**Amazon Launches Housecall**

*Techcrunch: New York, NY* – *June 2016* Thanks to Uber and Airbnb, with just a click you can hire a car to drive you to the airport on your way to the perfect guest cottage you’ve rented off of the coast of Maine. But what happens when you realize it’s pollen season in Maine, you’ve forgotten your asthma inhaler, and you can’t transfer your prescription to the local pharmacy because you need to see your doctor for a refill? Meet “Housecall," Amazon’s new virtual doctor’s office.  A telemedicine application for PC, mobile and tablet, Housecall offers 24/7/365 access to a doctor or nurse practitioner with a guaranteed 60 second or less wait time. With the launch of Housecall, Amazon is directly connecting doctors and patients in an attempt to make a visit to a doctor as easy as ordering a car via Uber – and, in most cases, much faster.  Unlike Uber and Airbnb, which utilize latent capacity, Housecall was created to help address the shortfall of physicians, which is anticipated to reach 62,900 doctors in 2015.[[1]](#endnote-1) “By providing patients the ability to quickly and easily see a doctor for simple things like prescription renewals, progress updates, and coughs,” says Doug Herrington, Amazon’s SVP of Consumables, “doctors are able to see more patients, patients spend less time out of work, and, as a result, we’re able to take excess costs out of the health care system.”

Housecall is a platform designed to efficiently connect doctors with patients similar to the way Uber connects drivers with passengers and Airbnb connects people with spare lodging with travelers looking for rooms. When patients log on, the location-aware app displays a list of licensed doctors and nurse practitioners that are available to see them right then. Patients can elect to see a doctor near their current location, which some patients do if they think they might need in-person follow up appointments, or they can elect to see the first available practitioner licensed in their state, irrespective of location. All customers have to do to see a doctor is click on the “See Me Now” button next to a practitioner’s name, which instantly launches a two-way video conference. Patients can also schedule a visit with select doctors in advance. A multi-person videoconferencing feature lets patients in different locations both “attend” a visit so people caring for relatives in other cities can sit in on their appointments. Patients can also access the notes from their Housecall visits and share those notes with their primary care physician if they choose. Patients can see any doctor on the app without having to worry about being in or out of network.

Housecall is mainly designed for small to medium physician practices that employ 9 or fewer doctors (58.9% of practices in the U.S.).[[2]](#endnote-2) These practices use Housecall to triage their patients to virtual appointments where appropriate, thereby freeing up office visits for patients who need to be seen in person, and to fill last minute slots that arise due to cancellations (~5 – 10% of appointments[[3]](#endnote-3)). Studies estimate that 40% of doctor visits could be switched to telemedicine,[[4]](#endnote-4) saving doctors’ offices about 12 minutes and $60 per appointment,[[5]](#endnote-5) but most small practices don’t have the infrastructure and capital to create their own telemedicine solutions. Explains practice owner Emily Olsen, “By letting us redirect patients to the appropriate venue for being seen (virtual vs. physical) Housecall makes our office work more efficiently. It also increases patient satisfaction by allowing most people to see a doctor more quickly than they would have before. Beyond saving us time and money, Housecall also gives our office access to new patients from among Amazon’s 116 million unique monthly visitors. All of these factors make it a sound investment for our practice.”

Many of the practices that have adopted the platform now staff doctors and nurse practitioners who are dedicated to Housecall. This allows them to tap into a pool of doctors that otherwise might have dropped out of the workforce, such as practicing physicians in the United States over the age of 55 (one third of all doctors), many of whom are expected to retire in the next 10 or 15 years[[6]](#endnote-6); younger doctors who are not willing to work 80-hour weeks[[7]](#endnote-7); and the 24 percent of female physicians under 50 who work part-time.[[8]](#endnote-8) By giving these doctors an outlet to practice with flexible hours, Housecall is helping offset the anticipated physician shortage and giving small practices access to a broader recruiting pool of doctors.

In addition to small to medium practices, solo practitioners are also signing on to Housecall. These doctors say that what sets Housecall apart from other telemedicine apps is that they can charge rates based on their credentials and years of experience and can devote as many or few hours to Housecall as they desire. They also love that they can set their own hours, can work from anywhere and don’t have to bear the high administrative costs associated with running a practice (usually 25-30 percent of practice revenues).[[9]](#endnote-9) Currently Housecall doesn’t accept insurance (though patients can pay using their FSA or HSA debit cards), which is actually a positive for doctors; primary care physicians who charge the patient directly see their overhead declines by an estimated $58 per patient visit (vs. billing through insurance).[[10]](#endnote-10) “Joining Housecall has let me focus my energy on doing what I love – practicing medicine and helping patients – rather than devoting time to processing claims and fighting with insurance companies,” shares Dr. Alan Pouissant, a solo practitioner who signed up as a provider when Housecall launched.

