



KPMG 2025 Healthcare CEO Outlook

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Foreword

Will AI save the healthcare sector? In more recent years, especially since the global pandemic, the outlook for the sector has seemed bleak. Growing workforce shortages, rising demand, stretched budgets and concerns about cyber-attacks and the next pandemic should loom large on CEO's minds. Yet our survey suggests that most sector leaders believe that AI and digitalization will deliver the panacea to their problems. And in many ways, it will.

Properly implemented and fully adopted, AI and digitalization could help fill those workforce gaps and unlock significant productivity across the care continuum. It could deliver valuable cost savings and allow professionals to focus on higher value activities. It could help drive ESG objectives and build supply chain resilience. Yet much depends on how these new technologies are embraced and integrated.

Our survey suggests that most healthcare organizations are ill-prepared to make the most of the opportunity. Data is — self admittedly — in bad shape. Systems are fractured. Care is delivered in siloes. Change management seems an afterthought. Employee engagement and patient

experience often rank at the bottom of the agenda. Healthcare CEOs will need to work differently and at pace if AI is to save the sector.

In this report, KPMG's global network of healthcare professionals explores the results of a recent survey of 110 healthcare CEOs from around the world. While the differences between national healthcare sectors are significant, this survey reveals that many of the challenges and opportunities are universal.

Supported by practical insights and recommendations, this report is intended to help sector leaders, stakeholders and investors assess the key trends influencing the healthcare sector as it moves to overcome these challenges and unlock the value of digitalization and AI for the betterment of their communities, people and systems. Many of the findings may surprise you.

On behalf of the authors and the KPMG global network, we hope this report provides valuable insights. I encourage you to contact your local KPMG member firm to learn more about the data and how we can help.



Beccy Fenton

Global Head of Healthcare
KPMG International,
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Executive summary

As demand for healthcare services grows driven by aging populations and the emergence of new therapies, healthcare CEOs are looking to digitalization and technologies such as AI to help close the demand gap. Yet AI is clearly not a panacea for all of the challenges that face the sector. Regulatory change, supply chain challenges, cyber security risks and workforce shortages continue to create significant challenges for many healthcare organizations.

While significant investment is expected to flow into AI-enabled solutions, our survey suggests healthcare organizations are also investing in other technologies with the intention of improving coordination, enhancing efficiency and addressing demand. Expect to see increased funding flow into a range of digitally-enabled technologies such as electronic health records, integrated data platforms and smart hospital technologies over the coming years. Investments into cyber security will need to keep pace.

In many ways, healthcare CEOs are hoping that the introduction and adoption of AI will help close the growing workforce gap. Our survey suggests many are now reassessing their workforce strategies to not only maximize the impact of AI on their workforce through training and development; they are also seeking to reshape their capabilities by embedding AI into daily routines and automating processes to reduce administrative burdens and free up time to care.

At the same time, many sector CEOs say they are seeking to address many of their communities' most urgent ESG challenges — from sustainability and resilience through to enhancing access and care — through new partnerships, innovation and investment.

What is clear from our survey is that healthcare CEOs are optimistic about the future. Yet they recognize that next few years will bring significant challenges that must be overcome in order to unlock the future of healthcare for communities, patients and professionals.



Rising demand is usually good news for business, but healthcare is different. When public services face surging demand, governments are forced into tough trade offs between areas such as health, education and defense. Productivity isn't optional—it's the key to survival for every healthcare organization, public or private."

Beccy Fenton

Global Head of Healthcare, KPMG International, Partner, Head of Infrastructure, Government and Healthcare, KPMG in the UK



Key findings

What's on the minds of healthcare CEOs?

