

SUMMARY REPORT

005 Amazon-One Medical One-Year Follow-Up

You can get this document in other languages, large print, braille or a format you prefer free of charge. Contact us by email at hcmo.info@oha.oregon.gov or by phone at 503-945-6161. We accept all relay calls. You can also contact hcmo.info@oha.oregon.gov with any questions about this report.

The Oregon Health Authority's [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals, like mergers and acquisitions, to make sure they won't harm people and communities in Oregon. After completing a review, OHA issues a decision about whether a business deal, or transaction, involving a health care company should proceed as planned. If it approves a transaction, OHA is required to monitor any changes that result for five years and to publish its findings.

This report is the first-year follow-up review of Amazon, Inc.'s ("Amazon") acquisition of 1LifeHealthcare, Inc. ("One Medical") (collectively, the "entities"). In its review, OHA found that One Medical members in Oregon could face challenges accessing care, as one out of five One Medical clinics in Oregon is currently closed and another was closed for months. OHA found limited evidence that the transaction has resulted in lower quality of care or reduced health equity in Oregon. OHA will continue to monitor potential cost impacts in subsequent follow-up reviews.

About the Transaction

On November 29, 2022 OHA confirmed receipt of a complete [Notice of Material Change Transaction](#) ("Notice") from Amazon describing plans to acquire One Medical. (For reference purposes, OHA assigned this transaction the ID and alias "005 Amazon-One Medical.")

Amazon is a multinational technology company focused on e-commerce, cloud computing, online advertising, digital media and streaming, electronic devices and artificial intelligence. Prior to the transaction, Amazon established different health care businesses, with a focus on prescription drug shipments (Amazon Pharmacy) and on-demand virtual care (Amazon Clinic).

When the Notice was filed, One Medical was a for-profit, membership-based primary care and management services company that operated five clinical locations in the Portland Metro area. The majority of its membership was acquired through enterprise partners, which are generally employers who pay all or part of the cost of membership to give their employees access to primary care services and One Medical's virtual care offerings. One Medical works with health system partners in each of its markets who offer access to specialty and hospital care and perform other administrative roles (e.g., negotiating contracts with insurers). In the years leading up to the transaction, One Medical acquired Iora Health, another chain of primary care clinics catering to older populations primarily with Medicare Advantage insurance.

Preliminary Review

OHA reviewed the Notice and determined that the transaction was subject to review under HCMO rules. The parties to the proposed transaction met the revenue thresholds specified in OAR 409-070-0015(1) and the proposed transaction was otherwise covered by the program in accordance with OAR 409-070-0010.

OHA conducted a 30-day preliminary review of the proposed transaction. OHA held a 14-day public comment period from November 29, 2022, through December 14, 2022, and received 36

public comments. Most public comments opposed the transaction, with many citing concerns about for-profit health care companies prioritizing profits over patients.

During the preliminary review, OHA gathered background information about the entities involved and assessed the likely impact of the transaction across four domains: cost, access, quality and equity. The main findings of OHA's preliminary review in the four domains of interest included:

- **Cost:** OHA concluded that the transaction was unlikely to have a meaningful impact on the cost of healthcare in Oregon or in the Portland metro area where One Medical operated its five clinics. Neither company held a significant share of the market for primary care in the state or in the Portland metro area so the merger would not meaningfully increase the ability of a combined entity to negotiate higher prices.
- **Access:** The entities stated that they did not plan to reduce access to essential services and may even expand One Medical's network of clinics. Because of this and because One Medical's clinics were located in urban areas with many other primary care providers, OHA did not have concerns about a reduction in access to primary care as a result of the transaction.
- **Quality:** During the preliminary review, there was limited access to metrics on the quality of care at One Medical clinics in Oregon. One Medical clinics opened in Portland in 2020 and 2021, and One Medical did not participate in some programs that require regular quality reporting. OHA concluded that there could be potential impacts to quality given Amazon's business model which may lead to sacrificing quality for profit.
- **Equity:** OHA identified potential equity concerns resulting from the transaction. The transaction could result in One Medical siphoning off commercially insured patients with higher payment rates from clinics that serve more Medicaid and Medicare-covered patients. This concern was somewhat mitigated by the small footprint of One Medical in the state.

OHA concluded that the transaction was unlikely to substantially reduce access to affordable health care in Oregon. Given One Medical's small market share, a comprehensive review of the material change transaction was not warranted.

On December 28, 2022, OHA issued its 30-day preliminary [review report](#) and order approving the transaction with conditions. The [final order](#) was issued on February 7, 2023. Amazon's purchase of One Medical for approximately \$3.9 billion closed on February 22, 2023, completing the proposed merger. OHA's conditional approval requires that Amazon and/or One Medical report information about the services they provide, the patients they serve, quality of care, and any governance or organizational changes for the locations in Oregon. These reports are to be submitted every six months for five years following the transaction.

OHA's Follow-Up Review

OHA is required to analyze the outcome of all approved transactions one, two, and five years after the transaction closes. These follow-up reviews monitor cost trends, the impact of the transaction on Oregon's cost growth, compliance with any conditions placed on the transaction, and other areas of concern.¹ This one-year review describes the activities of Amazon since the close of the transaction on February 22, 2023. Follow-up reviews will include any public comment OHA receives about the transaction. Public comments can be submitted at any time by email to hcmo.info@oha.oregon.gov. OHA did not receive any public comments for this follow-up review.

As part of this review, OHA requested and received information from Amazon regarding financials, policies, governance, staffing, patients, and services rendered through One Medical. OHA posts all non-confidential information related to this transaction to the [HCMO website](#). OHA reviewed these submitted materials, as well as media reports and publicly available information about Amazon and One Medical since the transaction closed.

Amazon has asserted that much of the information it provided in its submissions to OHA is confidential and unconditionally exempt from release to the public pursuant to ORS 415.501(13)(c) and ORS 192.345(2). This report only includes information that has not been designated as confidential.

Compliance with conditions

In its approval of the transaction, OHA required that Amazon submit semi-annual reports to OHA that include the following information for One Medical clinics:

- Services data, including count of members and count of visits by location
- Quality measures data by location
- Current status of all Oregon locations and any changes to types of services, number of providers, governance, ownership, or organizational structure

Amazon has complied with these conditions as of the date of this report, submitting its first semi-annual report on August 23, 2023, and its second report on February 23, 2024.