In addition to holding a current, valid U.S. license, practitioners must consistently maintain a 4 star or above customer rating to be on Housecall. Next to each practitioner’s name is their licensing information, training and work experience, the health plans in which they participate, how other Housecall patients rate their interactions with that practitioner, and the price for an appointment. Practitioners set their own pricing based on their experience and credentials; seeing a third-year dermatology resident might be less expensive than seeing a Harvard-educated dermatologist who has been practicing for fifteen years. The appointment fee covers a fifteen-minute visit. Customers have the option to buy additional time if necessary, but the majority do not need to.

Housecall adoption is strong not only among doctors’ offices but also among patients. The number one benefit customers cite is convenience. Americans see their doctors an average of 3 - 4 times a year, which adds up to more than one billion annual visits.[[11]](#endnote-11) Only 52.7% of patients say they can always get an appointment as soon as they want.[[12]](#endnote-12) Once at the doctor, people wait an average of 21 minutes,[[13]](#endnote-13) and the majority of the time they spend less than 15 minutes with their doctor.[[14]](#endnote-14) The annual opportunity cost of time spent in the waiting room? 14.6 billion days or $3.6 billion.[[15]](#endnote-15) The most frequent illness-related reason for a visit? Having a cough.[[16]](#endnote-16)

Housecall appeals to busy patients who value convenience and are willing to pay a premium to see a doctor exactly when they want. The out-of-pocket cost of a visit usually falls between the average co-pay for visiting an urgent care facility ($33) and the average co-pay for an in-network emergency room visit ($113).[[17]](#endnote-17) While most visits are not covered by insurance, patients can pay using their HSA or FSA funds. “I have health insurance but I’m willing to pay out of pocket for Housecall because it’s so convenient,” explains lawyer Anthony Ramirez, “the extra $20 - $40 I spend vs. what my co-pay would be for an in-office doctor’s visit is worth it to be able to immediately see the doctor whenever I want and to avoid the hassle of scheduling an appointment in advance and taking time off of work to drive to and from the doctor’s office, not to mention the time I’d have to spend in the waiting room.”

Parents especially love Housecall because their children are some of the most frequent visitors to doctors: 92.8% of kids have seen a health professional in the past year.[[18]](#endnote-18) First-time dad and Amazon Mom member Samir Patel explains, “My son Jai is on his tenth ear infection. For the last two months, my wife and I have been on the phone with the doctor’s office practically every day and in the office at least once a week. By ear infection number five, I knew the signs that the physician would want to confirm. I didn’t want to miss work again to have the doctor tell me that my diagnosis was correct.” Patel describes how he logged into the app at 6:30am and saw an available nurse practitioner, who verified Jai’s ear infection and then sent a prescription to Amazon Pharmacy. “Jai got his diagnosis and medication quickly and I didn’t have to take any time off of work,” raves Patel. “Once I saw how easy it was to use for Jai, my wife and I started using it for our own doctors’ appointments.”

Analysts are bullish on Housecall’s potential. “The $2.8 trillion dollar healthcare industry is a huge space for Amazon,” says Morgan Stanley analyst Harsh Singh. “If Amazon can capture even a quarter of a percent of that, it’s a $4.3 billion revenue opportunity annually.” Housecall’s revenue comes from charging practitioners a flat fee per appointment for using its service. While Amazon hasn’t disclosed its profits for Housecall, Singh estimates that Amazon charges doctors between $15 and $20 an appointment, which translates to $135 - $540 million in revenue depending upon the number of doctors on the platform and how many patients they see a day, neither of which Amazon has disclosed. Explains Singh, “the beauty of this model is that Amazon has created a way to provide a valuable service to its customers without having to hire doctors on staff. The service helps improve the efficiency of doctors’ offices and increases patient access to healthcare, making Amazon even more of a one-stop shop for all of their needs.”

