

## EXECUTIVE SUMMARY

# Amazon-One Medical Transaction Review

The [Health Care Market Oversight](#) (HCMO) program reviews proposed health care business deals to make sure they support statewide goals related to cost, equity, access, and quality. After completing a review, the Oregon Health Authority (OHA) issues a decision about whether a business deal, or transaction, involving a health care company should proceed. On November 29, 2022, OHA received a completed [notice of material change transaction](#) from Amazon.

## Proposed Transaction

In this transaction, Amazon plans to purchase One Medical for approximately \$3.9 billion. One Medical is a for-profit primary care organization operating more than 180 medical offices across the country, including five primary care clinics in Oregon. Amazon is a multi-national corporation that operates across several industries, including e-commerce, infrastructure computing services, electronic devices, digital media content and logistics. In Oregon, One Medical partners with Providence Health & Services to support clinical care and administrative services.

## OHA's Review

OHA conducted a 30-day preliminary review of the proposed transaction. During the review, OHA gathered background information about the companies involved and assessed the likely impact of the transaction across four domains: cost, access, quality, and equity. OHA held a 14-day public comment period 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.

## Key Findings



### Cost

OHA does not have concerns about price increases resulting from consolidation, as the transaction will not meaningfully change Amazon and One Medical's market share for primary care services in Oregon. Commercial insurance payment rates for One Medical are negotiated through the partnership with Providence. OHA has no reason to believe that One Medical will be able to negotiate higher rates because of this transaction.



### Access

OHA does not have specific concerns about reductions in access to care resulting from this transaction. The entities have stated that they do not plan to reduce access to essential services. The entities have also stated that they plan to expand One Medical's network of clinics, which may provide additional access to services. One Medical clinics are located in urban areas with many other primary care providers.



### Quality

OHA has limited insight into quality for One Medical locations, since its Portland clinics opened in 2020 and 2021 and One Medical does not participate in some programs that require regular quality reporting. Amazon's business model also has the potential to impact quality. OHA will require on-going quality reporting to monitor for concerns.

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### Equity

OHA identified potential equity concerns resulting from this transaction. This transaction could potentially result in One Medical siphoning off commercially insured patients with higher payment rates from clinics that serve more Medicaid and Medicare-covered patients. Those concerns are somewhat mitigated by the fact that One Medical has a small footprint in Oregon and operates in urban areas with many other primary care provider options.

## Conclusions and Decision

Based on preliminary review findings, **OHA approved this transaction, with conditions, on December 28, 2022.** (See the [review order](#) and [review summary report](#) for more details.) OHA made this decision based on these criteria:

- 1. The transaction is unlikely to substantially reduce access to affordable health care in Oregon.** In the locations where One Medical operates in Oregon, patients have many other options to access similar types of services. OHA does not anticipate that this transaction will result in increased prices. Combining with Amazon, with its advanced supply chain and purchasing power, may generate efficiencies and savings for One Medical, though any savings would not necessarily be passed to consumers.
- 2. Comprehensive review of the material change transaction is not warranted given the size effects of the transaction.** One Medical currently operates five clinics in the Portland Metro area. One Medical's patients represent a small number of primary care patients in the Portland Metro region and the transaction does not impact other geographic areas in the state.

This transaction is approved on the condition that Amazon and One Medical report information about the services they provide, the patients they serve, quality of care, and any governance or organizational changes. The reports will be submitted every six months for five years following the transaction.

OHA will monitor the impact of the transaction by conducting follow up analyses one year, two years, and five years after the business deal is completed. During these reviews, OHA will analyze the impact of the transaction on quality of care, access to care, affordability, and health equity, specifically following up on concerns or observations noted in the review summary report. OHA will also assess whether the parties to the transaction have kept to the commitments stated in the notice of transaction regarding cost, access, and quality of care.

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