Cost trends and cost growth of the parties to the transaction

Due to data limitations, OHA was unable to determine cost trends of services for One Medical members. The costs for One Medical individual memberships have decreased since the transaction closed. (See [A focus on individual memberships](#) section below.)

Impact on Oregon's health care cost growth target

One Medical clinics are not currently included in the list of provider organizations subject to Oregon's Cost Growth Target because they do not have at least 5,000 unique attributed patients. OHA, therefore, has limited ability to assess One Medical's impact on Oregon's health care cost growth target. In future follow-up reviews, OHA will assess data availability and potential to evaluate the impact of this transaction on Oregon's health care cost growth target.

Changes at Amazon and One Medical Since the Transaction Closed

Since the transaction closed in February of 2023, Amazon has continued to develop its strategy in the healthcare sector, creating new services and expanding pre-existing initiatives. For One Medical, this has meant opening new clinics and recruiting new members. The other main branches of Amazon Health, Amazon Clinic and Amazon Pharmacy, have also seen expansion. In parallel, Amazon has instituted a number of cost-cutting strategies, seeking to push One Medical and its other initiatives towards profitability. The timeline below shows key One Medical events since the transaction closed.



One Medical restructured its leadership and governance

Since the transaction closed, One Medical has restructured some leadership roles and relationships to integrate One Medical into Amazon Health and align with Amazon's business strategy. Following the transaction, One Medical became a subsidiary of Amazon.

After the sale, Former CEO and President of One Medical, Amir Dan Rubin, resigned and was replaced by Trent Green, One Medical's former Chief Operations Officer.² The Chief Financial Officer of One Medical moved to the role of Vice President of Strategic Growth Initiatives with Amazon Health Services in February 2024.³

Over the course of the year, Amazon made changes to the regional structure of One Medical offices. The number of core operating regions for One Medical were expanded from four to seven, and a new role was created to lead regional operations, in coordination with regional medical directors.⁴ In transitioning to regional office structure, Amazon created a new role to lead operations at the corporate level.⁵ One Medical's legal, finance and technology teams were also to report to Amazon's healthcare business.⁶

One Medical has pursued expansion: new clinics, partners, and members

New clinics and markets

Since the transaction closed in February of 2023, Amazon has pursued a strategy of expansion for One Medical in different markets across the United States, even though its footprint in Oregon has not grown significantly. News reports have tracked the opening of new One Medical clinics in cities across the US, including San Francisco,⁷ Houston,⁸ and Darien, CT.⁹ One Medical is also planning on opening clinics in two new markets, Milwaukee, WI and Hackensack, NJ, later in 2024.¹⁰

Health system and enterprise partners

As One Medical's model involves working with a health system partner, expansion into new markets entails bringing new partners on board. In Oregon, One Medical currently partners with Providence. In Connecticut, One Medical partnered with Hartford HealthCare,¹¹ while in Wisconsin and New Jersey it has partnered with Advocate Aurora Health and Hackensack Meridian Health respectively.¹² A new partnership with CommonSpirit Health's Virginia Mason Franciscan Health in

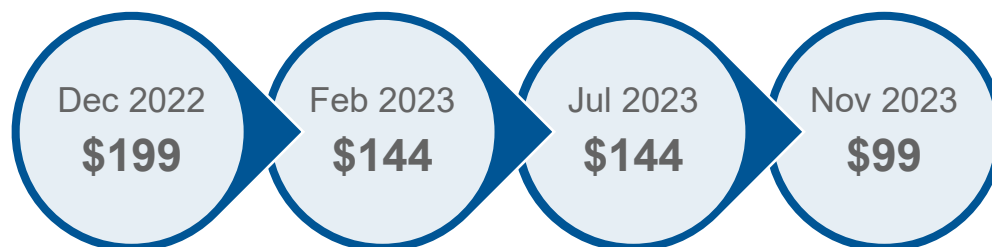
the pre-existing Seattle-Tacoma market was also announced in November of 2023. Virginia Mason will be a specialty referral partner for One Medical patients.¹³

Amazon has implemented different strategies to bring on new members. One Medical's model has historically entailed working with employers to offer memberships as an employee benefit. Prior to the transaction, about 60% of One Medical members had one of these "enterprise" memberships.¹⁴

Over the course of the year, One Medical sought out new enterprise partnerships with employers to increase membership. One notable partnership was announced in November of 2023, with the Health Transformation Alliance (HTA), a collective of large U.S. companies including Coca-Cola, American Express, and Intel that together employ five million people.¹⁵ By working with HTA, One Medical gained access to a host of new enterprise partners, and through them, new individual members. One Medical also joined Rightway Healthcare Inc.'s ("Rightway") Partnership Program, RightWayHub, a care navigation platform that enables employee uptake of different types of digital health. Rightway members can now access One Medical's primary care services directly through RightwayHub.¹⁶

A focus on individual memberships

One Medical also sought to add new individual members, who purchase their memberships independently of an employer. Shortly after closing the transaction, Amazon began to offer a series of discounts and promotional sales for One Medical individual members.



In February of 2023 and July of 2023, Amazon offered a limited time, 28% discount on One Medical memberships for Amazon Prime members.¹⁷ ¹⁸ In November of 2023, Amazon created a permanent discount on One Medical memberships for Amazon Prime members. Starting that month, Amazon Prime members could purchase a One Medical membership for \$99 per year or \$9 per month, with additional family members added for \$66 per year or \$6 per month.¹⁹ Amazon Prime memberships at the time cost \$139 per year or \$15 per month, bringing the price of a combined Amazon Prime/One Medical membership to \$238 per year or \$24 per month.²⁰ For individuals not purchasing their memberships through Amazon Prime, the cost of a membership has remained flat at \$199. Amazon has

amazon one medical

24/7 on-demand care with Prime

Prime members can add One Medical membership and get 24/7 on-demand care for \$9/mo.

i This membership benefit is exclusive for Prime members.

been promoting One Medical membership through TV and online advertisements, most aggressively to pre-existing Prime members.²¹

One Medical adopted cost-cutting measures: employee layoffs, office closures, reliance on technology

Prior to the transaction, One Medical had not yet reached profitability, consistently reporting operating losses each year. In 2022, the company's operating losses amounted to \$420 million, and in March of 2024, Business Insider reported that losses of more than half a billion dollars are expected this year.^{22 23}