Delivering on growing demand

85% are confident in the growth of the healthcare industry

Top 3 operational priority to achieve growth objectives over the next three years

Advancing digitalization and connectivity across the business

AI education and upskilling of workforce and streamlining processes

Execution of ESG initiatives

Top 3 pressures of challenges driving short-term decisions

Integration of AI into organization processes and systems

Regulatory pressures

Supply chain resilience

Digitalizing the care continuum

72% say their organization is keeping pace with the speed of AI development

92% agree that their board is equipped to navigate the adoption of advanced technologies like AI

55% are concerned about their data readiness

Top 3 important digital transformation areas for the next 3 years

- 1 Electronic health records
- 2 Integrated data platforms
- 3 Smart hospitals

Developing the workforce of the future

Biggest opportunity

to close workforce gap: Digital workforce capability building

71%

are focused on retaining and retraining high-potential talent

Top 3 changes in long-term workforce strategy (2–5 years) in responses to AI

- 1 Focusing on retaining and re-training high-potential talent
- 2 Redesigning roles and career paths to reflect AI collaboration
- 3 Hiring new talent with AI and tech capabilities

Debottlenecking the ESG agenda

30%

fully embed sustainability costs and ROI into all capital decisions

83%

agree that engaging with communities and fostering positive internal cultures is essential to securing future productivity

Top barrier to Net Zero:

Lack of skills and expertise



Delivering on growing demand

Against a backdrop of aging populations and new therapeutic innovations, it is perhaps not surprising that healthcare CEOs expect growth in the sector to outpace economic expansion. Indeed, in our survey of CEOs globally, 85 percent said they were confident in the growth of the industry versus just 65 percent who voiced confidence in the growth prospects of the global economy.

Confidence in growth prospects over the next three years

Growth prospects for your industry



Growth prospects for your company



Growth prospects for the global economy



■ Confident

■ Neutral

■ Not confident



Many healthcare leaders are looking to digitalization and AI to dramatically boost productivity. In part, they see AI helping to close the productivity gap by reducing professionals' workloads, encouraging greater collaboration and eliminating manual activities.

As a result, healthcare CEOs report that their top operational priorities for achieving their growth objectives over the next three years include advancing digitalization and connectivity across the organization, followed by AI education, workforce upskilling and process automation. One-in-ten healthcare CEOs say their top priority is to understand and implement generative and agentic AI across the organization.

Yet the drive to rapidly adopt and implement AI is also creating some challenges. According to our global sample of healthcare leaders, the greatest challenge facing organizations right now is their ability to integrate AI into their organizational processes and systems. Many also note significant challenges embedding the technology into the day-to-day activities of their workforces, their job roles and their responsibilities.

Top 3 operational priorities to achieve growth objectives over the next three years

Advancing digitalization and connectivity across the business



AI education and upskilling of workforce and streamlining processes



Execution of ESG initiatives



There is no question that digitalization will serve as a pivotal catalyst in shaping the future of care delivery models. The primary challenge lies in the extent of transformation required to realize the anticipated return on investment from digital initiatives that leaders envision."

Dr. Jaz Dhaliwal

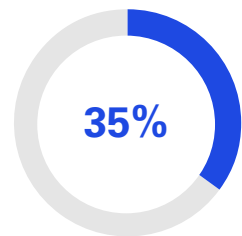
Global Digital Healthcare Lead KPMG International
and Partner, KPMG in the UK



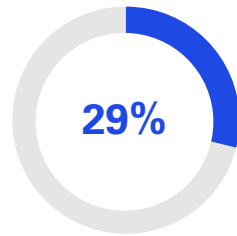
While healthcare CEOs may be confident about demand growth and their ability to drive productivity increases, our survey also suggests they remain concerned about a range of significant and pernicious challenges. Regulatory pressures remain high on the agenda, particularly in those markets where healthcare provision is publicly funded and delivered. With the experience of the pandemic still front of mind, supply chain resilience remains near the top of the agenda. Recent cyber-attacks have pushed cybersecurity further up the list.

It's not just what's at the top of the list of opportunities and challenges that is interesting. So, too, is what is falling down the list. Customer experience (sic. patient care) was cited as a priority by just 2 percent of our sample. Only 4 percent say employee attraction and retention are a high priority, while employee wellbeing and mental health ranks near the bottom in terms of challenges, suggesting CEOs may be becoming overly focused on technology to the detriment of people.

