



EXECUTIVE INSIGHTS

Looking Ahead: The US Healthcare Provider Landscape in 2035

Part 3: Five areas that successful health systems will have mastered by 2035

Introduction

This is the third installment in L.E.K. Consulting's Provider 2035 *Executive Insights* series sharing our predictions for the U.S. healthcare delivery landscape in 2035.

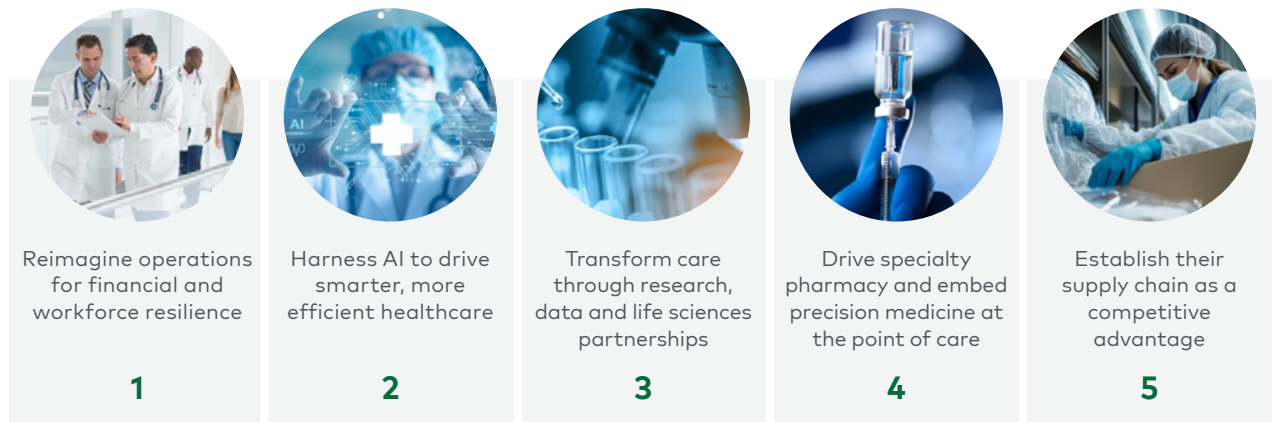
In the first two installments, we predicted that:

- Existing government and employer initiatives are unlikely to significantly reduce U.S. healthcare spending, and pressure for new solutions will mount as healthcare spend exceeds 20% of gross domestic product.¹
- Payers, big tech, retailers and investors will continue their efforts to participate directly in care delivery, posing a risk to provider organizations trying to maintain the status quo but offering an opportunity for those that act decisively and proactively.²
- Given these pressures and opportunities, we believe the provider organizations that are thriving in 2035 will have taken focused and proactive steps to redefine the way care is delivered and their role in the care delivery ecosystem. Specifically, we think that these organizations will have mastered five key areas (see Figure 1).

Figure 1

Five key areas of focus for healthcare providers

By 2035, high-performing provider organizations will:



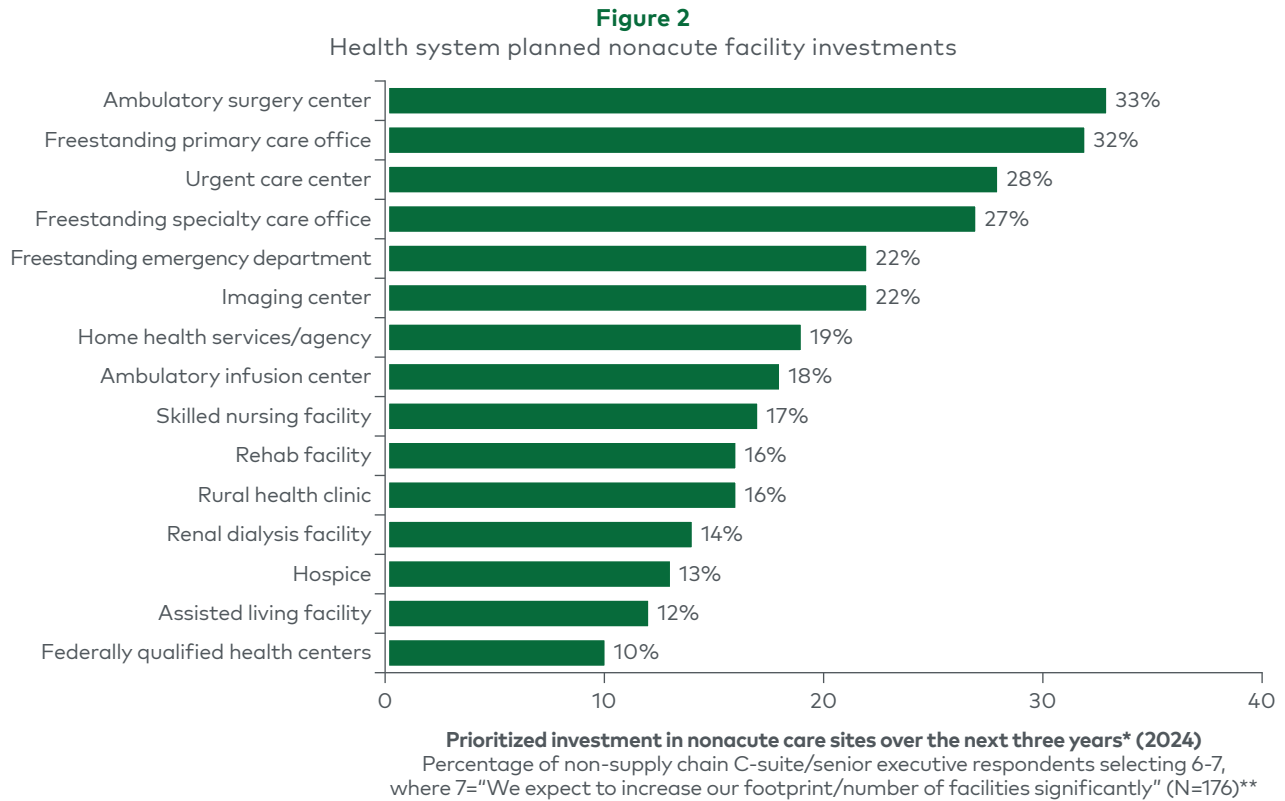
Note: AI=artificial intelligence
Source: L.E.K. research and analysis

1. Reimagining operations for financial and workforce resilience

The traditional care delivery model is no longer aligned with patient expectations and needs, reimbursement trends, clinician workforce realities and the possibilities that new technologies (both digital and biomedical) enable. This gap is widening, and we expect that the provider organizations that transform their operating model to better reflect this new reality will be the provider organizations that thrive in 2035.

What leading provider organizations will master	
Patient segmentation design	Modern segmentation of patients, optimizing journeys, settings and team designs for each segment
Integrated ambulatory footprint	Well-integrated ambulatory services such as surgery, infusion, primary care, urgent care, diagnostics and home care
Optimization of campuses	A clear vision for the purpose, configuration and staffing of main campuses and inpatient facilities
Dynamic capacity planning	The use of forecasting, scheduling tools and dynamic models to match supply with patient needs in real time
Care team models	Multidisciplinary designs emphasizing clinician types with greater availability (e.g., APPs) and workflows supported by artificial intelligence (AI) to extend reach
Workforce development	Involvement in clinician education before residency and ongoing career development for leaders

Care delivery is highly capital- and labor-intensive, and change takes time. That means that successful organizations must start now to design this model of the future and allocate their capital investment and transformation effort accordingly (see Figure 2).



*Survey question: Across the following sites of care, what are your expectations when considering potential investment priorities for your [hospital/health system]’s footprint/facility growth (either through expansion of existing assets or new assets) in the next three years (2027)?

**Respondents who answered "I don't know" were excluded from the analysis

Source: L.E.K. 2024 Hospital Study Survey

What should provider organization leaders do now? We recommend the following:

Invest proactively where the "land grab" is already happening in many markets – for example, ambulatory surgery centers, infusion centers and freestanding emergency departments.

Develop the organization’s integration muscle, including the system, workflow and team integration of existing ambulatory sites, and capture learnings.

Modernize the system’s patient segmentation by developing a segmentation that better defines needs and patient journeys, and pilot new patient journey designs.

Build dynamic capacity planning and scheduling capabilities before the complexity of additional care sites and teaming models are added.