In recent months, industry publications have reported that One Medical was tasked by Amazon with cutting operating expenses by \$100 million in 2024 and reducing fixed operating costs from 41% to 20% of total revenue by 2028.²⁴ Amazon also plans to reduce the cost of One Medical patient visits to \$322 in 2024, from \$372 in 2023.²⁵

In early 2024, Amazon laid off hundreds of employees in its Pharmacy and One Medical divisions.²⁶ Roughly 115 positions were cut, impacting up to 400 employees.²⁷ Some positions included roles in One Medical departments that overlapped with Amazon's pre-existing support structure in its marketing, recruitment and financial departments. But some patient-facing clinical roles were also eliminated.²⁸

Amazon has also closed One Medical corporate offices in recent months. In February of 2024, the closure of offices in New York, Minneapolis, and St. Petersburg, Florida were announced.²⁹ At the time of this announcement, Amazon stated that these closures were due to an increase in telework resulting in decreased need for these offices, but industry commentators have also speculated the closures were part of the company's cost-cutting strategy for One Medical.³⁰

Statements by One Medical and Amazon leadership point to increased application of technology as another method through which operating expenses might be reduced. In an interview with Fierce Healthcare in October of 2023, One Medical's Chief Medical Officer Andrew Diamond touted the benefits of Amazon's technological expertise to reduce the number of surplus administrative tasks carried out by clinicians.³¹ The company is reportedly training an artificial intelligence chatbot to triage incoming patient messages and deal with administrative tasks.³²

Expansion, cost-cutting and quality of care

Along with strategies for increased efficiency and cost-cutting come concerns about reduced quality of care. At the national level, media outlets published reports of shorter appointment times, reduced personal attention, and an expectation that providers see twice the number of patients each day. One staff member in Seattle stated that, "In the last six to eight months, it really became a numbers game again."³³

According to a Washington Post article focused on changes at Iora Health clinics, the chain of senior care clinics that were acquired by One Medical in 2021 and rebranded by Amazon as One Medical Seniors in October of 2023, patients calling in for medical advice are now routed to a central call center called "Mission Control" instead of speaking with staff at their local clinic.³⁴ One Medical stated that this change has improved response times and patient care. The creation of the "Mission Control" may also be related to an influx of telehealth patients without a nearby brick-and-mortar clinic and accelerated by Amazon's marketing strategies for One Medical memberships.³⁵

An NPR article from August of 2021 indicates that at least some of the policies detailed in the Washington Post article may have been implemented before One Medical was acquired by Amazon.³⁶ Specifically, this NPR article reported on similar changes in the wake of the company's

initial public offering (IPO), including reductions in preventive care appointments from 40 minutes to 30, an increased focus on meeting operational metrics, and less preparatory time for clinical staff. This article also detailed an employee unionization drive that arose in response to the company's push for profitability.³⁷

Amazon's health care business: beyond One Medical

Over the last year, Amazon has continued to develop its strategy in the health care sector, not only relating to One Medical but also to other branches of Amazon Health. Both Amazon Clinic and Amazon Pharmacy have expanded since the One Medical transaction closed. Amazon also added a new initiative, the Health Conditions Program (HCP).

Amazon Clinic

Amazon created Amazon Clinic in November of 2022. In its original format, Amazon Clinic was available in 32 states, including Oregon.³⁸ It provided an online, message-based platform where consumers could pay for virtual care for common conditions such as conjunctivitis (pink eye) and urinary tract infections, as well as prescription renewals for common medications for conditions like high blood pressure or asthma. Amazon Clinic does not accept insurance and services are provided on a pay-as-you-go basis.

In August of 2023, Amazon announced that it was expanding Amazon Clinic nationwide. Amazon Clinic services are now available in all 50 states.³⁹ In some states, Amazon Clinic provides both asynchronous, message-based care and virtual video visits. In 34 states, only video visits are available, due to regulations that restrict provision of asynchronous online care in those locations.⁴⁰

A recent report from CivicScience estimated that 17% of US adults aged 18-64 have tried Amazon Clinic.⁴¹ Amazon Clinic users tend to also have Prime memberships, even though a Prime membership is not required, and it is more popular among a younger age group.⁴²

Amazon has suggested in recent months that it may expand Amazon Clinic offerings to in-person care, so that patients with conditions that can't be addressed through a virtual visit have an "easy glide path" to appropriate treatment.⁴³

One Medical and Amazon Clinic

Some media sources have speculated that Amazon may capitalize on synergies between Amazon Clinic and One Medical in the future, for example by referring Amazon Clinic patients to One Medical when their needs cannot be met through virtual care.⁴⁴ Conversely, other analysis has centered on whether the two branches of Amazon Health – both operating in the virtual care space – could be in competition with one another.⁴⁵

In an interview with Forbes, Senior Vice President of Amazon Health Services Neil Lindsay explained that Amazon sees Amazon Clinic services as being more akin to urgent care and different from One Medical's primary care offerings. He stated, "We definitely don't think about it as competition. We think about it in terms of choice, convenience and then continuity of care."⁴⁶

Amazon Pharmacy

Amazon Pharmacy launched in 2018 following Amazon's purchase of PillPack, an online pharmacy service focused on shipping daily packets of pills to customers managing multiple prescriptions. Amazon Pharmacy is now licensed and delivering to customers in all 50 states.⁴⁷ Amazon Prime members receive free two-day shipping and savings on certain drugs through the platform, and Pillpack shipments are still available as a distinct service. Amazon Pharmacy accepts most major insurance plans.⁴⁸

In January of 2023, Amazon also created RXPass, a \$5 add-on to Amazon Prime membership that covers unlimited deliveries of 60 common generic prescription drugs such as those treating allergies, inflammation, high blood pressure, and other conditions.⁴⁹

Since February 2023, Amazon has continued to roll out new Amazon Pharmacy services. In March 2023, it added a feature on its website for users to automatically search for drug manufacturer-sponsored coupons while purchasing prescriptions through Amazon Pharmacy. This service initially included a handful of pharmaceutical manufacturers, with plans to add more manufacturers over time.⁵⁰ In August of 2023, Amazon added coupons for more than 15 insulin and diabetes products from Novo Nordisk, Eli Lilly & Co and Sanofi.⁵¹

