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Healthcare Horizons Revisited

Executive summary

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Trailblazers, transformers and the 'how to' of healthcare transformation

Charting a course to the future of healthcare is significantly challenging, but it is also full of opportunity.

Healthcare Horizons Revisited examines trailblazing examples and successful transformation programs from across the globe, to derive insights on the 'how to' of healthcare transformation. This publication is intended for leaders in healthcare provider, commissioner/payor and regulatory organizations and builds on the insights outlined in the original Healthcare Horizons report published in January of 2023.

With Healthcare Horizons Revisited the aim is to provide a compelling case for transformation in healthcare systems. We feel that action should be taken now to improve sustainability and resilience of these vital systems. At the same time, we realize that the depth of transformation required to be equipped for a sustainable future is daunting. By showcasing trailblazing examples and transformer interviews where radical change is already happening, we believe we can offer a beacon of hope. While change is not easy, nor fast, these examples show it is possible.

This executive summary provides a high-level overview of the report and its contents and includes:

1 The case for transformation

2 Trailblazing the future for healthcare

3 Healthcare transformers

4 Charting a course to inclusive and sustainable health systems

5 Common transformation obstacles

The case for transformation

Whether it concerns high, middle, or low-income countries and territories, public or private, healthcare systems around the world are facing similar issues which often lead to compromised affordability, accessibility and quality of care.

Based on KPMG professionals' industry experience working with healthcare payors and provider organizations around the world, below are the five factors we feel are driving the need for new approaches to how healthcare systems are operated.

1 Aging populations	2 Ballooning health spending	3 Workforce shortages	4 Widening health inequities	5 Climate change
People **60+** outnumber children **<5**	**35%** Of country health spending comes from the pockets of patients	**10M** Shortfall of health workers predicted by 2030	**3x** More unmet medical needs for low-income people	**US$2-4B** Estimated annual direct demage costs to health
Source: WHO	Source: WHO	Source: WHO	Source: OECD	Source: WHO

The need for more-sustainable approaches and ways of working

The case for transformation is solid. Given the magnitude of the sector's unprecedented challenges, meeting the soaring demand for healthcare with traditional approaches and ways of working will likely be unsustainable. Policy makers, payers, providers and suppliers should be seeking transformational and innovative approaches to sector problems.

[1] World Health Organization. (2022, October 1). Ageing and health: Key facts.

[2] World Health Organization. (2019, February 20). Countries are spending more on health, but people are still paying too much out of their own pockets, News release.

[3] World Health Organization. (2024). Health workforce: Overview.

[4] OECD. (2023). Health at a Glance 2023: OECD Indicators, OECD Publishing, Paris.

[5] World Health Organization. (2023, October 13). Climate change, Key facts.

Trailblazing the future for healthcare

Progressing towards inclusive and sustainable health systems will likely require fundamental paradigm shifts across several areas. Based on KPMG professionals' industry experience, we predict the following five key characteristics for inclusive and sustainable health systems.

1 Uplifted and expanded workforces

With a global shortage of healthcare workers, the growing demand for healthcare services cannot be met simply by training more doctors and nurses. We envision uplifted and expanded workforces that:

- Delegate tasks — administrative and clinical — to technology
- Employ micro-credentialed individuals for hyper-specialized tasks

2 Hyper-integrated landscapes

Integrated care — where different providers collaborate to offer patients seamless experiences — is a well-established concept. However, in the future state of healthcare, integration will need to evolve further in several critical ways. We envision hyper-integrated health systems that:

- Address the social determinants of health
- Adapt to the social and cultural needs of the communities they serve
- Link locally delivered care to national or regional centers of excellence
- Use AI for disease surveillance

3 Communities are empowered to care for their most vulnerable

Technology will likely underpin the future state of healthcare, but it is not the whole answer. Healthcare is fundamentally about humans taking care of one another. An inclusive and sustainable health system is one where people, particularly vulnerable people, primarily receive care from people they trust, in their communities. We envision health systems that:

- Support on-the-ground healthcare workers and patients
- Share data regionally or nationally
- Take a "for the community, by the community" approach

4 Exceptionally stronger primary care

At the heart of thriving future state health systems are highly functional primary care systems. Great primary care has the potential to keep people healthier and out of hospitals. We envision that primary care providers of the future:

- Operate at scale
- Have multidisciplinary offerings
- Are supported by advanced technology

5 Hospitals as high-tech knowledge hubs

With emphasis on prevention and most of the care taking place in the community in future state health systems, we predict that hospitals of the future will be hubs of high technology, with specialized medical and surgical teams that guide clinicians in tertiary facilities and community health workers. We envision that future state hospitals will:

- Be relentlessly efficient
- Provide care for patients remotely when possible
- Tap into leading expertise via global networks

How the future may look for ecosystem players

Moving towards future state health systems will likely require fundamental paradigm shifts and evolved roles and remits for health ecosystem players, including payors, providers, and governments.

Read the full report for 10-plus 'trailblazing' examples from six countries that reinforce these transformation characteristics and illustrate that transformation is possible in healthcare. Read more at: kpmg.com/healthcarehorizonsrevisited

Healthcare transformers

While the trailblazing examples contained in the full report, demonstrate innovative approaches to some of healthcare's thorniest issues we know that healthcare transformation, whether for a particular pain point or for the whole system, is always challenging.