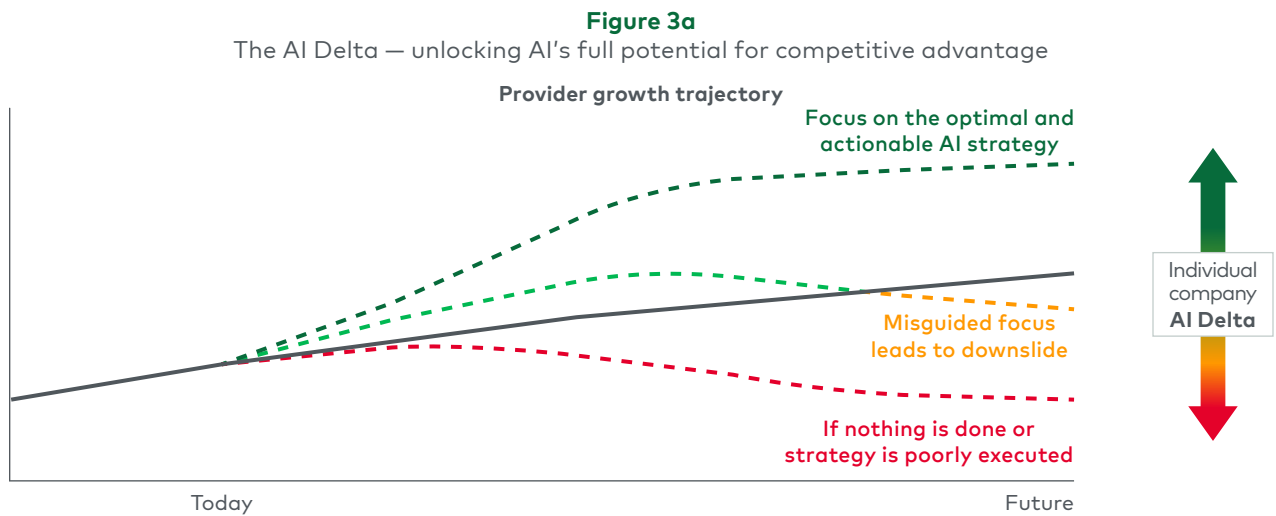
Pilot new care team designs and clinician support tools, particularly models that emphasize APPs and tools that reduce administrative burden.

Develop partnerships to participate in clinician education and in doing so gain access to a greater share of the new clinician pipeline.

2. Harnessing AI to drive smarter, more efficient healthcare

AI and automation are no longer futuristic concepts — they are essential strategic drivers of performance, competitive differentiation and innovation. By 2035, AI will be embedded across clinical decision-making and research, revenue cycle management, workforce support and optimization, and patient engagement, enabling providers to unlock new value streams while mitigating financial and operational pressures.

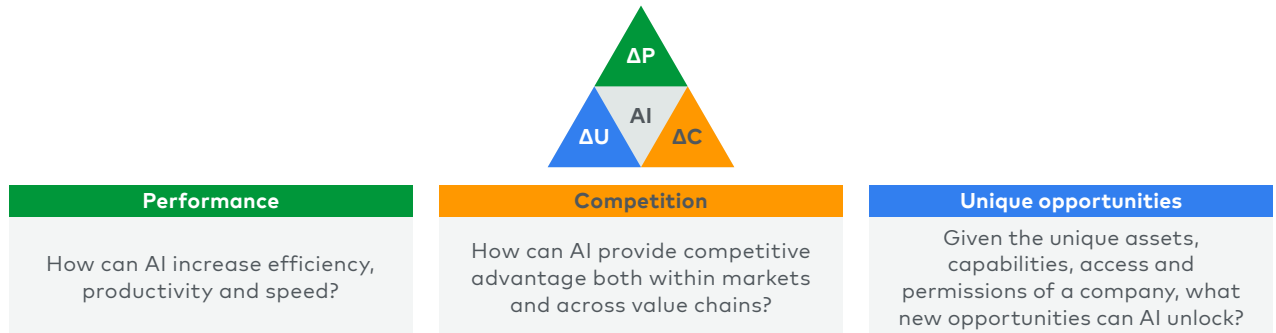
The impact of AI extends beyond efficiency gains. Provider organizations that intentionally harness AI will gain a competitive edge over those that fail to do so (see Figures 3a and 3b).