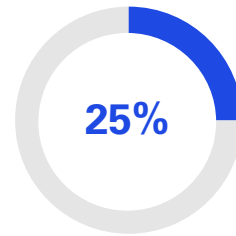
Top 4 Pressures or challenging driving short-term decisions



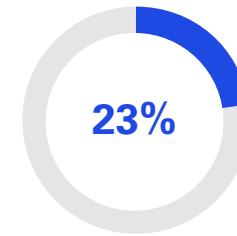
Integration of AI into organization processes and systems



Regulatory pressures



Supply chain resilience



Cybersecurity

Key recommendations

- Embrace technology.** New and emerging technologies like agentic AI have the potential to help healthcare organizations bridge the growing talent gap, boost productivity and enhance the patient and employee experience. Healthcare CEOs should be warmly embracing these new technologies and working with their partners, providers and people to encourage rapid adoption and utilization across the organization.
- Put people at the center.** New technologies will not replace the need for people and human contact right across the care continuum. As processes and interactions become more technology-enabled, healthcare organizations will need to increase their focus on the patient and employee experience, putting people at the very center of their growth and technology strategies to ensure that investments are delivering real results for the people that really matter.



Digitalizing the care continuum

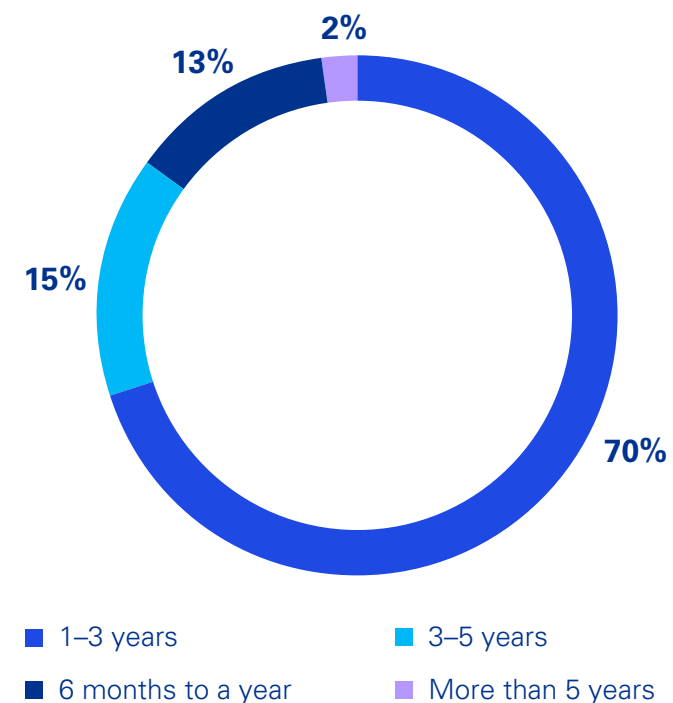
Healthcare CEOs seem confident in their organization's ability to capture value from the introduction of AI. Indeed, 72 percent of our respondents say that their organization is keeping pace with the speed of AI development and its impact. And 92 percent agree that their board is equipped to navigate the adoption of advanced technologies like AI.

Many expect to start seeing quick results. Our survey reveals that 87 percent of healthcare organizations plan to invest more than 10 percent of their budgets into AI over the next year (12 percent of those expect to invest more than 20 percent). And 83 percent say they expect to see a return on those investments within the next three years.

Yet clear challenges remain. According to our research, 55 percent of sector CEOs believe that data readiness will present a challenge when it comes to implementing AI. Ranking just below are ethical challenges, followed by concerns about technical capability and the availability of the skills required to implement the technology properly.

While AI may be capturing the headlines for healthcare CEOs, our survey suggests that the real focus for technology investment is on integrating data, systems and processes in order to unlock greater interoperability and productivity. Healthcare CEOs seem to recognize that digital transformation isn't about implementing a single technology but rather building the foundations and platforms upon which transformation can be achieved.

How long do you anticipate it will take to see a return on your investment in the implementation of AI?





