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<https://www.wsj.com/articles/amazon-closes-purchase-of-one-medical-network-of-health-clinics-9ac7993c>

TECH

Amazon Closes Health Clinic Deal in Bet on Physicians for Healthcare Growth

E-commerce company struck \$3.9 billion deal for One Medical as CVS, Walgreens also forge expansions based on clinicians

By [Sebastian Herrera](#) [Follow](#)

Updated Feb. 22, 2023 at 10:55 am ET



The deal for One Medical gives Amazon access to dozens of medical offices in more than 20 U.S. markets. JUSTIN SULLIVAN/GETTY IMAGES

[Amazon](#) AMZN **0.28%** ▲ .com Inc. closed a [\\$3.9 billion deal to acquire](#) an operator of primary-care clinics, joining an array of companies betting on physicians and medical services to broaden their reach in healthcare.

The company said Wednesday it had completed its acquisition of 1Life Healthcare Inc., which operates a primary-care practice under the name One Medical. The deal gives Amazon access to dozens of medical offices in more than 20 U.S. markets, as well as deals with thousands of

companies to provide health benefits to employees through in-person and virtual care.

“Together, we believe we can make the healthcare experience easier, faster, more personal and more convenient for everyone,” Amazon Chief Executive Andy Jassy said.

[CVS Health](#) Corp. **CVS 3.00%**  earlier this month said [it agreed to buy primary-care practice](#) Oak Street Health Inc. for about \$10.6 billion including debt. The merger would expand the healthcare company’s footprint of primary-care doctors with a large network of senior-focused clinics.

CVS rival Walgreens Boots Alliance Inc. has also [recently bet on doctors over drugstores](#) under CEO Rosalind Brewer. In November, Walgreens agreed to a deal valued at roughly \$9 billion to combine its primary-care-center subsidiary, Village Practice Management, with Summit Health, the parent company of CityMD urgent-care centers.

The deals all put physicians at the center of healthcare expansion for the companies, which have begun to compete for patients and seek out new customers for prescriptions. Amazon in January launched a [subscription service for Prime members named RxPass](#) that offers unlimited access to commonly prescribed generic medications for \$5 a month.

Amazon said it would temporarily offer annual memberships at a discounted rate of \$144 for the first year, compared with a typical cost of \$199 a year. The membership fee provides access to One Medical’s on-demand virtual-care services and personal services such as insurance navigation and referral management. Membership costs aren’t covered under Amazon Prime memberships, the company said.

Amazon’s announcement comes a day after the Federal Trade Commission said [it wouldn’t sue in time to block the deal](#), which cost Amazon \$3.9 billion, including debt. An agency spokeswoman, however, said it would continue to investigate the merger. Under federal law, the FTC can sue to block deals that would substantially reduce competition or lead to a monopoly. The FTC investigated the Amazon-1Life deal for at least five months, according to securities filings.

The FTC’s consumer-protection concerns about the deal have included whether Amazon would use data about One Medical’s clients for purposes beyond what patients permitted when they sign up with the service, The Wall Street Journal previously reported.

Mr. Jassy, Amazon’s CEO, has made healthcare a priority at the company. The deal allows

Amazon to sell healthcare services to employers, which cover some of the cost of workers' health insurance as a benefit but face pressure to control healthcare spending.

One Medical has billed itself as a modern health service that can make it easier to access health services. The company says it offers same- and next-day in-office or remote visits that it can pair with on-demand virtual care through its mobile or web app.

One Medical may represent Amazon's biggest [foray into healthcare](#) after previous attempts to disrupt the market. The company in November [launched a new telehealth service](#) named Amazon Clinic that allows customers in more than 30 states to access virtual care for common conditions such as allergies, acne, hair loss and heartburn. The new service came after Amazon [closed down Amazon Care](#), which also offered telehealth services.

A joint venture by Amazon, [Berkshire Hathaway](#) Inc. and [JPMorgan Chase](#) & Co. called Haven also fizzled in 2021 after three years. The three companies spent roughly \$100 million but struggled to manage key issues related to the cost of healthcare, data and staff turnover.

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Appeared in the February 23, 2023, print edition as 'Amazon Closes Health-Clinics Deal'.