Amazon also recently announced same-day delivery for certain prescription medications, including those for high blood pressure, diabetes and the flu, in some markets, such as New York and Los Angeles. Same-day drug delivery was already available in Phoenix and Seattle, as well as in College Station, Texas, where deliveries are made by drone.⁵² Amazon plans to expand same-delivery to more than a dozen cities by the end of the year.⁵³ The company has also touted the integration of AI to speed up its delivery process. AI tools are used to prepare information for pharmacists reviewing prescriptions and undertake preparatory administrative work.⁵⁴

In March of 2024, Amazon struck a deal with Eli Lilly to dispense medication through its LillyDirect Pharmacy Solutions service, including Eli Lilly drugs for diabetes, migraines and obesity.⁵⁵ Amazon is one of two Eli Lilly partners shipping drugs through the website, along with Truepill, Eli Lilly's pre-existing partner.⁵⁶

Although Amazon Pharmacy utilization has historically been low, the past year saw some growth with Amazon announcing in August of 2023 that it had doubled its active pharmacy users relative to the year before.^{57 58}

One Medical and Amazon Pharmacy

Amazon has also taken steps to integrate Amazon Pharmacy with other branches of Amazon Health, including One Medical. In the fourth quarter of 2023, the company began a pilot program for Amazon Pharmacy to provide consultations to One Medical physicians, in particular supporting them on treatment for high-risk and complex patients among the older senior population.⁵⁹

Health Conditions Program

In January 2024, Amazon launched its [Health Conditions Program \(HCP\)](#), which connects users to an online platform with tools to manage chronic conditions like overweight/obesity and diabetes. The platform checks for a user's eligibility for such programs through their insurance or employer and connects them to the program if it is a covered benefit. Currently, Amazon is working with a single online care provider, Omada Health. However, Amazon has plans to expand its reach to other similar online chronic condition managers in the future.⁶⁰

One Medical and HCP

The HCP's focus on chronic disease management offers a point of alignment with other Amazon initiatives, including One Medical. In an October 2023 interview with Fierce Healthcare, One Medical's CMO Andrew Diamond discussed the potential he saw for leveraging Amazon's tech expertise and One Medical's focus on primary care to improve chronic disease management.⁶¹

Industry trends: Acquisitions of primary care clinics

At the national level, the acquisition of One Medical by Amazon came amidst a trend towards consolidation and investment in primary care by other large companies, including CVS, Walgreens,

and Walmart.ⁱ These companies represent competition for One Medical at the national level and their trajectories offer some additional insight into forces that could impact the future of One Medical and Amazon's health care business.

Notably, in May of 2023 CVS bought Oak Street Health, a chain of clinics serving the Medicare population, for \$10.6 billion which included Oak Street Health's 170 brick-and-mortar medical centers located in 21 states.⁶² This purchase was only the most recent addition to the retailer's health care portfolio, which includes major insurer Aetna, home-health provider Signify Health, and more than 1,100 MinuteClinics.⁶³ Similar to One Medical, the company is currently focused on expanding utilization of these clinics and cutting operating losses to start turning a profit.⁶⁴

Walgreens also acquired a majority stake in a primary clinic chain, VillageMD, in 2021. In 2022, Walgreens backed VillageMD to purchase urgent care provider Summit Health for \$3.5 billion.⁶⁵ Initially, Walgreens pursued an aggressive growth strategy, announcing plans to roll out at least 600 clinics by 2025 and 1,000 by 2027. Its strategy has included co-locating clinics inside of its stores. However, the company has stepped back from this approach recently by closing 160 of its 680 clinics, stating that it plans to focus on "high-opportunity markets" in densely populated areas as it seeks to bring its operating costs in line with its revenue.^{66 67} Walgreens stated it has a goal of cutting operational costs by \$1 billion in 2024.⁶⁸

Walmart also pursued primary care before announcing its exit from the business in May of 2024. With its announcement, Walmart said it would close its 51 health clinics and shut down its telehealth services in the wake of rising operational costs particularly related to the healthcare workforce.^{69 70}

Amazon Health and data privacy

During the initial review of the Amazon-One Medical acquisition, HCMO received public comments raising concerns about Amazon's stewardship of its users' personal health information (PHI). Various groups at the national level also urged the Federal Trade Commission (FTC) to consider the possibility that Amazon could misuse patients' PHI to enhance sales of its other products and services.⁷¹

Immediately following the transaction, the FTC released a statement calling on Amazon and One Medical to "make clear not only how they will use [PHI] as defined by HIPAA but also how the integrated entity will use any other One Medical patient data for purposes beyond the provision of health care." The statement committed the FTC to monitoring the parties' use of PHI and said that it was ready to take enforcement action if warranted.⁷²

Later in 2023, the Washington Post published an article detailing how Amazon Clinic users were asked to sign a form authorizing the "use and disclosure of [PHI]" as a prerequisite to accessing the clinic's services. They were told that the form gave Amazon access to their "complete patient file," and that the information could be re-disclosed, after which it would no longer be protected by HIPAA.⁷³

In response to the article, Senators Elizabeth Warren and Peter Welch sent a [letter to Amazon CEO Andrew Jassy](#) requesting information on the company's intended use of its patients' information. Subsequently, the nationwide rollout of video visits through Amazon Clinic was delayed, although Amazon denied that the delay was related to the concerns that had been raised.

ⁱ The CVS, Walgreens, and Walmart transactions discussed in this section were not subject to Health Care Market Oversight program review.

It is unknown whether Amazon replied to the senators' letter. Amazon's website includes multiple disclaimers about Amazon's use of PHI, stating that the data are not used for advertising purposes or sold to second parties.⁷⁴

Changes in Oregon Since the Transaction Closed


For this review, OHA requested information on the status of the Oregon One Medical clinics, ranging from the number of members being served to quality metrics. In submissions to OHA, Amazon has not reported major changes in the cost or quality of care at Oregon One Medical locations since the transaction closed. One Medical operates five clinics in the Portland metro area, though two of the clinics have experienced closures, raising concerns about access to care for One Medical members.

Membership costs have decreased for Amazon Prime members

Since the transaction closed in February of 2023, the most substantial change in the cost of One Medical memberships in Oregon was the integration of One Medical memberships into the Amazon Prime suite of offerings. As a result of this change, some Oregonians with a pre-existing Amazon Prime membership can access One Medical memberships at a discounted rate of \$99. The price of a One Medical membership has otherwise remained flat during the year since the transaction, at \$199 for an individual membership.