For this report we have looked at five places where large-scale change is happening in health systems. Across these examples we examine how leaders have navigated major changes such as structural overhauls, digitalization, workplace culture shifts, collaborating with community organizations and embedding health in all policies. The stories we present do not only address 'the what' of the change that is involved in in system transformation, but focus on 'the how' of how it is being done.

In the full report, these stories include:

"Creating a miracle" with people, processes, and technology	Nova Scotia Health Canada
Scaling up the use of digital care pathways	Digital Health Village, Helsinki University Hospital Finland
Rolling out transformation on a massive scale	Ministry of Health and Family Welfare India
Having a clear transformation vision	Saudi Arabia
Activating communities to address health inequities	Northwell Health United States

These transformer stories provide great insight into the factors that help to enable successful transformation programs and provide key takeaways for leaders that touch upon:

Reimagining leadership for the age of transformation: As the pace of change in healthcare continues to accelerate, leaders should adopt a more visionary mindset — moving beyond guidance to disruption. This means challenging the status quo by restructuring leadership models to prioritize agility, innovation, and accountability.

Empowering workforces: Workforces are the backbone of health systems, but more than that, they are the engine of transformation. Empowering workforces to innovate and become agents of change will become increasingly important as the pace of technological change increases.

Turning data into organizational lifeblood: The future of healthcare will be data driven. The transformers interviewed for this report show that whether working with communities or acute care, data is fundamental to success. Healthcare organizations should urgently transition from fragmented systems to fully integrated, predictive ecosystems where data not only informs but drives care delivery.

Co-creating the future with communities: Meaningful and lasting change - where social determinants of health are addressed — will only be delivered in partnership with communities. These communities should transform from passive recipients of care into active partners in healthcare delivery.

Charting a course to inclusive and sustainable health systems

Leveraging the Partnership for Health System Sustainability and Resilience (PHSSR) research framework[6] developed by the London School of Economics, we mapped out the incremental steps aligned to a number of core themes, along maturity matrices that lay out the route from the current state of healthcare to an inclusive and sustainable future to help leaders pinpoint their progress on the journey and to identify their next steps.

To help leaders chart their course towards a thriving, sustainable health system we imagined what the ideal future of healthcare would look like, informed by changes that are already underway by trailblazers and transformers around the world.

Maturity matrices

Core themes	• Data and tech • Workforce • Community activation

Maturity levels
Healthcare systems with the following maturity levels:

Aligning	Have integrated digital systems, robust change management, identified skill and capability gaps and actioned remediation approaches, completed first high-level impact analysis on AI and new care models, and leveraged data to plan for community interventions and partnerships
Architecting	Employ dynamic data models, proactive workforce planning, and active collaboration with community organizations
Integrating	Utilize ready-made software for data an alysis and AI, blockchain for secure data sharing, a micro credentialed workforce, and enhanced community engagement
Thriving	Strategically collaborate with vendors for AI and analytics, focus on preventive care, integrate sustainably funded social interventions into the system, and have increased community organization involvement

Governance, finance and trust
Strong governance, the right financial backing and payment structures, and trust, are threads that run through transformational change in any area. A common obstacle for transformation is the belief that these elements must be perfected before a transformation program can begin. The reality is that governance, finance and trust can and will evolve over the course of a transformation. The key is that they are all moving in the right direction.

[6] Partnership for Healthcare System Sustainability and Resilience. (2024). Research activities and methodology.

Five common transformation obstacles

Based on KPMG professionals' experience supporting transformation programs and conversations with healthcare leaders interviewed for the Healthcare Horizons Revisited report, we've identified five common obstacles that tend to hinder progress in transformation programs:

1 Lack of strong leadership

Transformation means making difficult decisions and every call will result in winners and losers. Leaders should show vision, bravery, decisiveness, and empathy, and they need to know that they are supported in doing so. 'Air cover' from senior leaders in the sector is crucial.

2 Tension between the now and not yet

Often transformation programs are run in parallel with the complex day-to-day running of healthcare services, an approach that can limit progress when there are so many urgent issues demanding time and attention.

Leaders and their teams should be afforded the capacity to focus on the important activities related to achieving longer term transformation goals.

3 Public perceptions

Health system transformation is expensive and, in many jurisdictions, funded from the public purse, so citizens want to see what they are receiving in return. Investments in technology, workforces and communities are less visible than physical infrastructure like new hospitals. Communicating 'the why' of the program, transparancy on timelines and management of expectations of the public are key.

4 Clarity on responsibility

Transformation programs are by their nature wide ranging and operate along multiple tracks, and it is easy for ambiguity to arise about lines of responsibility. For these reasons, it is essential to define who is responsible for each aspect of the transformation.

5 Time to realize value

A major challenge in transformation is that it takes time to see results, and this can be hampered by single year funding approaches. Be sure to notch up regular milestone achievements and where possible, set up a revolving fund that doesn't hold leaders to arbitrary fiscal calendars for finance.

The full Healthcare Horizons Revisited report offers more detailed practical advice on how to navigate around these challenges. Read more at: kpmg.com/healthcarehorizonsrevisited

How KPMG can help

At KPMG, we are committed to helping healthcare systems and organizations to navigate the choppy seas of transformation. KPMG firms dedicated sector specialists are passionate about healthcare and their desire to help organizations achieve outcomes, as efficiently and effectively as possible. Contact us today to learn more about how we can help your organization in its transformation journey.

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