*Housecall should not be used for life-threatening medical emergencies or medical issues that can cause impairment. Patients experiencing a medical emergency should call 911. Practitioners on Housecall do not prescribe controlled substances.*

**About Amazon.com**

Amazon.com, Inc. (NASDAQ: AMZN), a Fortune 500 company based in Seattle, opened on the World Wide Web in July 1995 and today offers Earth’s Biggest Selection. Amazon.com, Inc. seeks to be Earth’s most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavors to offer its customers the lowest possible prices. Amazon.com and other sellers offer millions of unique new, refurbished and used items in categories such as Books; Movies, Music & Games; Digital Downloads; Electronics & Computers; Home & Garden; Toys, Kids & Baby; Grocery; Apparel, Shoes & Jewelry; Health & Beauty; Sports & Outdoors; and Tools, Auto & Industrial.

**FAQs**

*The proposals in this document are being vetted by Legal for regulatory feasibility and may need to be modified based on the outcome of that research. Telemedicine is a relatively new field in which regulations are still evolving; telemedicine is governed by State Boards of Medicine and, in some states, by the Attorney General’s office, and laws vary from state to state. We will also have to ensure any revenue structures comply with laws governing physician compensation.*

1. *How big is this opportunity, can Amazon be successful and what does success mean for Amazon?*

Americans spent $2.8 trillion on healthcare in 2012. A relatively new field in the U.S., tele-health is currently a $240M business, which is predicted to grow to $1.9B by 2018.[[19]](#endnote-19) More broadly, in 2010, each American visited the doctor over 1 billion times[[20]](#endnote-20) (an average of 3.3 visits/person), spending $516B on physician and clinical services.[[21]](#endnote-21) At their fair share of that, the 116M unique visitors who visited Amazon in March 2014 would account for 382M of these doctors’ appointments a year and $189B of this annual spend. If just one percent of those customers used Housecall for one of those appointments, $574M would be spent on Amazon. Not only will we capture the spending, but being able to see a doctor on Amazon will also increase these customers’ engagement with Amazon and can help increase our penetration with people who are 45+, a group that accounts for 55.1% of annual doctor visits and is expected to control 70% of disposable income in the U.S. by 2017.[[22]](#endnote-22) We know consumers are interested in/open to alternative options to care; according to a recent PWC Health Research Institute report, more than 50% of customers said they would choose home/online visits for conditions like having a rash, and almost one third of customers said they would choose home/online services for complicated therapies such as infusion therapies (see Appendix 1).[[23]](#endnote-23) Finally, given Amazon’s consistently strong customer trust ratings, we believe customers will be more willing to engage with a tele-health platform we launch vs. some of the smaller offerings currently on the market and that doctors will be excited by the traffic our platform will generate for them.

1. *What is the Housecall customer experience?*

We will view the customer experience through the use case of Edna, a 55 year old patient who developed a rash, which she is concerned is caused by bedbugs, after a trip to NYC. Edna’s doctor can’t see her until three days from now and she wants to know ASAP if she has bedbugs. She has left her suitcase in the garage as a precaution but still worries that she is infecting her whole house. Edna has an iPhone that she uses to access Housecall, taking the following steps:

1. Edna opens the Amazon app and accesses Housecall through a link on the Gateway.
2. This link takes her to a login page, where she logs in with her Amazon user ID and password.
3. If it is Edna’s first time logging into the app, she will be asked to input some basic information about her medical history, drug allergies, etc. She only has to enter and save this information once. Edna has the option to enter this manually or orally via voice prompt. She chooses the latter because she finds it easier than typing.
4. Housecall asks for permission to use Edna’s current location, which she grants.
5. Once she lets the app use her location, it pulls up a list of doctors and nurse practitioners who are available to see her immediately. Next to each practitioner’s name is their licensing information, training and work experience, the health plans in which they participate, how other Housecall patients rate their interactions with that practitioner, and the price for an appointment. Edna can sort by price, rating, specialty, name, health plan membership, or distance.
6. Edna sorts by specialty and chooses Dr. Alan Wang, a third year dermatology medical resident with 4.5 stars, who will charge her $40 for the appointment.
7. Edna clicks on the “See Me Now” button next to Dr. Wang’s name.
8. She is prompted to enable two-way video chat on her phone. She does and her visit with Dr. Wang begins. She can see the appointment time in the lower right hand corner of her screen; if she gets close to 15 minutes, the app will prompt her to decide whether she wants to add additional time.
   1. We will need to design this CX carefully to ensure that doctors and patients don’t feel rushed and don’t cut important consultations short in the name of saving money. One option is to “pause” the consultation when there are 2 -3 minutes left in the original appointment and let a doctor and patient discuss whether to continue the appointment, then resume the consultation (and re-start the clock) once that decision is made.
9. Edna explains her concerns and symptoms, uses her phone’s camera to show Dr. Wang her rash, and is pleased to learn that she does not have bedbugs but rather is experiencing an allergic reaction. Dr. Wang suggests she purchase Benadryl cream and shares a link to the detail page.
10. The appointment ends after 7 minutes and Edna is taken to a check out page where she sees the charge of $40. Edna can elect to use any payment instrument she has saved on Amazon.com. She can also add a new payment instrument, which she does because she hasn’t yet saved her FSA debit card in her .com account.
11. After check out, Edna has the option to write a review of/rate Dr. Wang.
12. Dr. Wang saves his visit notes in Edna’s account, which she can access at any time by logging in to the app. She also has the option to share these notes with her primary care physician, should she choose to do so.
13. *How will patient history and data be handled?*