An emphasis on digitalization should be matched by a concerted investment in the core infrastructure necessary to bring about meaningful transformation in healthcare. For effective decision-making, healthcare CEOs require data that is standardized, structured, interoperable, and available in real time.”

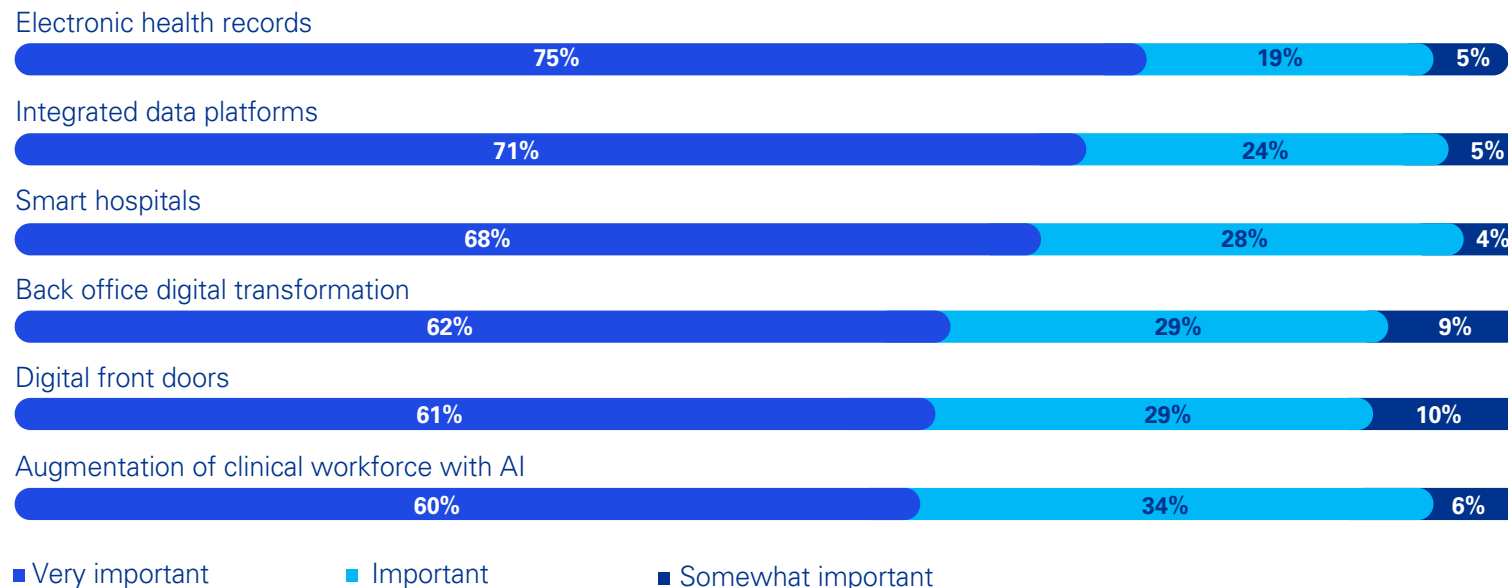
Dr. Jaz Dhaliwal

Global Digital Healthcare Lead
KPMG International
and Partner, KPMG in the UK

We asked healthcare CEOs to identify the areas they expected to be the most important to driving transformation over the next three years. Top of the list was electronic health records, followed closely by integrated data platforms and smart hospitals — suggesting that healthcare leaders recognize the need to create strong foundations upon which to drive their transformations.

They also recognize the potential cyber risks. As digital transformation deepens across healthcare, cybersecurity and data protection have become strategic imperatives for CEOs. With the rapid expansion of EHRs, telehealth and connected medical devices, leaders are most concerned about identity theft and data privacy breaches, fraud and cyber-attacks and are prioritizing safeguards against them. Emerging risks such as potential impact of quantum computing on encryption and AI-related vulnerabilities are on the radar, though they remain secondary to more immediate challenges.