Two out of five One Medical offices in Oregon closed temporarily

Since February of 2023, two out of the five One Medical offices in Oregon – the Downtown Portland and Tigard locations – were listed as temporarily closed on One Medical's website in 2023 and 2024. While the Tigard location has re-opened as of this report's publication, the One Medical location in Downtown Portland was still listed as temporarily closed.⁷⁵ While Amazon has not publicly shared the reason for these closures or information about when the Downtown office may re-open, Amazon had previously cited concerns with provider recruitment for One Medical.⁷⁶

 Temporarily closed

601 SW 4th Ave
Portland, OR 97204
[Get Directions >](#)

The closure of the Downtown office has the potential to decrease access to care for One Medical members in Oregon. Quality of care may also suffer as fewer offices are now available to serve One Medical's patient population.

Despite office closures for some other providers offering services that intersect with those of One Medical, there are still many options for same-day care in the Portland metro area, and One Medical's Oregon locations represent only a small share of the primary care market in the region. Still, the closure of One Medical offices comes amidst a crisis in primary care, with provider shortages and recruitment challenges looming.⁷⁷ OHA will continue to monitor closures of One Medical clinic locations.

Changing relationships with One Medical's Oregon health system partner

One Medical's current health system partner in Oregon is Providence. One Medical appears to be phasing out its partnership with Swedish Health, a Providence affiliate, in the Seattle-Tacoma area, one of the other markets where the two entities previously partnered.^{78 79}

In November of 2023, One Medical announced a new partnership for the Seattle-Tacoma area with CommonSpirit Health's Virginia Mason Franciscan Health.⁸⁰ It's unclear whether the terms of this agreement may differ from the arrangement One Medical holds with Providence in Oregon, but the

media coverage on the partnership has focused on Virginia Mason’s role as a “referral partner.” Providence has played this role historically in its partnership with One Medical but also negotiated prices for its members.⁸¹

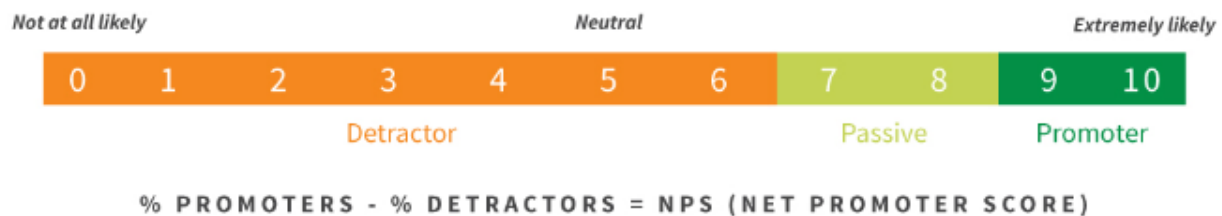
Care quality tracking indicates few changes in Oregon since the transaction occurred

As a part of follow-up reporting, OHA required Amazon to report on a set of quality measures. The quality metrics chosen by Amazon/One Medical comprise an adapted set of quality measures similar to the National Quality Forum’s Core Quality Measures Collaborative core set for primary care. These measures are related to preventive cancer screenings and patient education, cardiometabolic health, and mental health.

During preliminary review of the transaction, OHA requested and received quality measure data for the months of December 2020 and December 2021. Data on these same measures, and some additional measures, were provided in semi-annual reports from Amazon in August of 2023 and February of 2024.

Patients are still satisfied with One Medical care, according to One Medical’s internal metrics

In addition to tracking specific quality measures, One Medical also collects a Net Promoter Score (NPS) from its members, which is a basic measure of member satisfaction with the services received. On its website, One Medical boasts a 90+ NPS, indicating a high likelihood that patients will recommend the company.⁸²



Potential for health equity impacts in Oregon

To date, available data do not indicate that the demographic makeup of the One Medical population in Oregon has changed significantly from before the transaction. The demographic and socio-economic makeup of One Medical members (younger, more affluent) is likely influenced by One Medical’s focus on a working-age, commercially-insured population, as was noted in OHA’s original transaction review report.

Most One Medical members in Oregon likely have commercial insurance

Since the transaction closed, there has not been a notable change in the types of insurance carried by One Medical members. One Medical accepts many commercial insurance plans. In its preliminary review of the transaction, OHA noted that One Medical does not currently accept Medicaid. One Medical’s website does not indicate that this has changed since the transaction closed.⁸³ Traditional Medicare and Medigap plans are accepted by One Medical in Oregon.

One of the concerns noted by OHA in its preliminary review is that that One Medical could siphon patients with commercial insurance away from other providers who depend on a mix of patients with lower-reimbursed Medicare and Medicaid plans and patients with higher-reimbursed Commercial plans. In this follow-up review, OHA found no evidence that this is currently an issue.

One Medical offers limited financial assistance

As a part of its submission to OHA, One Medical provided a copy of its financial assistance policy. The policy is also described on the One Medical website. Patients without health insurance, with gaps in insurance coverage, or with high cost-sharing through their insurance may be eligible for assistance. Assistance may be applied to the annual membership fee or go towards covering out-of-pocket costs such as deductibles and co-insurance, but not copays. There are also income requirements in order to be eligible for assistance, although this information is not included on the One Medical website.⁸⁴

One Medical certified to operate as a retainer medical practice (RMP) in Oregon

Retainer medical practices charge a set, periodic fee in return for access to no-cost or reduced cost primary care services. Concierge medicine, direct primary care and boutique medicine are often retainer medical practices.

In December 2023, Amazon indicated that One Medical was first certified to operate as a retainer medical practice (RMP) in Oregon.⁸⁵ In its submission to OHA, Amazon stated “[u]nder this certification, One Medical is able to provide RMP services for a fee to patients who are eligible to receive these services through their RMP subscription.”⁸⁶ RMP subscriptions are different from the One Medical membership fee, and One Medical sets prices/rates for its RMP services separately from prices that are negotiated by its health partner Providence with insurance companies. In Oregon, any services provided through a retainer medical agreement cannot be billed to insurance.⁸⁷

Certification as an RMP in Oregon could indicate a shift in One Medical’s business strategy. Amazon did not share its reasoning for pursuing RMP certification. Research has shown that concierge medicine tends to be oriented towards high-income individuals and concierge practitioners typically take fewer patients. At the same time, it may motivate some practitioners who may otherwise leave healthcare to stay.^{88 89} Concierge practices generally charge an average retainer fee of upwards of \$1,500 per year, which is much higher than the One Medical annual membership fee.⁹⁰

Appendix A: Information requested by OHA for One Year Follow-Up Review

OHA requested the following information from Amazon and One Medical to support the one year follow-up review.