When patients first log in to Housecall they will be asked to fill out a brief medical history questionnaire that we will retain on file. This will ensure the practitioner they see has access to the basic facts of their medical history. Every time a patient has a Housecall appointment, their doctor will include his/her visit notes in the patient’s file. Patients will be able to access their patient files when they want and will be able to grant their primary physician access to the data as well, should they choose. We will store this data securely to ensure that no one unauthorized is able to access it.

1. *Is there latent capacity in the medical practitioner marketplace?*

No. The Association of American Medical Colleges estimates that the U.S. will have 62,900 fewer physicians than needed by 2015.[[24]](#endnote-24) Unlike models like Uber and Airbnb, which tap into unused capacity in the marketplace, Housecall will need to be a compelling enough proposition to attract doctors who already experience sufficient demand for their services.

1. *How will we attract doctors and why will it be worthwhile for them to participate?*

**Studies show that as many as 70% of doctor visits can be handled via phone.**[[25]](#endnote-25) **By reserving in-office visits for conditions that merit in-person care, shifting appropriate visits to Housecall will help doctors’ offices become more efficient –** a virtual appointment saves an office $60 (vs. a physical appointment) and about 12 minutes of doctor time per call[[26]](#endnote-26)**. Additionally,** studies have shown that accepting same day appointments improves the efficiency of doctors’ offices and allows doctors to see more patients.[[27]](#endnote-27) Because the conditions for which patients will use Housecall are less complex, the appointments should take less time. Using Housecall **will also allow doctors to see patients during slots that unexpectedly free up due to last-minute cancellations** (5 – 10% of appointments[[28]](#endnote-28))**. For specialists, being able to triage consultations vs. visits that require in-person therapy (such as dermatological procedures or radiation therapy, for example) will help doctors better monetize their practices as the procedures are where they make the lion’s share of their revenue.** We also believe doctors will be incented to participate in Housecall because it will give them easy access to new patients with minimal overhead, will allow them to set their own prices for appointments and keep all of the revenue they get for an appointment (minus any fees they pay to Amazon to use the service), and will give them the flexibility to set their own hours and work as much or as little as they want. New patients have considerable long term value: the average annual per capita healthcare expenditure on a physician is $2,166 and the total projected lifetime expenditure of a patient who starts seeing a doctor at age 37 is $342k.[[29]](#endnote-29) Operating a normal practice brings with it high administrative costs (~25-30 percent of practice revenues) and high insurance-related costs (~15 percent of revenues);[[30]](#endnote-30) we believe using Housecall will reduce this overhead for doctors. **Finally, Housecall should appeal to doctors who are looking to decrease their hours and increase their incomes; close to 50% of physicians say that over the next one to three years they plan to cut back on hours (22%), retire (13.4%), switch to concierge medicine (6.8%), or work part time (6.5%), and 86.4% say their income over the past three years has been declining (46.7%) or flat (39.7%).[[31]](#endnote-31)**

**As mentioned in the press release, we plan to start by focusing on** small to medium practices that employ 9 or fewer doctors (58.9% of practices).[[32]](#endnote-32) Most small practices don’t have the infrastructure and capital to create their own telemedicine solutions but could benefit from the efficiencies and revenue opportunities virtual medicine drives. Housecall solves this issue by giving them a platform they can easily plug into for virtual appointments.

