

Optimizing Health Outcomes for All

A look at priorities, progress and impact across the US health system

2025 EY Report

EY

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Photo credit:

Joshua Winer is a Boston artist with 40 years of experience in creating contemporary public art, including murals, mosaics and monuments for various architectural settings. Pieces of his mosaic art are displayed throughout this report, highlighting his commitment to celebrating community and belonging. Winer's work often involves collaboration with community members, ensuring that each piece reflects the aspirations and richness of the area. For more information, visit his website at www.joshuawiner.com. Joshua's art appears on the cover page, page 8, 12, 16, 20 and 24.

Note from the Center for Health Outcomes Optimization

Enhancing the health outcomes and wellbeing of individuals and communities is a foundational goal of modern health care. There has been significant progress over the last century through innovations that have a profound impact on treatments for once-deadly diseases, the prevention and early detection of many ailments, and the creation of systems of care that have more than doubled life expectancy in the US.

With all that progress, there remain persistent challenges in attaining optimal health for many. The causes are complex, sitting at the intersection of access, affordability, knowledge, societal factors, life experience, demographics, culture, genetics, environment, lifestyle and economics. Optimizing health outcomes for all people requires recognizing these challenges and tailoring interventions to help individuals, communities and the health system at large overcome them. This effort is especially challenging in a US health care system plagued by rising costs, inconsistent health outcomes, shortages of medical providers and challenging experiences for health care consumers.

The aspiration to improve outcomes and the system of care that enables them is at the heart of transformation efforts underway within the health provider, payer, government, life sciences and nonprofit sectors. At Ernst & Young LLP (EY US), we are focused on helping our clients and the market understand the evolving landscape and make meaningful progress toward advancing health for all.

In February 2025, we conducted our third annual survey to gather market perspectives on the health industry's ultimate goal of optimal health for all. While this work has been described using many terms, including health equity, we see an opportunity to recast it under the ultimate and inclusive goals of optimal health for all, health outcomes optimization and closing health outcome gaps. This shift aims to drive focus on the shared objectives that unite the health care industry: addressing areas of greatest need, investing in areas of greatest impact and sharing best practices.

The report can be leveraged by practitioners and policymakers to gain insights into current practices and understand how others are making progress toward their goals. While the language for this transformation is changing, the work remains a priority. The findings that follow indicate that a focus on optimizing care and closing health gaps provides clear value to both patients and businesses, fostering continued commitment across the health care ecosystem.



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The Optimizing Health Outcomes for All Report was collaboratively written by the EY Center for Health Outcomes Optimization. Visit www.ey.com/optimizing-health-outcomes-report to learn more.

Context and key insights

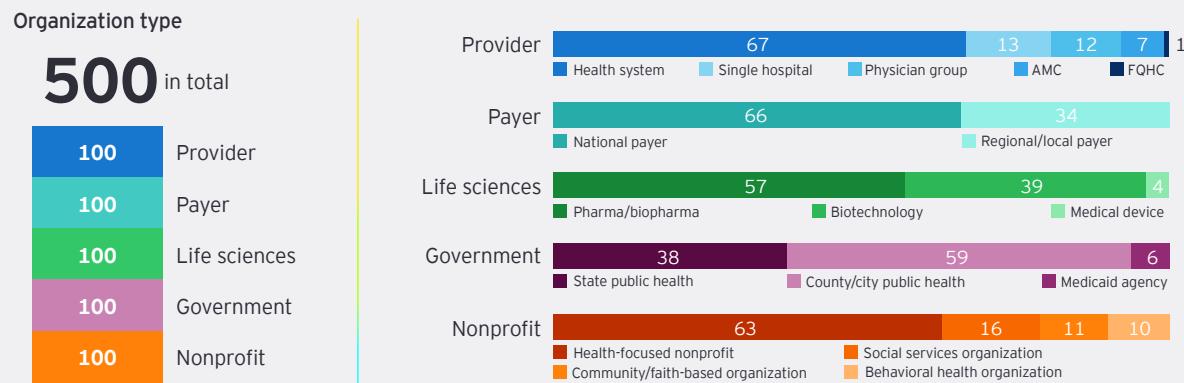
Context

- This report provides an updated view of strategic priorities, actions, investments and impact in efforts to optimize care for all across provider, payer, life sciences, government, nonprofit and community sectors.
- In its third year, the report provides current context on and visibility into how organizational activation and capabilities in the health outcomes optimization space have evolved and matured over time.
- We surveyed 500 leaders focused on addressing health gaps across health industry subsectors in February 2025.