1. Provide a detailed description of (including the rationale for) all changes in One Medical's operations, structure, policies, business, board members, officers, employees, or any other area of corporate activity (both in Oregon and nationally) since February 22, 2023.
2. Describe how the recently announced closing of One Medical corporate offices in New York City, Minneapolis, and St. Petersburg, and downsizing of the San Francisco corporate office, will impact One Medical operations in Oregon.
3. Describe how the recently announced elimination of a few hundred roles at One Medical and Amazon Pharmacy will impact One Medical operations in Oregon.
 - a. Provide the number and type of any eliminated positions within One Medical.
4. Provide a detailed description of the recently announced new regional operating model for One Medical.
 - a. Explain how this will impact One Medical operations in Oregon.
5. Provide a copy of all organizational charts in effect since February 22, 2023, for One Medical.
6. Provide the name and address for all One Medical practices and locations in Oregon.
 - a. Provide a detailed description of all changes to practice locations in Oregon since February 22, 2023. In doing so, explain the temporary closing of the Downtown Portland One Medical location.
7. Describe all plans of One Medical for the construction or opening of new facilities, the closing of any facilities, or the expansion, conversion, or modification of existing facilities in Oregon.
8. Provide a copy of the financial statements, budget, profit and loss statement, cost center report, profitability report, and any other financial report regularly prepared by or for One Medical, both nationwide and in Oregon, on any periodic basis since February 22, 2023.
9. Describe any changes to the assets or liabilities of One Medical, both nationwide and in Oregon, since February 22, 2023.
10. Describe any changes to billing and payment practices by One Medical providers in Oregon since February 22, 2023.
11. Describe any changes to all written agreements between One Medical and Providence since February 22, 2023.
 - a. Provide copies of all agreements in effect.

12. Describe any changes to standard staff compensation or employment terms in One Medical affiliated practices in Oregon since February 22, 2023, including benefits, incentives, bonuses, or any other type of compensation.
 - a. Provide copies of all executive and staff compensation policies (both past and current) since February 1, 2023.
13. Explain in detail whether One Medical practices in Oregon are subject to revenue, volume, or other performance targets. In doing so, detail on what those targets are and their results since February 22, 2023.
 - a. Provide copies of all written policies, or other such documentation, related to revenue, volume, or performance targets for One Medical practices in Oregon.
14. Explain in detail whether One Medical practices in Oregon are subject to any quality or patient experience metrics.
 - a. Provide all metric results for One Medical practices in Oregon.
15. Describe any new partnerships or initiatives for One Medical, both nationwide and in Oregon, since February 22, 2023.
16. Describe any and all plans of, interest in, or efforts undertaken by One Medical to bring about any acquisition, joint venture, alliance, or merger of any kind in Oregon.
17. Describe any new initiatives to link One Medical membership with Amazon Prime benefits or other initiatives under Amazon Health since February 22, 2023.
 - a. Describe the results of any initiatives.
18. Describe any changes in One Medical's management of patient data since the transaction closed on February 22, 2023, including changes in the platform used to manage these data and any new or changed use of patient data.
 - a. Provide copies of One Medical's privacy policies, both past and current since February 1, 2023. This request is for privacy policies both nationwide and in Oregon.
19. Describe how the pricing of membership and services for One Medical providers in Oregon has changed since the transaction closed on February 22, 2023.
20. Describe any community benefit, financial assistance, or charity care spending by One Medical providers in Oregon since February 22, 2023.
 - a. Explain any changes to policies related to financial assistance, community benefit or charity care have changed since February 22, 2023.
 - b. Supply copies of all financial assistance or charity care policies (both past and current) since February 1, 2023.
21. Provide the following data:
 - a. Membership payments

- b. Service payments, including total payments, per patient and per visit median paid amounts and payments by payer type
 - c. Financial assistance, including per member amounts and total amounts
 - d. Counts of patient by zip code
 - e. Staffing, including count and FTE of employed and contracted staff, number, and composition of clinical and administrative staff
- 22. Provide the number of companies with One Medical enterprise membership agreements, both nationally and in Oregon.
 - a. Describe any changes to the number of companies with One Medical enterprise membership agreements since February 22, 2023.
- 23. Describe Amazon's involvement in decisions affecting One Medical businesses and practices, both as a whole and specifically addressing operations in Oregon, related to:
 - a. Management,
 - b. Operations, and
 - c. Patient care