Note: AI=artificial intelligence
Source: L.E.K. research and analysis

Figure 3b
The AI Delta — unlocking AI's full potential for competitive advantage

Companies can **close the expectation gap** by creating **value-focused AI strategies with the right investments in specific technologies** and capabilities aligned with long-term goals. These include:



Companies that understand the expectation gap will overcome it by creating the right **value-focused strategies**, unlike those that **simply ride the transformation wave** without being specific about key tactics or earning stakeholder buy-in.

Note: AI=artificial intelligence
Source: L.E.K. research and analysis

What leading provider organizations will master	
AI-enabled clinical decision support	AI will help optimize diagnosis, treatment selection and predictive analytics to improve patient outcomes
Operational and revenue cycle automation	AI-powered scribing, medical coding and claims processing will significantly reduce administrative burden
Patient-centric AI solutions	Virtual patient engagement, treatment plans and AI-driven health coaching will redefine the provider-patient relationship
AI-enhanced partnerships and data monetization	Providers will collaborate with tech vendors and academic institutions to fuel AI-driven innovation, including at the front lines of care and in ethically harnessing de-identified data
AI-powered supply chain and financial optimization	Real-time AI-driven demand forecasting, vendor diversification and procurement automation will enable providers to drive cost efficiencies while ensuring supply chain resilience

What should provider organization leaders do now? We recommend the following:

Build the organizational muscle to scale AI use cases. In our experience, it is more difficult for organizations to scale (not identify) valuable AI applications.

Develop strong AI governance. A strong governance model protects patients, clinicians and the organization and allows teams to move quickly.

Identify and size problems for AI to solve (to focus attention). Distraction is a real risk, and a data-driven sizing of “problems” for AI to solve can help preserve focus on high-impact opportunities amid the barrage of pilot requests.

Learn from others. Provider organizations around the country are deploying new AI technologies and can share lessons already learned.

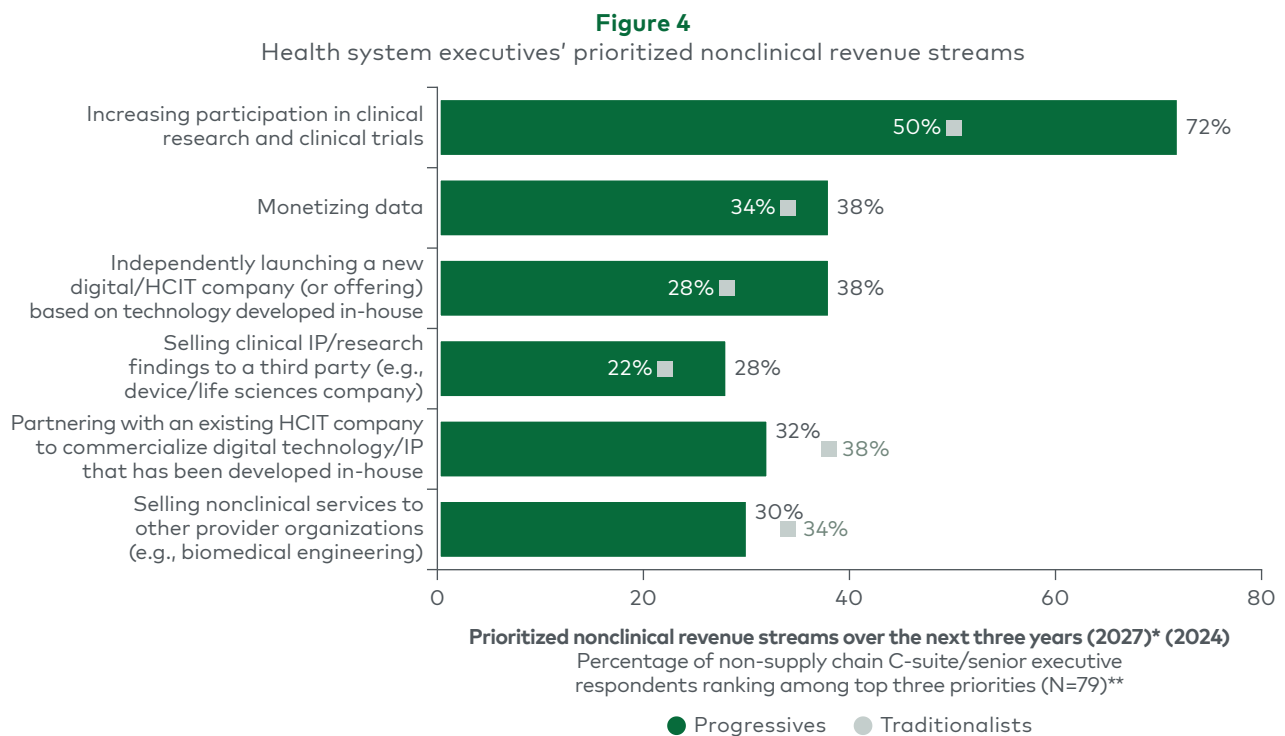
Push boundaries with clear opportunities for differentiation. In a fast-evolving field, the opportunity for differentiation is real, and provider organizations should not be content with a pure “fast follower” approach.