Key insights

- Most organizations report positive impacts on health outcomes (85%) and financial performance (74%) from their efforts to identify, address and close gaps in health outcomes, with the latter increasing nearly 10% from 2024.
- While most respondents (86%) expect their organization's prioritization of health outcomes optimization to remain consistent or increase even amid the evolving external landscape, differences by organization type emerge.
 - The share of public sector organizations that expect to increase prioritization of health outcomes optimization is relatively unchanged from last year (74% in 2025 vs. 77% in 2024). In contrast, far fewer private sector organizations anticipate an increase (43% vs. 70%).
- Nearly two-thirds (62%) of organizations report reducing investment in at least one health outcomes optimization area, perhaps narrowing their focus to areas of greatest need or impact; active investments focus most on implementing initiatives or building out internal capabilities.
- Across the sectors surveyed, there is a growing focus on the core challenges of health care access and quality (56%) and affordability (34%) and declining emphasis on non-medical determinant-of-health factors. This shift may reflect a strategic move toward commonly accepted priorities that are directly within an organization's scope of impact.

Survey participants



Participant role*

29%

C-suite

29%

SVP/VP

39%

Director

3%

Community liaison

*Role or its equivalent

Landscape summary

Health outcomes optimization remains a priority, despite uncertainties

Better health for all has long been a shared objective across sectors, organizations and ideologies. Differing perspectives, however, have emerged on the language and central tenets related to its pursuit. Amid this evolving external landscape, many organizations are re-examining their policies, initiatives and communications to maintain compliance, uphold company values and meet consumer needs.

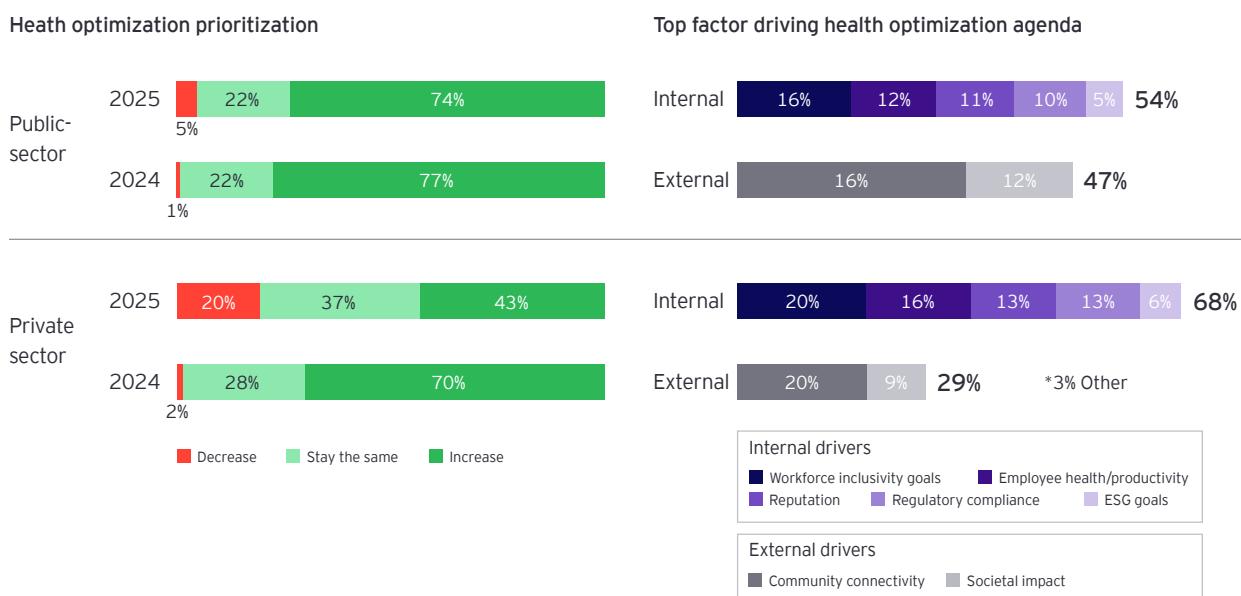
Health organizations remain committed to the pursuit of better health for all, underscored by the significant majority (86%) that noted an intent to maintain or increase their efforts in this space.

Prioritization of health outcomes optimization efforts – and why – varies by public and private sector

Most public sector respondents (government and nonprofit) anticipate an increase in prioritization of health outcomes optimization (75%), likely reflecting their explicit mission to enhance community health and wellbeing. They emphasize the larger role community connectivity and societal impact play in driving their health outcomes optimization agendas (Figure 1). The defunding of federal programs, however, may jeopardize their ability to translate this prioritization into tangible impact.

