for their morning insulin and vitamins over Echo Dot and Amazon Halo, and on the Amazon Vitalis app. Healthy eating is a click away on the Amazon Vitalis app, with the Amazon Fresh Buy Now feature.

Data for daily fitness activity, and always-on heart rate collected over the newest Amazon Halo band with ECG functionality (scheduled launch in the first half of 2023), is analyzed within Amazon Vitalis to deliver wellness suggestions.

The service auto-refills prescriptions running low, which get delivered to your doorstep in 2 days (select locations) by Amazon Pharmacy. "I use pretty much the same medication, so driving 16 miles to get the refill prescription has been frustrating all these years.", Dovan notes. "But the other day, I loved how I had the choice to book an in-person visit for the next day over the Amazon Vitalis because I felt that I needed the doctor to have a look at my eye."

Fitness and health parameters tracked by Amazon Halo will be used to draw the user's and doctor's attention to when medical attention is warranted. "Our patients reach for care sooner when they see their body react a certain way in numbers, letting us handle conditions better", says Dr. DeShawn Kathey, whose clinic in suburban San Francisco reported a rise in patients accessing online consultation for conditions like hypertension and type-2 diabetes¹, which then allows better outcomes.

Universal and usable care for everyone

Amazon proudly supports and empowers the health needs of the LGBTQIA+ community. The Amazon Vitalis provider network boasts strong access to affirming health practitioners and specialists, dedicated to eliminating the obstacles to healthcare the community often faces. Some of the services available as part of LGBTQIA+ care are: hassle-free STI testing with at-home test kit delivery and discreet drop off at specified locations such as Amazon Hub, at-home PrEP delivery, comprehensive transgender health consultation including hormone therapy, and LGBTQIA+ affirming family-planning are some of the services available over Vitalis.

Availability

Amazon Vitalis launches October 5th, 2022, at \$24.99 monthly, excluding taxes.

¹ <https://pubmed.ncbi.nlm.nih.gov/33435946/>

FAQs

Customer FAQs

Q: I am new to the telehealth format. How will it meet my healthcare needs?

A: Telehealth delivers doctor appointments to your fingertips, and takes the hassle – scheduling, driving down to the location, parking and the waiting lobby – out of the process. All you do is schedule an appointment and the doctor calls you on the Amazon Vitalis app at your time. The consultation process is nearly identical to an in-person visit, where you describe your condition, and your physician or specialist asks you follow up questions. If you or your doctor feels that in-person visit is required for your condition, you can schedule one similarly from the app, same day or next day. NOTE: If you are in acute discomfort or need urgent attention, go to the nearest Emergency Response (ER) centre.

Q: I just moved jobs/states/insurance providers. How will my current insurance provider integrate with this?

A: Virtual care is available from everywhere in the United States. Amazon Vitalis accepts most major insurance providers, including Medicare and Medicaid, and integrates with the major networks of the region it has physical locations in. Check availability for in-person care near you, and for accepted insurance providers [here](#).

Q: I have an elderly parent/young child in my family. Does this plan cater to their needs?

A: Amazon Vitalis is usable by all age cohorts. For segments requiring specialized additional care, users will be matched with specialists for expert consultation and care, such as geriatric internists for elderly care and pediatricians for young children. Initial setup for the app will involve registering users and entering their age cohorts, health status and conditions to track, and, optionally, previous medical history. Member for whom care is requested will be matched to the specialist available.

Q: I already have a One Medical and Amazon Prime subscription. Do I have to pay again?

A: Existing Amazon Prime customers can enroll into Amazon Vitalis at an additional \$ 9.99 monthly. Existing One Medical customers will not be affected by any changes until their current subscriptions expire.

Q: I have transgender health needs and am on hormone therapy and have other sexual health needs. Do you cater to this?

A: Amazon Vitalis network caters to healthcare for the LGBTQIA+ community with empathetic and dedicated professionals committed to providing accessible and friendly healthcare on its roster. Amazon Vitalis covers hormone therapy, PrEP, referrals for gender-affirming surgical care, and general sexual and reproductive health consultation including mental wellbeing through.

Q. How is my data handled?

A: Amazon handles user data with utmost care and has an unwavering commitment to privacy. HIPAA-covered data when collected is handled in HIPAA-compliant ways. In line with Federal regulations, including but not limited to 45 CFR 164.512(b)(1), some data transfers will not be subject to express patient approval. Refer to Amazon Vitalis and my health data Privacy, and Notice of Privacy Practices.

Internal FAQs

Q. Is this feasible? Why launch One Medical under Amazon Vitalis?

A: Consolidating recent acquisitions under one app, Vitalis, and leveraging our existing expertise in logistics and technology will let us create a seamless experience for the customer. This will create synergy among our offerings, allow cross-selling and drive additional revenue growth across Amazon Pharmacy, Fresh, Prime, Retail, and the scheduled new Amazon Halo.