Important digital transformation areas for the next three years





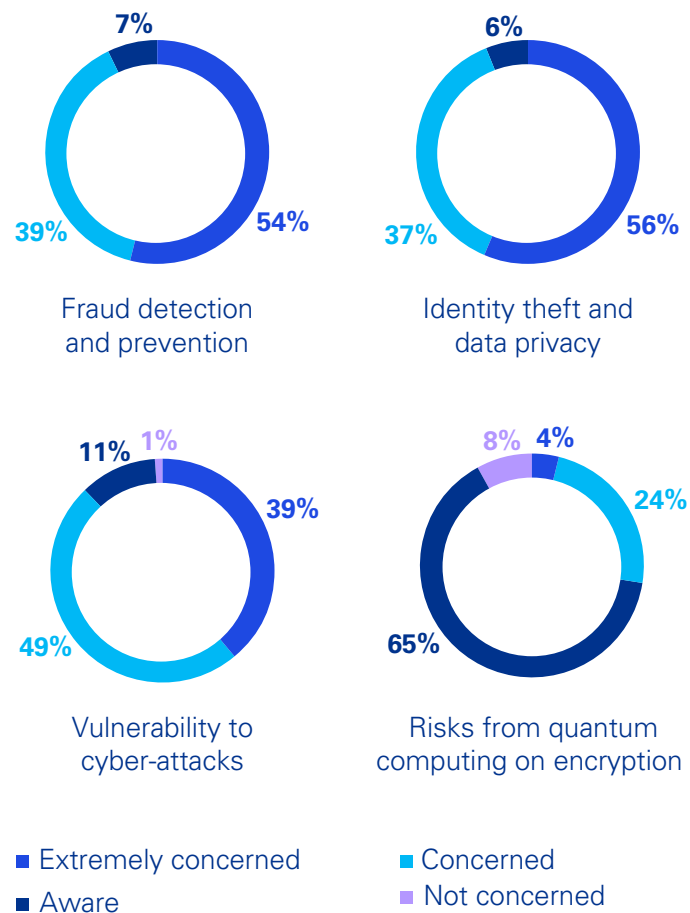
There is so much change happening on the AI front and the most successful healthcare organizations are the ones that are making sure that their senior leaders and boards all understand the big picture and have the risks under control.”

Drew Corrigan

US Sector Leader for Healthcare
KPMG in the US

Ultimately, our data suggests that healthcare CEOs are optimistic about their ability to leverage technology to drive productivity and enhance patient care but remain focused on ensuring they are building the right infrastructure, data constructs and cyber security protections to do so safely, ethically and effectively.

Technological risks affecting cybersecurity



Key recommendations

- Focus on the foundations.** While AI holds significant opportunities to drive productivity and enhance the patient experience, it must be developed and deployed on strong, secure and integrated infrastructure and platforms. Alongside investments in new AI technologies, executives may want to also prioritize the foundational work and (as the next chapter discusses) encourage employee adoption.
- Secure the systems.** Given the litany of recent high-profile cyber-attacks on major hospitals and health facilities around the world, sector CEOs should be ensuring they are placing the right levels of investment into securing their systems and data. At the same time, boards should be considering the ethical implications of adopting AI to ensure that patients feel safe and secure as organizations speed up their AI adoption.



Developing the workforce of the future

The world needs more healthcare workers. Consider this: the World Health Organization estimates a projected shortfall of 11 million health workers by 2030.¹ And the gap is only widening amidst increasing demand and the lingering effects of the pandemic. It is no surprise, therefore, that many healthcare leaders are hoping that AI will help fill that gap.

¹Health workforce data sheet, World Health Organization website (<https://www.who.int/health-topics/>)

In our survey, we asked healthcare CEOs what technology investments might help them address their workforce shortage issues over the next three years. Top of the list was digital workforce capability building — recognizing that many current employees and healthcare workers may lack the digital skills required to adopt and utilize new technologies.