1. *Do we need a Sales and Recruiting function?*

**Yes. Because doctors’ offices are not currently Amazon clients, it is likely that we will need a salesforce to educate them about Housecall and bring them on to the platform. Given the BISS team’s upcoming entrance into direct sales of medical devices to physicians’ offices, there is the potential to use this salesforce to more broadly introduce doctors’ offices to all of the services Amazon can offer them.**

1. ***Will doctors need to get separate medical malpractice insurance to join Housecall?***

**This is an open question that requires more research. Almost all states require physicians to have liability insurance. Physicians either purchase insurance individually or are insured through their practice or the hospital in which they practice.**[[33]](#endnote-33) We believe it is likely that physicians who are insured through group practices/hospitals will need supplemental malpractice insurance for Housecall. Because not all policies explicitly cover telemedicine, even a physician who buys their own malpractice insurance may need extra telemedicine coverage. At least one existing telemedicine company, Doctor on Demand, offers full malpractice insurance tailored to telemedicine for the doctors who join its practice. Doctor on Demand claims that the malpractice risk in telemedicine is low, “Primary Telemedicine Care has historically had an extremely low malpractice rate as the cases tend to be low complexity, low acuity and are not emotional types of cases, major interventions or emergencies, [or] long standing chronic issues.”[[34]](#endnote-34)

1. ***Should Amazon offer malpractice insurance to Housecall practitioners?***

**No. While we need to do further research into malpractice insurance, we do not believe it makes sense for Amazon to become an insurance provider as part of the Housecall launch. Our vision for Housecall is that it is a technology platform that practitioners pay to use to connect with patients, not an employer of doctors or a provider of insurance coverage.**

1. ***If a Doctor is already employed by another practice or health system, will their current employer allow them to join Housecall?***

**Many practices do allow doctors to moonlight (an estimated 36% of primary care physicians moonlight on a second job**[[35]](#endnote-35)**), though some practices place contractual restrictions on where and for how many hours a doctor is allowed to do so.**[[36]](#endnote-36) **This is an area we need to research further.**

1. ***Why will patients want to use Housecall/what problems will we solve for patients?***

***Convenience***

* **It saves them time by eliminating the travel time/time off of work required to physically visit a practitioner’s office**
* **They can instantly see a doctor in under a minute 24 hours a day, 7 days a week, 365 days a year**
* **It lets them “attend” a doctor’s appointment with a relative/friend in another city**

***Increased selection of doctors***

* **It provides people in underserved communities increased access to specialists and lets people easily see doctors/specialists in other cities without incurring the cost of travel**
* **It lets people who have trouble leaving the house see a doctor easily**
* **They get to see the ratings/reviews and background of their doctor before the visit and choose the doctor they see**

***Value***

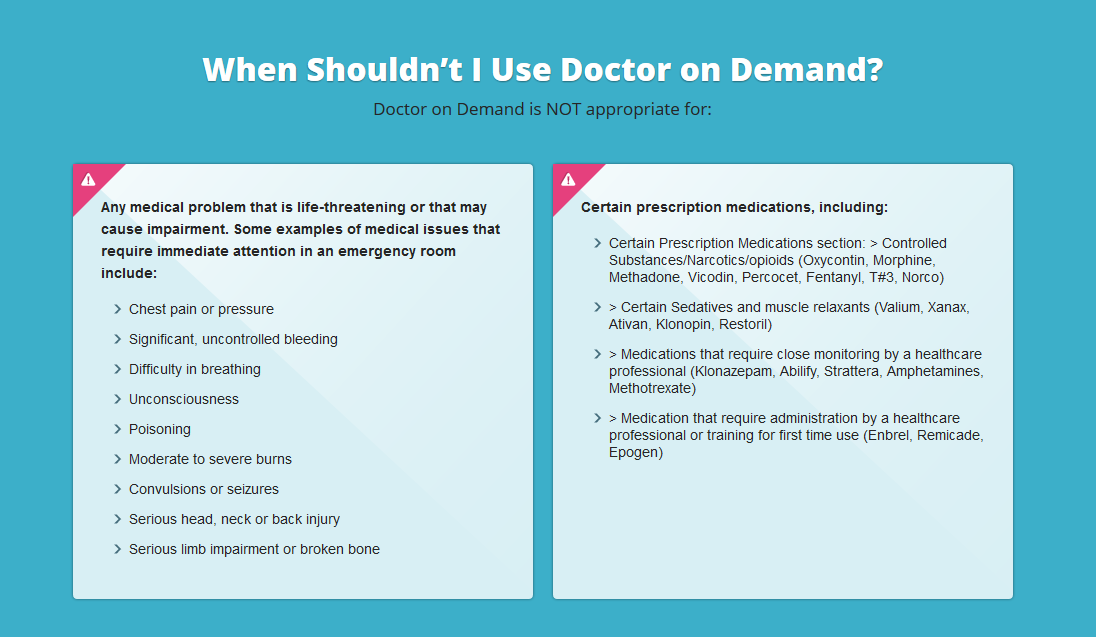
* For patients with insurance, the out-of-pocket cost of a visit should fall between the average co-pay for visiting an urgent care facility ($33) and the average co-pay for an in-network emergency room visit ($113).[[37]](#endnote-37)
* **All pricing is clearly stated up front, which eliminates the surprise of an exorbitant bill after the fact and lets the patient decide how much they are willing to pay**
* **They don’t have to take time off of work and, in some cases, forgo pay to go to the doctor**
* **They only pay for the treatment they use – no monthly or annual fees or long term commitment**

