

Healthcare's 2025 forecast: A balancing act

January 13, 2025

By Meredith Kirchner



Meredith Kirchner

2025 is shaping up to be a big year for healthcare. The industry faces a perfect storm of rising costs and rapid technological advancements, forcing providers, health systems, and patients to adapt to rapid changes. As financial sustainability and patient-centered care take center stage, healthcare leaders must innovate to meet these pressing challenges. In the year ahead, I anticipate five key trends that will shape the future of healthcare.

1. Patient financing becomes the new standard

The economic realities of healthcare are forcing patients and providers to rethink financial strategies. The shift is driven by growing financial strain on patients. For example, in 2024, 18% of adults reported medical bills they could not pay, and 22% reported having trouble paying for prescription drugs. Medicaid disenrollments following the rollback of pandemic protections have further exacerbated the issue, leaving millions uninsured or underinsured.

With rising medical costs and an increase in out-of-pocket expenses even with employer-sponsored health insurance, traditional payment plans offered by providers are no longer sufficient to address patients' financial needs. The plans are often a simple twelve-month payment structure or are a debt sale to a third party, often lacking consumer protections. These plans are being replaced by a consumer-first-styled patient financing programs that provide structured, flexible payment options and are fully compliant with federal consumer financing laws and regulations.

In 2025, patient financing programs will emerge as the preferred solution for health systems looking to address these challenges. These programs, which involve loans or credit through third-party institutions, offer clear terms and regulatory protections that inspire trust among patients while ensuring reliable cash flow for providers. Think financing for home appliances, furnishings, or other purchases similar to an out-of-pocket responsibility of up to \$10,000.

Flexible repayment options and transparency improve patient satisfaction and adherence to payment plans. In addition to patient financing, providers will ramp up their initiatives to help patients gain insurance coverage for eligible patients to enroll in ACA plans – especially for patients facing high-cost therapies to preserve life or maintain health. Providers will also seek out philanthropic foundations and drug assistance programs as part of their patient support programs to enable care to continue. The complexity of managing all of these initiatives will drive new partner relationships with technology solutions to manage the complexity.

Gartner predicts that by 2025, organizations that adopt a platform-based approach to digital transformation will experience a 30% increase in operational efficiency and a 20% reduction in IT costs. As economic pressures grow, patient financing will become a cornerstone of financial engagement strategies, helping providers balance financial sustainability with improved patient experiences.

2. The evolution of healthtech: From vendor to partner

Do more with fewer vendors. Health systems are no longer satisfied with single-function solution vendors. Why? Because the cost to oversee each vendor is rising, and if the oversight includes “business associate” risk management, it is a material cost. What if a health system could eliminate several hundred or more vendors, and gain the financial and operational benefits, plus avoiding risk, and gaining support of new “partners?” In 2025, the most successful health technology companies will be those that transition from being mere vendors to trusted partners that provide multiple solutions and innovate aggressively. This shift reflects the growing need for integrated, comprehensive platforms that address multiple pain points across financial, operational, and clinical workflows.

Today's healthcare providers demand more than basic tools. To improve bad medical debt and optimize revenue cycle management, health systems will seek financing platforms that integrate patient financing with insurance discovery, charity resources, patient eligibility for government funding and public programs, and engagement tools to create a seamless experience. These solutions simplify administrative tasks and enhance care delivery and patient

outcomes.

This evolution mirrors trends in other industries, where interconnected systems have replaced siloed services. Health systems that embrace this model in 2025 will be better equipped to address complex challenges while promoting patient trust and loyalty.

3. Rising interest rates tighten funding for startups and healthcare fintechs

The economy is changing, and healthcare startups are feeling the squeeze. CB Insights reported a 15% decline in HealthTech startup funding in 2024, with a continued downturn anticipated in 2025. Rising interest rates, projected to continue climbing in 2025, make it difficult for startups and smaller financing companies to secure capital. Private equity firms have already begun scaling back investments, and this trend is expected to intensify as borrowing costs rise. This creates challenges and opportunities for health systems.

While funding constraints may stifle innovation, they also prompt providers to focus on sustainable, internally funded solutions. We'll see an uptick in healthcare systems seeking established, well-capitalized, and innovative partners to deliver reliable results without relying on volatile funding streams. Providers prioritizing operational efficiency and long-term financial planning will be best positioned to navigate this new reality.

FinTech companies, specifically those that rely on abundant, affordable capital to finance patient debt purchases or fund patient financing, will struggle. Expanding patient financing will be very difficult for underfunded companies and will leave their health system clients in a difficult position.

4. AI takes over routine administrative tasks

AI has already impacted clinical decision-making and diagnostics, but its role in healthcare's administrative processes will dramatically expand in 2025. AI is set to revolutionize routine tasks such as claims processing, denials prevention and management, and patient communication, resulting in reducing staff workloads and improving efficiency. The workforce will be refocused on higher value work (work at top-of-license) and will drive operational improvements and productivity.

In 2025, high-value use cases with proven results will be implemented to first apply AI technology as a foundation to a health system and gain quick financial/operational wins. Then, the second and third phases of this playbook will emerge. Innovative health systems that are quick learners and can be designed and implemented quickly will be the first winners. The larger health systems will face greater challenges to deploy in more complex organizations.

Health systems that leverage AI for back-office operations will benefit from streamlined workflows and cost savings. Beyond financial gains, AI can also enhance patient engagement by automating reminders, payment follow-ups, and eligibility verification, making interactions more efficient and patient-friendly. In 2025, early adopters of AI will stand out for their ability to manage operational complexity while maintaining high levels of patient satisfaction.

5. State reforms reshape medical debt management

Medical debt has been a source of financial stress for patients and a challenge for providers. In fact, it's one of the leading causes of personal bankruptcy in America. In 2025, states are expected to implement stricter regulations around debt collection and debt sale to recourse-based vendors, forcing health systems to rethink how they handle unpaid balances.

States like California and New York are already exploring laws that would prohibit providers from collecting debts from patients below certain Federal Poverty Level (FPL) thresholds or selling medical debt altogether. These reforms will likely accelerate the adoption of retail-inspired financing solutions that prioritize transparency and patient affordability.

These changes allow health systems to build patient trust by offering equitable financial solutions. Transparent financing tools and proactive outreach and education will enable providers to navigate regulatory changes while improving patient outcomes. The Medical Debt Relief Act, enacted in New Mexico in 2023, is a model for how such reforms can reshape the industry.

2025: A new frontier for healthcare

As 2025 approaches, providers face a critical juncture. The industry's ability to adapt to economic pressures and technological advancements will determine its success in balancing financial sustainability with patient-centered care.

From patient financing programs to integrated HealthTech platforms, the trends outlined here highlight the transformative potential of innovation. By prioritizing affordability, accessibility, and efficiency, health systems can confidently navigate the challenges of 2025 and beyond.

About the Author: Meredith Kirchner is a seasoned healthcare operations leader with over 20 years of experience. She currently serves as the chief operating officer at Curae, where she focuses on improving operational efficiency and client satisfaction through innovative financial solutions for multi-hospital health systems. Meredith has a strong background in healthcare consulting and technology, having held senior roles at Patientco and Ernst & Young. Her experience lies in optimizing organizational workflows and enhancing patient financial access, making her a pivotal figure in driving Curae's growth and industry reputation.