Appendix D demonstrates how Amazon Pharmacy is projected to have a standalone revenue increase of over \$1 billion annually. Amazon Fresh starts with a \$216 million in revenue which is projected to double in 3 years. Growth in Prime subscriptions annually is also expected to be around \$85 million.

Q. Is launching a Amazon Vitalis as an app the best way forward? What are the opportunities?

A: The digital capabilities of the Amazon ecosystem can only truly be delivered over an app. This delivery mode will also help to technologically integrate better with the other services it promises to build on, such as Amazon Halo, Amazon Echo and Amazon Prime. For example, many users use wellness platforms on iOS and Android mobile operating system, and using APIs (Application Programming Interfaces) to connect to this data is only possible over a mobile app. Similarly, vibrate-notifications to deliver reminders on-the-go for dose regiment management is also best delivered over app.

Q: How are we reducing healthcare inequity through this program?

A: Amazon Vitalis has a very conscious focus on inclusive healthcare, by having delivering focus on populations that need specialist healthcare. Making healthcare available on-line will expand reach to segments and communities that find distance an obstacle to quality healthcare, which tends to be clustered in urban centres. Building off the One Medical network also helps us cater to diverse segments such as the elderly, women, and LGBTQIA+ communities. Virtual delivery also allows us to cut delivery costs, letting us make it accessible at a lower price point.

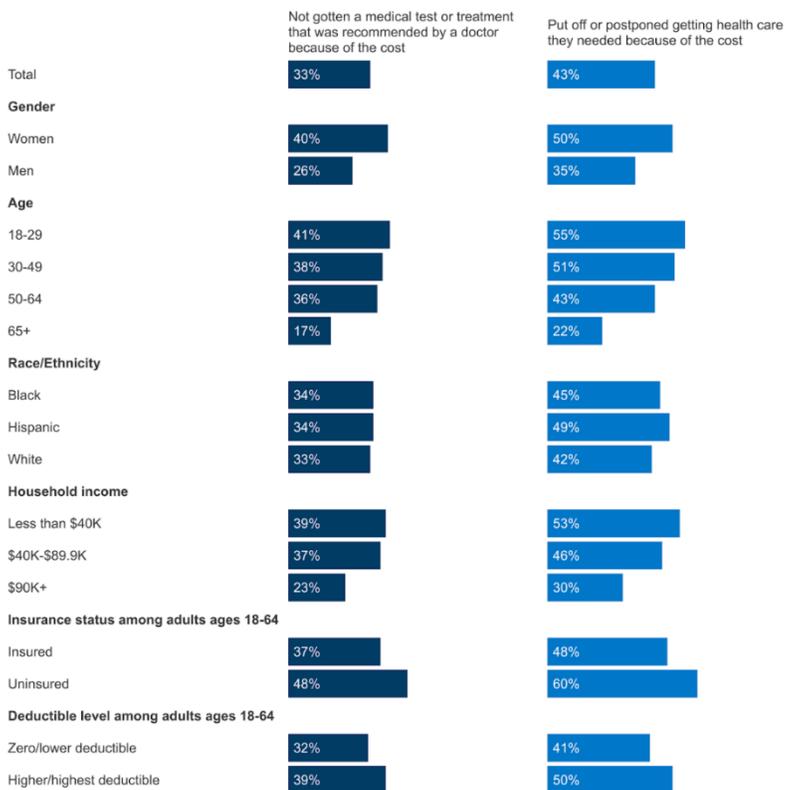
Appendix A: Customer experience for the new diagnostic drop off service



Appendix B: Impact of delayed diagnosis due to postponing healthcare

One-Third Of Adults Say They Or A Family Member Have Skipped Recommended Medical Treatment Due To Cost, While Four In Ten Say They Have Delayed Needed Care

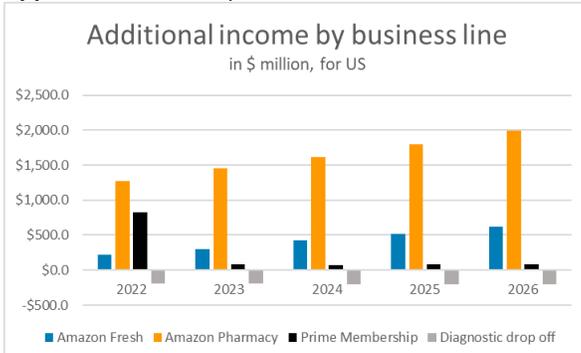
Percent who say, in the past 12 months, they or another family member living in their household has...