1. *How will customers find and discover Housecall?*

Customers shopping on Amazon can find Housecall through the GNO flyout, through visiting the Pharmacy GL, and through other advertising on the site (house ads, Gateway placements, billboards in Pharmacy and HPC, etc). We will also work with the doctors’ offices we sign up to have them educate their patient populations about Housecall. Finally, once we launch this we expect to receive press coverage, which will help raise awareness of the offering more broadly.

1. *What kind of ailments will Housecall doctors see patients for?* *What set of services is not appropriate for this service?*

Housecall is meant for non-emergency care. Housecall is ideal for people who have a non-life threatening/impairing issue for which they need a quick consultation (e.g. cough, symptoms of the flu, rolled ankle, rash/skin condition, pink eye, prescription refill for an existing prescription that isn’t a controlled substance) or for ongoing monitoring that doesn’t require extensive testing. It is also an ideal platform for second opinions; a patient’s doctor can send lab and test results via a secure portal to a specialist who can review them and provide a second opinion, either with or without the patient’s original doctor on the call. To ensure patients use the service as intended, we will be explicit about what conditions Housecall should not be used for (life-threatening or impairing medical problems such as chest pain, seizures, broken bones, etc – see sample language from the Doctor on Demand website below). Housecall practitioners will be able to terminate a call, refer a patient to 911, and waive the appointment fee should a patient try to use Housecall for a condition that is not appropriate to address via telemedicine.



1. *Are there customer risks in this type of service? How will we eliminate/minimize?*

Educating doctors and patients about what the appropriate conditions are for which they should and should not use Housecall will be key to the program’s success and to ensuring that we minimize risk for customers. Per the previous question, we will be overt about the use cases for which Housecall is and is not appropriate and we will instruct all of our doctors to refer customers to in person visits or to the emergency room/911 should their condition warrant it.

1. *Can we use Housecall to treat pets?*

Yes. We believe that veterinarian visits would be a good use case for Housecall.

1. *Can patients browse our selection of doctors?*

Yes. Patients will be able to search by name, specialty, star rating, distance from their current location, health plan (in case they want to visit that doctor in person in the future), and price.

1. *How will Amazon ensure the quality of doctors on the platform?*

We will certify that all healthcare practitioners on Housecall have current and valid licenses/board certification by working with state and national licensing boards to verify these credentials. Prior to allowing a practitioner on the platform, we will provide CS training and do a mock visit to ensure they meet our bar. We will also implement a practitioner score (similar in concept to a seller score) that looks at customer ratings/reviews and other success metrics (TBD) to ensure doctors meet our high bar for quality and customer service on an ongoing basis. Other telemedicine companies use third party credential verification services, such as VerifPoint, which provide more detailed background information and quality certification/standards, a path we can also pursue. In addition to rating practitioners, we also plan to implement a system where practitioners can flag patients who might be abusing the service, using it too frequently or using it in a way that is concerning.

1. *How will appointments be priced?*

Practitioners will set their own prices based on their experience/credentials. While we believe that competition will help determine the appropriate pricing levels (i.e. practitioners who charge prices that customers think are too high won’t get appointments), we also plan to implement processes to help prevent doctors from gouging patients.