Alongside investments in digital upskilling, our respondents note a significant focus on providing the tools and technologies required to enhance workforce productivity and reduce lower-value activities. CEOs reported a strong focus on implementing predictive analytics and workforce management tools. They said they plan to adopt clinical AI agents, copilots and chatbots. And they noted a focus on automating administrative tasks.

Key labor market factor impacting the company

Growing generational gaps on key future skills including AI uptake



Increasing employee reliance on AI-driven automation at the expenses of upskilling



Widening expectation gap between older and aging employees compared to the next generation



The number of employees retiring couples with a lack of skilled workers to replace them



Differences and tension resulting from corporate responses to social and global issues





Many health systems are focusing on how to encourage their workforces to operate more effectively in multi-disciplinary teams across organizations and AI, and technology will play a key role in achieving that.”

Sarah Abbott

Partner, Health, Ageing & Human Services
KPMG Australia

At the same time, the CEOs in our survey also seem to recognize that their employee populations may face challenges adapting to the rapid adoption of new technologies that they are hoping to inspire. Many say they are seeing growing generational gaps in key future skills including AI uptake. A significant number also worry about widening expectation gaps between older and aging employees compared to the next generation.

That is leading many healthcare CEOs to start to recalibrate their workforce strategies in order to address AI-driven objectives and talent acquisition challenges. Likely reflecting the desire to move quickly on AI adoption using the current workforce, the vast majority of respondents say they plan to focus on retaining and retraining their high potential talent over the next

five years. A similarly large proportion say they are redesigning roles and career paths to reflect the new opportunities that AI is unlocking.

To a lesser degree, our respondents say they plan to hire new talent with AI and technology capabilities (though they will need to compete against every other industry sector in this regard). And around half seem to believe that AI will allow them to eliminate some job roles entirely — likely focused on back-office and administrative roles versus those directly involved in patient care.

The data suggests that many healthcare leaders are hopeful that AI and new technologies will significantly reduce the workforce gap and — given their near-term expectations for returns — help them avoid the dramatic shortfalls predicted by the WHO.

Changes in long-term workforce strategy (2–5 years) in responses to AI

Focusing on retaining and re-training high-potential talent



Redesigning roles and career paths to reflect AI collaboration



Hiring new talent with AI and tech capabilities



Planning for workforce reduction in some areas



Currently deploying staff from traditional roles to AI-enabled roles





While we expect to see AI start to drive significant efficiency gains, particularly in the back office, I suspect solid industry expertise is still going to be at a premium as healthcare organizations realign their administrative functions.”

Drew Corrigan

US Sector Leader for Healthcare
KPMG in the US

Key recommendations

- **Prioritize change management.** Investments into new technologies and changes to workforce strategies without serious and significant change management support will never deliver the results that healthcare leaders expect. Given the noted generational gaps and existing challenges driving adoption of new technologies amongst clinicians, this is an area that must be prioritized and adequately funded.
- **Retrain and retain.** Rather than using technology to reduce headcount, healthcare organizations should be finding ways to leverage technology to reduce low-value activities, improve efficiency and enhance employee effectiveness — thereby creating better employee experiences and enabling professionals to focus on the activities that really matter to patients, health systems and individuals.