3. Transforming care through research, data and life sciences partnerships

By 2035, clinical research and innovation will no longer be exclusive to major academic medical centers (AMCs) — all high-performing providers, including regional health systems, community hospitals and physician groups will need to actively participate in research to stay competitive.

What leading provider organizations will master	
Strategic collaboration with biopharma	Establish partnerships with pharma and biotech companies to codevelop clinical research, gain early access to novel therapies and improve patient recruitment for clinical trials
Data infrastructure and monetization	Strategically monetize de-identified patient data, balancing financial opportunity with regulatory compliance and long-term control over licensing and intellectual property
Expansive clinical trial participation	Develop the relationships, processes and infrastructure to engage significantly in clinical trials to compete with AMCs and oncology providers and enable access to novel and targeted treatments
Genomics-enabled care models	Ride the proliferation of genomics and precision therapy vendors and determine which to engage with and deploy
Expansive clinical trial participation	Develop capabilities to treat smaller, more specialized patient groups

Having a clear strategy for engaging in the life sciences ecosystem will be a competitive necessity. Providers that fail to build capabilities risk losing out on revenue streams, cutting-edge treatment access and long-term patient retention. Those that succeed will be positioned as leaders in next-generation personalized healthcare (see Figure 4).



*Survey question: What sorts of nonclinical revenue streams do you expect your (hospital/health system) will prioritize over the next three years (by 2027)? Please select at least one and up to five activities you are most likely to prioritize, in order of priority

**Supply chain/purchasing respondents were excluded from this analysis; respondents who rated "monetizing clinical developments" <6 as a strategic priority were not included in this analysis

Note: HCIT=healthcare information technology; IP=intellectual property

Source: L.E.K. 2024 Hospital Study Survey

What should provider organization leaders do now? We recommend the following:

Catalog current research activities. Many provider organizations do not have a full understanding of current research activities, costs and value.

Conduct gaps assessment. Identify capability gaps and blockers to increased clinical trial participation as well as opportunities to close these gaps.

Define priority service lines and target manufacturers. Prioritize research focus based on clinical needs and value to the community and the system, and identify and open discussions with manufacturers that are active in those spaces.

Forge (flexible) partnerships to start to build out the infrastructure. Select and onboard partners to close identified gaps and scale infrastructure (from point solutions to contract research organization partners) but retain flexibility in a fast-changing space.

4. Driving specialty pharmacy and embedding precision medicine at the point of care

U.S. prescription drug expenditures are projected to reach \$2.5 trillion by 2035, surpassing one-quarter of total U.S. healthcare spend. This growth will continue to be driven by targeted and high-cost specialty drugs, especially as gene and cell therapies, biologics, and targeted treatments become more prevalent. To succeed in 2035 — in terms of both patient outcomes and financial sustainability — provider organizations will need to effectively participate in this growing area.

Additionally, genomics is no longer the exclusive domain of academic centers or disruptive startups. Community-based health systems and physician groups are beginning to weave genetics into everyday decision-making, gaining access to the \$3 billion data and insights spend pool (across biopharma, provider and payer use cases). Yet we believe the lion's share of value will accrue to organizations that move beyond test volumes and focus on clinical activation and driving clinical value.