1. *Do customers need to pay an annual fee to join Housecall?*

No. The only requirement for customers to join Housecall is that they have an Amazon account. Customers will only pay for the cost of each individual visit and can use the service as often or as infrequently as they like.

1. *Should we make Housecall available only to Prime members?*

We do not recommend making Housecall exclusive to Prime members. Amazon’s unique monthly visitor count is more than 15 times larger than the membership of the largest telemedicine company in the U.S. We believe that access/exposure to a large patient population is one of the key features that will attract doctors to join Housecall and incent insurance companies/employers to partner with us. Additionally, insurance companies/employers will be reluctant to partner with us if we force their members/employees to purchase Prime as a condition of using Housecall.

1. *Is telemedicine covered by insurance?*

Coverage of telemedicine varies widely among insurers and there is not a good source of reliable data on who covers what. Currently 20 states and Washington, DC mandate that private insurance companies reimburse providers of tele-health services if the services are covered for in-person care. Thirteen additional states have such legislation pending.[[38]](#endnote-38) Various industry groups are also pressuring the government to increase reimbursement for telemedicine/tele-health services. Some private health insurance companies have already partnered with telemedicine providers (for example, Wellpoint and Cigna have partnered with a company called MDLive and reimburse qualified patients for telemedicine visits); we believe that partnerships like this will continue to spread and coverage of telemedicine services will increase in the future.

1. *Should we be more tightly linked to insurance?*

We believe not accepting insurance will actually make this a more enticing offering for doctors; primary care physicians who charge the patient directly (vs. through insurance) can charge less because their overhead declines by an estimated $58 per patient visit.[[39]](#endnote-39) Judging by the proliferation of concierge medicine practices and other telemedicine applications that don’t accept insurance, we believe that patients will be willing to pay for the convenience of being able to see a doctor immediately even if those patients already carry health insurance. That being said, there is an opportunity to work closely with employers and/or insurance companies to cover the cost of Housecall for their employees/patients. Virtual doctors’ appointments save insurance companies and employers money; the median cost for an ER visit is $1,223 while the average telemedicine visit costs about $50.[[40]](#endnote-40) Studies have shown that chronically ill patients that used a tele-health program had spending reductions of 7 to 13 percent ($312–$542 per person per quarter) compared to those that did not.[[41]](#endnote-41) Additionally, telemedicine can reduce worker absenteeism because employees can see doctors from their desk rather than having to take off time to travel to and from the doctor’s office, not to mention the time spent waiting to be seen (an average of 21 minutes/visit[[42]](#endnote-42)). Employers and insurance companies are therefore incented to encourage people to swap an in-person visit for a telemedicine visit. Amazon is the ideal platform to help them do this because so many of their employees/members already visit our site and trust Amazon.

1. *How will Amazon make money?*

Our proposal is that doctors will pay Amazon a per appointment flat fee for access to the Housecall platform. If we assume that 0.5% of doctors convert 100 visits per month to Housecall and we charge doctors a flat fee of $20 an appointment, Amazon will realize $135M in annual revenue. If 2% of doctors convert at a flat fee of $20 an appointment, Amazon will realize $540M in annual revenue. That revenue would increase if we varied the fee based on a doctor’s level of experience/training/credentials. Other options considered are a revenue share, a concierge medicine model where customers pay for access to the application, and a tiered monthly membership fee for practitioners based on the services to which they have access. An additional source of revenue would be to charge employers and/or insurance companies an annual fee for their employees/members to access Housecall.

1. *What is our customer/practitioner proposition and how are we different from competitors?*

Amazon’s points of differentiation will be:

1. Immediate video connection to a doctor with a 60 second or less wait time (most of the major companies have doctors call patients back)
2. Ability to make appointments ahead of time if you want
3. Ability to select the doctor you want to see from the full set of available doctors
4. Ratings/reviews for all doctors
5. Access to doctors, residents and nurse practitioners
6. Video conferencing so multiple people can participate in the call, even from different locations (i.e. an elderly parent and a child who lives in a different city).
7. Doctors can set their own pricing and price based on experience/credentials

There are a number of companies in this field, big and small. For comparison, below is what we believe to be a representative sample of some of the larger and more reputable telemedicine companies (and one recent smaller entrant) and the features/benefits they offer.

