Predictions 2025: Healthcare

Embracing technological change to speed recovery and improve care

Healthcare enterprises are racing to keep up with technological change and embrace new ways of thinking about the patient, provider, and caregiver experience.

The sector is betting on technology investments like AI-powered ambient listening and diagnostic imaging to become more efficient, improve patient interactions and enhance care for millions of people. At the same time, healthcare leaders are working to overcome pervasive challenges that include labor shortages, ageing patient populations, and unsustainable operating margins.

Healthcare leaders feel more prepared to navigate various risks than those in other key sectors[1] because of the resiliency they developed during and after the pandemic. But they are also among those that struggle most to keep up with the pace of technological advancements as they work to tackle longstanding challenges around foundational technologies and the costly modernization of enterprise networks and platforms.

In this constant race, innovation can become an afterthought. The sector's technology leaders must balance the competing demands of health systems in financial recovery with the mountain of delayed IT projects they're now under pressure to complete. And, after a year of more high-profile health system breaches, they must do so with a parallel focus on security to keep sensitive data protected.

In the next year, healthcare enterprises that embrace technological, operational and cultural change will be best positioned to deliver the most impactful results for end users and the bottom line.

As technologies like generative AI transform medical research and streamline information collection, the sector has the opportunity to use its valuable data to inform more personalized approaches to care, reduce costs and improve health outcomes. Harnessing technology to provide a 360-degree approach to digital care — with easy access to critical information, clinicians and payment options — will be critical as healthcare organizations work to not only keep up with, but get ahead of, technological change.

[1] *Kyndryl's Readiness Report*, 2024 October

The readiness paradox

92% of healthcare leaders are confident that their IT infrastructure is best-in-class.

62% of healthcare leaders are concerned that their IT tools or processes are outdated or close to end-of-life.

36% of healthcare leaders believe their IT infrastructure is completely ready to manage future risks.

2025 outlook

– Operating margins are slowly stabilizing as the pandemic's shockwaves subside, but many health systems are still in financial recovery. In the next year, CIOs will start thinking more like CFOs to accelerate transformation. This mindset shift — melding technical expertise with a relentless focus on achieving business outcomes — will be key to accomplishing a growing to-do list of IT projects, breaking down organizational silos that stand in the way of innovation and bridging the readiness divide.

– Generative AI has transformative potential for the healthcare sector, with use cases that support earlier disease detection, faster and more accurate claims processing, improved electronic health record (EHR) processes and supercharged capabilities for medical researchers. But while 74% of healthcare leaders report they are investing in generative AI, only 45% report a net positive return on investment.[2] To turn generative AI into a business catalyst, healthcare organizations will shift their focus from technological change to behavioral change. In the next year, the sector's leaders will work to turn generative AI into a core component of the modern healthcare workplace through educational training and cultural transformation.

– In 2024, four major health systems announced they had come together to launch a new company dedicated to tackling the industry's biggest challenges. This trend will grow in 2025, as healthcare systems seeking to benefit from shared technology investment and innovation look for more opportunities to collaborate rather than consolidate. Health systems will explore new avenues for partnership and build strategic alliances that aim to overcome the inherent challenges of operating with limited skillsets and budgets.

– Healthcare providers will focus on simplifying their platform footprint to drive operational efficiency, support the integration needs of newer technologies like generative AI and chart a path to profitability. These major technology decisions will drive long-term investments in systems that support clinical workflows and collaboration, enterprise resource planning and integration. Embracing a core set of platforms can also create opportunities for organizations to force change throughout other systems in need of a refresh.

Market activity

Kyndryl is working with health systems around the world to provide mission-critical IT support functions and accelerate hybrid cloud transformation to enhance the day-to-day experience for patients and caregivers alike.[3]

[2] *Kyndryl's Readiness Report*, 2024 October
[3] *How Hybrid Cloud Technology Can Improve Healthcare*, 2022 November, Kyndryl News

"Traditional approaches to technical leadership won't be enough to achieve the 360-degree approach to digital healthcare that today's consumers demand. To overcome multiplying challenges in a fast-changing market landscape, technology leaders must operate as business leaders first — executives armed with compelling data who are focused on accomplishing the most critical business goals."

— *Trent Sanders, Vice President, Healthcare*

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