References

- ¹ Oregon Revised Statute 415.501(19)
- ² Pifer, Rebecca. [One Medical CEO resigns from Amazon one year after acquisition](#). Healthcare Drive. September 1, 2023. Accessed July 2024.
- ³ Pifer, Rebecca. [Amazon closing One Medical corporate offices](#). Healthcare Drive. February 9, 2024. Accessed April 2024.
- ⁴ O'Donovan, Caroline. [Changes at Amazon-owned health services cause alarm among patients, employees](#). The Washington Post. February 28, 2024. Accessed April 2024.
- ⁵ Lagasse, Jeff. [Amazon's One Medical is closing corporate offices](#). Healthcare Finance. February 12, 2024. Accessed April 2024.
- ⁶ Pifer, Rebecca. [Amazon closing One Medical corporate offices](#). Healthcare Drive. February 9, 2024. Accessed April 2024.
- ⁷ Kekatos, Mary. [Amazon-owned One Medical begins opening new locations across US](#). ABC News. August 9, 2023. Accessed April 2024.
- ⁸ Armour, Asia. [One Medical to open another Houston-area clinic in Webster](#). Community Impact. September 19, 2023. Accessed July 2024.
- ⁹ Newitt, Patsy. [1 year after Amazon-One Medical deal finalized: What's happened since](#). Becker's ASC Review. February 15, 2024. Accessed April 2024.
- ¹⁰ Japsen, Bruce. [A year after Amazon purchase, One Medical adds clinics and new markets](#). Forbes. April 5, 2024. Accessed April 2024.
- ¹¹ Newitt, Patsy. [1 year after Amazon-One Medical deal finalized: What's happened since](#). Becker's ASC Review. February 15, 2024. Accessed April 2024.
- ¹² Japsen, Bruce. [A year after Amazon purchase, One Medical adds clinics and new markets](#). Forbes. April 5, 2024. Accessed April 2024.
- ¹³ Landi, Heather. [Amazon's One Medical partners with CommonSpirit Health for specialty care in Seattle](#). Fierce Healthcare. November 13, 2023. Accessed April 2024.
- ¹⁴ See HCMO Amazon transaction review.
- ¹⁵ Landi, Heather. [Under Amazon, One Medical builds out health system, employer partnerships for primary care services](#). Fierce Healthcare. November 14, 2023. Accessed April 2024.
- ¹⁶ Hagen, Jesssica. [Amazon's One Medical partners with Rightway to expand primary care access](#). Mobi Health News. May 18, 2023. Accessed July 2024.
- ¹⁷ Amazon Staff. [One Medical joins Amazon to make it easier for people to get and stay healthier](#). February 22, 2023. Accessed July 2024.
- ¹⁸ Chen, Connie. [Save \\$55 on an annual One Medical membership as a Prime Day deal](#). Amazon website. July 7, 2023. Accessed July 2024.
- ¹⁹ Schlosser, Kurt. [Amazon adds new Prime benefit with One Medical virtual and in-person health care service](#). GeekWire. November 8, 2023. Accessed May 2024.
- ²⁰ Palmer, Annie. [Amazon beefs up Prime loyalty program with One Medical discount](#). CNBC. November 8, 2023. Accessed July 2024.
- ²¹ Cusano, Donna. [Amazon Pharmacy and One Medical restructure](#). Telehealth and Telecare Aware. February 14, 2024.
- ²² Pifer, Rebecca. [Amazon closing One Medical corporate offices](#). Healthcare Drive. February 9, 2024. Accessed April 2024.
- ²³ Livingston, Shelby. [Amazon, CVS and Walgreens went all in on primary care. Their bets are bleeding money](#). The Business Insider. March 6, 2024. Accessed April 2024.
- ²⁴ Lagasse, Jeff. [Amazon's One Medical is closing corporate offices](#). Healthcare Finance. February 12, 2024. Accessed April 2024.
- ²⁵ Lagasse, Jeff. [Amazon's One Medical is closing corporate offices](#). Healthcare Finance. February 12, 2024. Accessed April 2024.

- ²⁶ Palmer, Annie. [Amazon cuts hundreds of jobs in Pharmacy, One Medical units: Read the memo.](#) CNBC. February 6, 2024. Accessed April 2024.
- ²⁷ Landi, Heather. [Amazon cuts hundreds of jobs in One Medical, Pharmacy Units. Fierce Healthcare.](#) February 7, 2024. Accessed April 2024.
- ²⁸ O'Donovan, Caroline. [Changes at Amazon-owned health services cause alarm among patients, employees.](#) The Washington Post. February 28, 2024. Accessed April 2024.
- ²⁹ Pifer, Rebecca. [Amazon closing One Medical corporate offices.](#) Healthcare Drive. February 9, 2024. Accessed April 2024.
- ³⁰ Ibid.
- ³¹ Landi, Heather. [Why One Medical's CMO believes Amazon Health can make a big impact tackling chronic diseases.](#) Fierce Healthcare. October 13, 2023. Accessed April 2024.
- ³² O'Donovan, Caroline. [Changes at Amazon-owned health services cause alarm among patients, employees.](#) The Washington Post. February 28, 2024. Accessed April 2024.
- ³³ Ibid.
- ³⁴ Ibid.
- ³⁵ Ibid.
- ³⁶ Mak, Tim. [One Medical employees say concierge care provider is putting profits over patients.](#) NPR. August 4, 2021. Accessed April 2024.
- ³⁷ Ibid.
- ³⁸ Ayogu, Nworah. [Introducing Amazon Clinic, a virtual health service that delivers convenient, affordable care for common conditions.](#) Amazon website. November 15, 2022.
- ³⁹ Palmer, Annie. [Amazon rolls out its virtual health clinic nationwide.](#) CNBC. August 1, 2023. Accessed April 2024.
- ⁴⁰ Ibid.
- ⁴¹ Shriber, Sara. [Will Amazon Clinic break through the telemedicine plateau?](#) CivicScience. February 27, 2024. Accessed April 2024.
- ⁴² Ibid.
- ⁴³ Pifer, Rebecca. [Amazon Clinic considers partnering with physical providers for care referrals. Healthcare Drive.](#) October 9, 2023. Accessed April 2024.
- ⁴⁴ Ibid.
- ⁴⁵ Jennings, Katie. [Amazon Prime's new \\$9 primary care subscription undercuts Amazon's other health services.](#) Forbes. November 8, 2023. Accessed May 2024.
- ⁴⁶ Ibid.
- ⁴⁷ Amazon Pharmacy website. Where does Amazon Pharmacy delivery and how fast? Available at: <https://pharmacy.amazon.com/> Accessed June 2024.
- ⁴⁸ Ibid.
- ⁴⁹ Meyersohn, Nathaniel. [Amazon launches \\$5-a-month unlimited prescription plan.](#) CNN. January 24, 2023. Accessed April 2024.
- ⁵⁰ Landi, Heather. [ViVE 2023: Amazon Pharmacy integrates coupons in latest bid to target affordability of branded drugs.](#) March 29, 2023. Accessed April 2024.
- ⁵¹ Wingrove, Patrick. [Amazon Pharmacy automates discounts to help insulin patients get pledged prices.](#) Reuters. August 15, 2023. Accessed April 2024.
- ⁵² Gerber, Marisa. [Amazon's pharmacy will offer same-day delivery in L.A. and NYC and plans to expand.](#) Los Angeles Times. March 26, 2024. Accessed April 2024.
- ⁵³ Amazon Staff. [Amazon Pharmacy now offers same-day delivery in New York City and the LA area.](#) Amazon website. March 26, 2024.
- ⁵⁴ Ibid.
- ⁵⁵ Hodgson, Camilla and Barnes, Oliver. [Amazon hopes anti-obesity drug demand will boost pharmacy business.](#) Financial Times. March 26, 2024. Accessed April 2024.