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Company Name** | **Members** | **Reach** | **Comm. Vehicles** | **Availability/Avg. Wait Time** | **Request Specific Dr.?** | **Appt. Time** | **Cost** |
| Teladoc (largest U.S. telemedicine provider) | 7.5M (through employer or insurance plan) | 49 states (no OK); phone-only in 7 states | Phone or online video; Dr. calls you back | 24/7/365;  16 min. Guaranteed w/in 60 min or consult is free | No | No limit | Varies, depending upon plan design by employer or insurance plan |
| Ameridoc (just acq. By Teladoc) | 1.5M (membership through employer or insurance plan) | 50 states | Phone, video and email; Dr. calls you back | 24/7/365; 23 min. | No. You tell them symptoms and they pick the doctor for you | No info available | Have to buy a monthly plan ($8.95 - $29.95); higher monthly fee gets free appts; lower monthly fee pays $10 - $30/appt. Does not accept insurance |
| **Company Name** | **Members** | **Reach** | **Comm. Vehicles** | **Availability/Avg. Wait Time** | **Request Specific Dr.?** | **Appt. Time** | **Cost** |
| MDLive | At least 2.75M spread among 216 clients. Can join individually or through insurance/ employer | 49 states (no OK) | Phone, video, email; Dr. calls you back | 24/7/365; 10 min. (or can make appt ahead of time) | Yes | Usually 10 – 15 min. but no limit | $49 for Dr. visit; $79 for 1 hr. therapy session |
| American Well | Could not find data. Membership through insurance plan or can join as individual | 50 states | Video, mobile app, via the web, kiosks | 24/7/365; 2 min. | Yes | 10 min; can add time if you need to | $49 for 10 minutes |
| Doctor on Demand | 100 – 500K installs on Google Play | 32 states | Video chat via smart-phone or tablet | 7am – 11pm; Immediate if Dr. available; if not, wait in queue. Can make appt ahead of time. | Not on first appt but can add Drs. to favorites list | 15 min; can add time if you need to | $40/15 minute increment. Does not accept insurance. |
| Pager (started by ex-Uber engineer) | No info available | Only in Manhattan (only 20 doctors on staff so far) | Phone or in person | Nighttime and weekends; Dr. will call you within 5 min | Yes | Not specified | $50 for a phone consultation ($40 goes to the Dr., $10 to Pager); $300 for an in-person home visit ($250 goes to the Dr., $50 to Pager). May go to surge pricing in the future |

1. *What new capabilities will Amazon need to launch this?*

We will need the ability for doctors and patients to do secure, two-way and three-way video conferences from their respective homes/offices; we will need the ability to vet and verify practitioners; we will need the ability for practitioners to securely store the notes/records from visits in the cloud and be able to access them and share them with primary care and other physicians. We also need the ability to accept FSA/HSA cards as payment methods on Amazon.

1. *What is the team’s recommendation for launch?*

We plan to launch in a limited number of states and roll out nationwide once we gain learnings about how to make the product successful. Because medication is prescribed, provided or continued at more than 75% of doctor visits,[[43]](#endnote-43) we recommend launching Housecall in states in which we already have a pharmacy license. We will pick our launch targets from among the states where we have a pharmacy license and will base our selection on Amazon customer penetration, predicted patient demand, and the availability of doctors licensed in those states who are part of the small to medium-sized physicians’ practices we plan to target as the recruiting base for our initial doctor pool.

1. *Are there acquisition targets to speed up entry?*

Any of the companies listed in question 18 (with the possible exception of Pager) could be potential acquisition targets. Acquisition is something we recommend exploring as it would increase our speed to launch and let us launch with a built in base of doctors/patients/insurance company partners.

1. *How many people will it take to launch this and in what timeframe?*

We estimate we will need 8 dedicated heads (1 Principal PM, 1 TPM, 1 SDM, and 5 SDEs) and approximately one year to launch the Housecall platform (this does not include headcount/timing for any smartphone devices we create). This estimate assumes: 1) the Mayday team builds a technology platform that enables Mayday across non-Kindle devices (desktop, tablet and mobile), which our team will be able to leverage for this launch; 2) the payments team dedicates resources to facilitate the acceptance of FSA/HSA cards as a method of payment on Amazon; and 3) we leverage functionality that will be created by the pharmacy tech team such as the ability to communicate with insurance companies and adjudicate claims.

Appendix 1

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