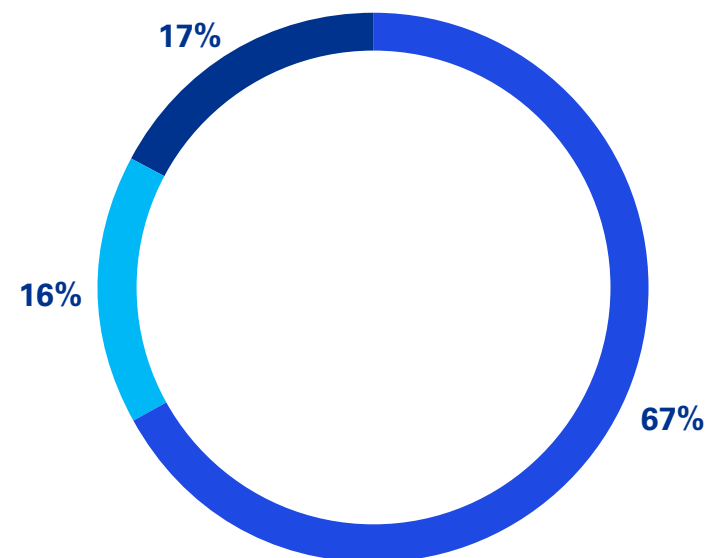
Debottlenecking the ESG agenda

Healthcare CEOs say they are confident in their organization's ability to navigate the evolving ESG agenda. Dig a little deeper, however, and significant gaps emerge. Only three-in-ten say they comprehensively calculate and integrate both the costs and potential return on investment of sustainability objectives into every major capital decision they make. Just 12 percent are highly confident they will meet their Net Zero goals by 2030.

What is undermining their confidence? Our survey suggests that the biggest barrier to achieving climate goals comes down to a lack of skills and expertise. Many also suggest that they are struggling with the complexity of decarbonizing their supply chains.

In response, the CEOs in our survey say they are working on a range of strategies to help address the gap between ambition and action. More than half say they are engaging with regulators and policymakers to stay ahead of potential regulatory changes. Forty-six percent report engaging in collaborations and partnerships aimed at driving innovation while adhering to environmental and regulatory requirements.

How confident are you in your organization's ability to navigate regulatory and political differences across markets when it comes to ESG & Sustainability?



- Somewhat Confident — we are learning and adapting to these differences but face challenges
- Not very confident — we struggle to maintain consistency or alignment with managing these differences
- Very confident — we have strong systems in place and the right leadership to adapt effectively



Of course, ESG in healthcare encompasses much more than environmental considerations and goals. Against the background of the global pandemic and rising climate risks (including floods, fires and natural disasters), our respondents report a much higher focus on resilience. Indeed, 84 percent of respondents say they are increasingly required to address the impact of issues such as growing political conflict and climate change on their local communities.

84%

of respondents say they are increasingly required to address the impact of issues such as growing political conflict and climate change on their local communities.

Top 3 barriers to achieving net zero

Lack of skills and expertise to successfully implement solutions



Complexity of decarbonizing supply chains



Increasing- but inconsistent — regulation requirements across jurisdictions



In Australia, we are seeing health systems really focus on helping to build the resilience of populations who will experience more frequent disasters, encompassing everything from rethinking the built environment through to building the mental resilience of communities.”

Sarah Abbott

Partner, Health, Ageing & Human Services
KPMG Australia



Access also remains a key challenge for healthcare organizations and systems, particularly in rural areas and within specific demographic populations such as first nations. Our survey shows that 83 percent of sector CEOs believe community engagement and positive internal cultures are key to improving access and community engagement. Around a third of respondents believe that organizations should help ease the cost-of-living crisis for patients.

83%

of sector CEOs believe community engagement and positive internal cultures are key to improving access and community engagement.



Health inequality is not exclusive to the emerging markets and governments really need to start working closely with their wider public sector including education, infrastructure and healthcare alongside private providers to rethink how local ecosystems can work together to influence the social determinants of health to drive greater access and better outcomes for disadvantaged communities.”

Beccy Fenton

Global Head of Healthcare,
KPMG International
Partner, Head of Infrastructure, Government
and Healthcare, KPMG in the UK

Key recommendations

- **Focus on resilience.** The healthcare system sits at the heart of a community's ability to prepare for, withstand and rebound from crises. Healthcare organizations should therefore focus on working with governments, communities and private sector players to build physical, mental and systemic resilience in the face of a range of potential challenges.
- **Apply AI.** With more than three-quarters of respondents saying they think AI could help them improve sustainability-related data quality and reporting, healthcare CEOs should consider how they might leverage their growing AI capabilities to further enhance their ESG and sustainability goals and outcomes.



How KPMG can help

Around the world, governments, insurers and commercial healthcare providers turn to KPMG firms because of our wide breadth and depth of sector knowledge.