NOTE: See topline for full question wording.
SOURCE: KFF Health Care Debt Survey (Feb. 25-Mar. 20, 2022)

KFF

Appendix C: Income per business line for Amazon Vitalis



Appendix D: Breakdown of financial model that illustrate organization-wide benefits of Amazon Vitalis

	2022	2023	2024	2025	2026
Customers					
Digital health growth forecast	-	14.2%	10.9%	11.6%	10.4%
Amazon effect (additional growth % from Amazon's visibility)	150.0%				
Number of OneMedical/Primehealth exclusive customers	2.00	2.28	2.53	2.83	3.12
Number of Prime customers (millions)	163.5	167.2	171.8	176.2	180.5
US population (millions)	334.8	336.67	338.54	340.4	342.25
Amazon Fresh					
Amazon Fresh average cart value	\$72	\$72	\$72	\$72	\$72
Orders per month	2.74	2.74	2.74	2.74	2.74
Amazon Fresh spend per month per person	\$197.28	\$197.28	\$197.28	\$197.28	\$197.28
Amazon Fresh health conscious cart per month per person	\$242	\$242	\$242	\$242	\$242
Additional per cart revenue per year per person	\$540	\$540	\$540	\$540	\$540
Growth rate of online grocery	-	21.60%	27.40%	10.50%	7.90%
% of Vitalis users who would use Amazon Fresh	20%	24.3%	31.0%	34.2%	36.9%
Number of Vitalis users who would use Amazon Fresh (millions)	0.40	0.56	0.78	0.97	1.15
Total additional revenue for Amazon Fresh	\$216.0	\$299.9	\$423.9	\$522.6	\$622.4
Amazon Halo					
Price of Halo as-is	\$69.99	\$69.99	\$69.99	\$69.99	\$69.99
Price of a enhanced Halo w/ heart rate sensors	\$99.99	\$99.99	\$99.99	\$99.99	\$99.99
Price of annual subscription	\$48	\$48	\$48	\$48	\$48
Existing Halo users	13	17	21	25	29
Churn rate	30%	30%	30%	30%	30%
Churn reduction due to Vitalis	30%	30%	30%	30%	30%
Users retained due to Vitalis (millions)	1.17	1.53	1.89	2.25	2.61
Annual growth in fitness bands in US	4	4	4	4	4
Halo market share among fitness bands	1%	3%	3.5%	4%	4.5%
Halo market share after sync with Vitalis	3%	3.5%	4.0%	4.5%	5.0%
New Halo customers driven from Vitalis	0.08	0.02	0.02	0.02	0.02
Additional device sales revenue	\$3.84	\$0.96	\$0.96	\$0.96	\$0.96
Cost of enhancing Halo	(\$2.40)	(\$0.60)	(\$0.60)	(\$0.60)	(\$0.60)
Total annual revenue from Amazon Halo	\$1.44	\$0.36	\$0.36	\$0.36	\$0.36
Amazon Pharmacy					
Margins	15%	15%	15%	15%	15%
Spend per user	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
% US Adults who use digital pharmacies	12%	12%	12%	12%	12%
% digital pharmacy customers who'd use Amazon Pharmacy	30%	30%	30%	30%	30%
Number of customers	12.0528	12.12012	12.18744	12.2544	12.321
% of Vitalis users who would use Amazon Pharmacy	85%	85%	85%	85%	85%
Number of of Vitalis users who would use Amazon Pharmacy (millions)	1.7	1.94	2.15	2.40	2.65
Total additional annual revenue from Amazon Pharmacy	\$8,500	\$9,707	\$10,768	\$12,014	\$13,261
Total additional annual income from Amazon Pharmacy	\$1,275	\$1,456	\$1,615	\$1,802	\$1,989
Prime subscription growth					
Number of additional Prime subscribers from One Medical (millions)	0.64	0.28	0.25	0.29	0.29
Revenue from Halo customers' on Vitalis subscriptions	\$2.00	\$0.50	\$0.50	\$0.50	\$0.50
Number of additional Prime subscribers from Halo (millions)	2.13				
Number of additional Prime subscribers (millions)	2.77	0.28	0.25	0.29	0.29
Additional annual Prime subscription revenue	\$829.17	\$85.15	\$74.85	\$87.95	\$87.95
Diagnostics drop-off					
Amazon's overall returns spend	\$18,853.16	\$19,279.81	\$19,810.23	\$20,317.60	\$20,813.43
Cold storage logistics for shipping to test labs (1% of overall)	\$188.53	\$192.80	\$198.10	\$203.18	\$208.13
Overall diagnostic drop-off cost	-\$193.56	-\$192.80	-\$198.10	-\$203.18	-\$208.13
Income from Vitalis	\$2,128.05	\$1,648.66	\$1,916.13	\$2,209.87	\$2,491.68
Cumulative income	\$2,128.05	\$3,776.71	\$5,692.84	\$7,902.71	\$10,394.39

Note: Number of users and customers are "million users"

Assumptions:

- Amazon Fresh users calculated based on US respondents using online grocery (53%) and their preference for that service (45%).
- Percentage of One Medical and Halo users not on Amazon Prime estimated to be 40% and 25% respectively.
- Conversion rate for One Medical and Amazon Halo users onto Vitalis post-integration estimated at 80% and 50% respectively
- Capital expenditure needed to add cold storage at strategic locations nationally estimated to be \$5 million. Derived from an assumption of linear correlation between revenue and number of lockers, and assuming a 30% of them would be strategically suited for diagnostic drop-offs.