- ⁵⁶ Godt, Evan. [Amazon brings shipping muscle to Lilly drug delivery](#). HealthExec. March 14, 2024. Accessed April 2024.
- ⁵⁷ Ahmed, Erum. [Amazon Pharmacy is struggling to gain the attention of Prime users – but that could change soon](#). Emarketer. August 25, 2022. Accessed April 2024.
- ⁵⁸ Wingrove, Patrick. [Amazon Pharmacy automates discounts to help insulin patients get pledged prices](#). Reuters. August 15, 2023. Accessed April 2024.
- ⁵⁹ Landi, Heather. [Amazon Pharmacy testing out medication consulting service with One Medical primary care providers](#). Fierce Healthcare. January 25, 2024. Accessed July 2024.
- ⁶⁰ Pifer, Rebecca. [Amazon launches chronic condition management portal; Omada nabs first partnership](#). Healthcare Dive. January 8, 2024. Accessed April 2024.
- ⁶¹ Landi, Heather. [Why One Medical's CMO believes Amazon Health can make a big impact tackling chronic diseases](#). Fierce Healthcare. October 13, 2023. Accessed July 2024.
- ⁶² Landi, Heather. [CVS Health rebrands healthcare services business as it plots long-term growth strategy](#). Fierce Healthcare. December 4, 2023. Accessed April 2024.
- ⁶³ Ibid.
- ⁶⁴ Livingston, Shelby. [Amazon, CVS and Walgreens went all in on primary care. Their bets are bleeding money](#). Business Insider. March 6, 2024. Accessed April 2024.
- ⁶⁵ Landi, Heather. [Walgreens narrows profit outlook for 2024, takes \\$6B hit in Q2 from VillageMD investment](#). Fierce Healthcare. March 28, 2024. Accessed July 2024.
- ⁶⁶ Livingston, Shelby. [Walgreens' biggest healthcare bet is floundering as it shutter 160 primary-care clinics](#). Business Insider. March 28, 2024. Accessed April 2024.
- ⁶⁷ American Hospital Association. [Walgreens Shuttters 160 VillageMD Clinics after \\$6 billion loss](#). Web Page accessed April 29, 2024.
- ⁶⁸ Newitt, Patsy. [Walgreens' VillageMD clinic closure strategy so far](#). Becker's ASC Review. April 8, 2024. Accessed April 2024.
- ⁶⁹ Rascoe, Ayesha et al. [Walmart is ending its telehealth service and closing over 50 health clinics](#). NPR. May 5, 2024. Accessed May 2024.
- ⁷⁰ Pifer, Rebecca. [Walmart decelerates health center expansion plans](#). Yahoo Finance. April 4, 2024. Accessed April 2024.
- ⁷¹ Pifer, Rebecca. [Why regulators didn't challenge Amazon-One Medical deal, despite data concerns](#). Healthcare Dive. March 1, 2023. Accessed July 2024.
- ⁷² Federal Trade Commission. [Joint Statement of Chair Khan, Commissioner Slaughter, Commissioner Wilson, and Commissioner Bedoya Regarding Amazon.com, Inc.'s Acquisition of 1LifeHealthcare, Inc.](#) February 27, 2023. Accessed April 2024.
- ⁷³ Fowler, Geoffrey. [To become an Amazon Clinic patient, first you sign away some privacy](#). The Washington Post. May 1, 2023. Accessed April 2024.
- ⁷⁴ Cusano, Donna. [Amazon Clinic announces 50-state rollout 1 August. Were the privacy issues fixed?](#) Telecareaware.com. August 1, 2023. Accessed April 2024.
- ⁷⁵ The One Medical Website listed the Downtown Portland location as temporarily closed as of July 16, 2024. OHA reviewed this website in the months leading up to the publication of this report, when the Tigard location was also listed as temporarily closed in April and May of 2024. Amazon shared details on these closures with OHA as a part of their response to OHA's Request for Information (RFI), but these details are not publicly available. The One Medical Webpage listing Oregon offices is available here (accessed July 2024): https://www.onemedical.com/locations/pdx/?pediatric_services=false&sees_seniors=false
- ⁷⁶ Plescia, Melissa. [Believing Amazon's job cuts signal an exit from healthcare would be 'overly simplistic,' expert says](#). MedCityNews. February 7, 2024.
- ⁷⁷ Milbank Memorial Fund. [The health of US primary care: 2024 scorecard report – No one can see you now](#). February 27, 2024. Accessed April 2024.
- ⁷⁸ Swedish Communications. [Swedish partners with One Medical](#). Swedish blog. January 10, 2019.

- ⁷⁹ See [Swedish healthcare website](#) describing its affiliation with Providence.
- ⁸⁰ Landi, Heather. [Amazon's One Medical partners with CommonSpirit Health for specialty care in Seattle](#). Fierce Healthcare. November 13, 2023. Accessed April 2024.
- ⁸¹ Ibid.
- ⁸² One Medical. [About us: Transforming primary care](#). Webpage accessed July 2024.
- ⁸³ One Medical. [Insurance plans we accept at One Medical](#). Webpage accessed July 2024.
- ⁸⁴ See [One Medical Financial Assistance webpage](#). Accessed May 2024.
- ⁸⁵ Oregon Department of Consumer and Business Services. [Registered Entity Listing with DBA](#). Accessed May 2024.
- ⁸⁶ See Amazon's [response to OHA's Request for Information \(RFI\)](#).
- ⁸⁷ Oregon Department of Consumer and Business Services. [Retainer Medical Practices: Insurance Tips](#). December 2011. Fact sheet accessed May 2024.
- ⁸⁸ Konstantinovskiy, Michelle. [Many doctors are switching to concierge medicine, exacerbating physician shortages](#). Scientific American. October 2021.
- ⁸⁹ Doherty, Robert. [Assessing the patient care implications of "Concierge" and other direct patient contracting practices: A policy position paper from the American College of Physicians](#). Annals of Internal Medicine 163(12): November 2015.
- ⁹⁰ Dalen, James E. and Joseph S. Alpert. [Concierge medicine is here and growing!!](#) The American Journal of Medicine 130(8): August 2017.