KPMG uses a multi-disciplinary approach which allows us to pull resources from across geographies, disciplines, and areas of expertise from a network of 5,000 dedicated professionals focused on healthcare in more than 70 countries, territories, and jurisdictions. This network also includes almost 200 clinicians who have a wealth of frontline health and care experience from work as physicians, nurses, paramedics, social workers and other professions.

By collaborating globally, we are able to help ignite transformative change by leveraging a “global-local” approach that combines knowledge of domestic healthcare systems and their stakeholders with global insights, leading industry practices and subject matter experts, and a suite of market-tested digital health solutions.

Contact your local KPMG member firm to find out how we can help your organization.



Methodology

The 11th edition of the KPMG CEO Outlook, conducted with 1,350 CEOs between 5 August and 10 September 2025, provides unique insight into the mindset, strategies and planning tactics of CEOs.

This report draws on the views of 110 Healthcare sector leaders. The best-represented countries based on organizational headquarters are the US, Canada, China, India and the UK.

The cross-industry survey included CEOs from 11 key markets (Australia, Canada, China, France, Germany, India, Italy, Japan, Spain, UK and US) and 12 industry sectors (asset management, automotive, banking, consumer and retail, energy, infrastructure, healthcare, insurance, life sciences, manufacturing, technology, and telecommunications).

NOTE: some figures may not add up to 100 percent due to rounding.



About the authors



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Global Head of Healthcare,
KPMG International and Head of Infrastructure,
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KPMG in the UK

Beccy leads KPMG's global healthcare network of professionals across 70 countries and jurisdictions around the world. She also serves as Head of Infrastructure, Government and Healthcare (IGH) for KPMG in the UK. With more than 25 years of experience in the healthcare industry, Beccy has significant experience leading large complex healthcare transformation projects, working with government, regulatory, payor and provider organizations to transform the way care is provided and paid for to deliver improved performance and clinical outcomes.



Sarah Abbott

Partner, Health
Ageing & Human Services
KPMG Australia

Sarah leads KPMG Australia's National Public Health Practice and has a deep understanding of Australian health care system, particularly the regulatory and funding environment. With more than 15 years of experience working closely with funders, providers and communities to develop new funding, service delivery and workforce models to support better, more integrated health care, Sarah has a strong track record of co-designing improvements which result in health service better meeting patient and community need.



Drew Corrigan

US Sector Leader for
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KPMG in the US

Drew Corrigan is the Healthcare Sector Leader at KPMG in the US. In this role, Drew works with organizations to drive transformative change in healthcare delivery and operations by harnessing innovative solutions across the ecosystem. Prior to this role, Drew served as the National Audit Industry Leader for Healthcare and as the Managing Partner for the Portland office. He has more than 25 years of experience, primarily serving large not-for-profit health systems, academic medical centers and payors.



Dr. Jaz Dhaliwal

Global Digital Healthcare Lead,
KPMG International and Partner
KPMG in the UK

Dr. Jaz Dhaliwal is the Global and UK Digital Healthcare Lead at KPMG. With a background as a qualified medical doctor and over 15 years in professional services, she has developed a deep specialisation in clinically led technology transformation in the healthcare sector. Throughout her career, Jaz has led a range of technology-enabled transformation programmes across healthcare organizations. Notably, her portfolio includes the Frontline Digitalization programme for NHS England, where she plays a pivotal role in driving innovation and digital transformation.

Jaz's dual expertise as a clinician and technology strategist enables her to bridge the gap between frontline healthcare needs and cutting-edge digital solutions, ensuring technology adoption is both practical and patient-centred.

Jaz is an authentic and purpose-led leader committed to delivering sustainable transformation within the NHS and healthcare ecosystem. Leveraging an ecosystem approach with market suppliers, technology partners, and small and medium-sized enterprises, she delivers measurable client outcomes, tackles health inequalities, and enables broader societal benefits.

Jaz is an elected member of the Tech UK Health and Social Care Board. In this capacity, she applies her extensive expertise to shape health technology policy in the UK, influencing digital health advancements across the sector.



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