What leading provider organizations will master	
Specialty pharmacy operations	Successful providers will develop exceptional patient access (for medical and pharmacy benefit drugs), inventory management and procurement infrastructure (including direct contracts with manufacturers)
Clinical integration of precision medicine	Genomic sequencing and AI-driven diagnostics will enable more-personalized treatment plans, particularly in oncology, neuroscience and rare diseases but increasingly in primary care
Patient access and convenience	Successful providers will develop patient access points that are convenient and cover the spectrum of specialty drug routes of administration (e.g., ambulatory infusion, home, in office)
Strategic 340B and network optimization	As the 340B program evolves, health systems will need to adapt their pharmacy networks and contract strategies to maintain compliance and financial viability
Proactive drug pipeline intelligence and life sciences partnerships	Given the speed at which new therapies enter the market, leading providers will need to have deep visibility into drug pipelines and partner with manufacturers to ensure access

What should provider organization leaders do now? We recommend the following:

Prepare proactively for various 340B scenarios with a clear action plan to follow should various potential changes to the program be enacted.

Proactively embed genomics at the point of care to capture an outsized share of a rapidly growing market and create data assets competitors can't match (see our recent learnings³ regarding how to approach this).

Assess the drug pipeline to identify therapeutic areas and manufacturers around which to build new relationships and programs in the coming years.

Assess current specialty pharmacy operations, particularly related to drug access, patient access/authorization timing, revenue and acquisition cost.

Chart a path to close any identified gaps in current operations (relative to benchmarks and best practices), including potential partnerships.

Build out the delivery footprint, potentially with ambulatory and home infusion operating partners (especially as investment in these industries continues).

5. Establishing the supply chain as a competitive advantage

Supply chain inefficiencies don't just impact margins – according to the American Hospital Association, in 2024 39% of providers canceled patient appointments due to product shortages.

In today's complex healthcare landscape, mastering the supply chain is essential. Providers that integrate supply chain intelligence with financial and clinical operations gain cost advantages,

operational stability and better patient outcomes. Those that fail to adapt face higher costs, inefficiencies and care disruptions.

By 2035, supply chain mastery will define high-performing organizations, evolving from a back-office function into a strategic pillar of financial sustainability and care delivery.

What leading provider organizations will master	
Integrated clinical and financial supply chain systems	Real-time interoperability between supply chain, finance and clinical data will enable better cost control, inventory management and service continuity
Resilient and dynamic procurement and sourcing strategies	AI-driven demand forecasting, vendor diversification and proactive contract management will reduce cost variability and exposure to disruptions
Tech-enabled cost containment	Automation, AI-driven procurement tools and predictive analytics will help control rising material and operational costs
Postacquisition integration excellence	As provider organizations continue to grow through M&A, supply chain optimization offers a real value-creation lever

What should provider organization leaders do now? We recommend the following:

Assess the potential impact of tariffs and identify potential alternate sources to manage down supply costs if necessary.

Assess the current supply chain for resiliency and identify opportunities to diversify supplier networks and improve sourcing agility.

Start the work to integrate clinical and financial supply chain systems.

Identify, select and integrate AI-driven supply chain analytics to predict inventory needs, prevent stockouts and optimize procurement strategies.

Conclusion: The road to 2035 starts today

The healthcare providers that will lead in 2035 are already laying the groundwork today. Mastering these five areas – specialty pharmacy, AI, care delivery transformation, supply chain and research – will define the next era of healthcare leadership.

At L.E.K., we help provider organizations navigate these transformations with strategic clarity and execution expertise. To discuss how your organization can develop a roadmap to 2035, [contact us](#) today.

Endnotes

¹LEK.com, "Looking Ahead: The US Healthcare Provider Landscape in 2035, Part 1: Pressure is mounting, but will the cost curve bend?" <https://www.lek.com/insights/hea/us/ei/looking-ahead-us-healthcare-provider-landscape-2035>

²LEK.com, "Looking Ahead: The US Healthcare Provider Landscape in 2035, Part 2: Traditional 'swim lanes' are breaking down." <https://www.lek.com/insights/hea/us/ei/looking-ahead-us-healthcare-provider-landscape-2035-part-2>

³LinkedIn.com, "Precision Medicine at the Front Line." <https://www.linkedin.com/pulse/precision-medicine-front-line-kevin-grabenstatter-tzq2c/?trackingId=L7S1PSL%2BhBfk%2Fy8F9%2FzNJA%3D%3D>

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