Private sector organizations (providers, payers and life sciences) have a more varied outlook on prioritization: 43% expect to increase their focus, 37% plan to maintain current efforts and 20% anticipate a decrease. As profit-driven entities, they must balance company values, shareholder interests, regulatory compliance and fiscal policies. Internal organizational factors play an outsized role in driving private sector health outcomes optimization agendas. Factors under federal influence, such as workforce inclusivity; environmental, social and governance (ESG) goals; compliance; and reputation draw 55% of private sector respondents' focus, creating an uncertain long-term outlook.

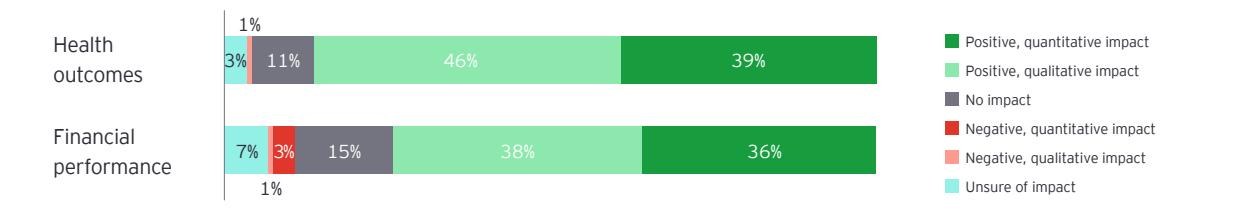
Figure 1. Percentage of organizations expecting to increase, maintain or decrease prioritization of health outcomes optimization and the top factors behind their agenda, all sectors.



Patients are benefiting from health outcomes optimization efforts – and so are bottom lines

The value of health outcomes optimization is well recognized among respondents, with 85% reporting a positive impact on health outcomes and nearly 75% noting improvements in organizational financial performance. Roughly half are quantifying benefits for either dimension. Those planning to increase strategic focus on health outcomes optimization are twice as likely to have measured improvements in health outcomes and four times as likely to have assessed financial performance gains compared with organizations intending to decrease their focus.

Figure 2. Observed impact of health outcomes optimization initiatives and investments, all sectors.



Respondents report improved health outcomes along the care continuum as a result of their health outcomes optimization initiatives. These improvements include enhanced access to care, earlier diagnoses, better patient adherence and reduced rates of hospitalization, readmission and mortality.

Organizations are linking these outcomes to financial performance, citing cost avoidance from mitigation of excess utilization, cost savings from more efficient resource allocation and higher revenue from value-based payments, market penetration, and improved patient satisfaction and retention.

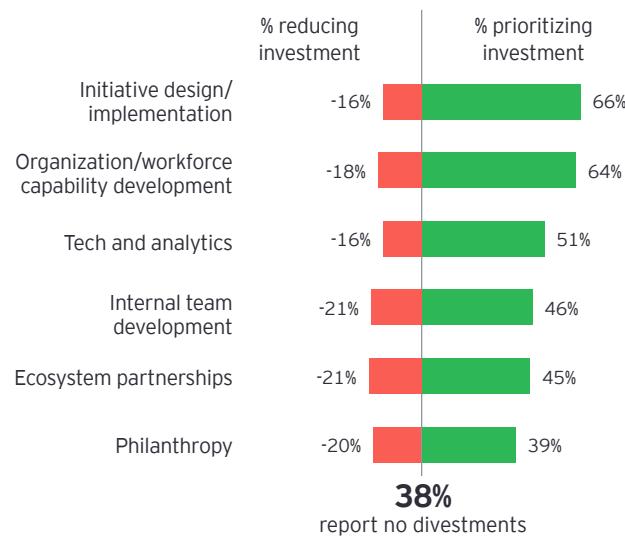
Many also point to improved chronic disease management as a key benefit of their efforts. With 60% of US adults living with at least one chronic disease and 90% of the \$4.5 trillion in US health care costs spent on chronic and mental health conditions¹, this is an important proof point for the dual benefit of health outcomes optimization efforts for patient outcomes and fiscal sustainability.

Organizations are re-evaluating where to put their dollars

Narrowing the investment focus may help enable impact. Organizations that have quantified positive benefits of health outcomes optimization efforts are more likely to have reduced investment in at least one area. A lack of focus may leave organizations spread thin and less able to impact a dimension.

Nearly two-thirds of respondents (62%) report reducing investment in at least one health outcomes optimization area. Given that most organizations noted plans to continue or increase their work in this space, this finding may reflect a broader trend toward strategically narrowing the focus to invest in the areas of greatest need or impact. For most organizations, this means prioritizing funding for health outcomes optimization initiatives and capabilities.

Figure 3. Percentage of organizations ranking each area as a top health outcomes optimization investment priority followed by percentage of organizations that have divested or reduced investment in each area, all sectors.



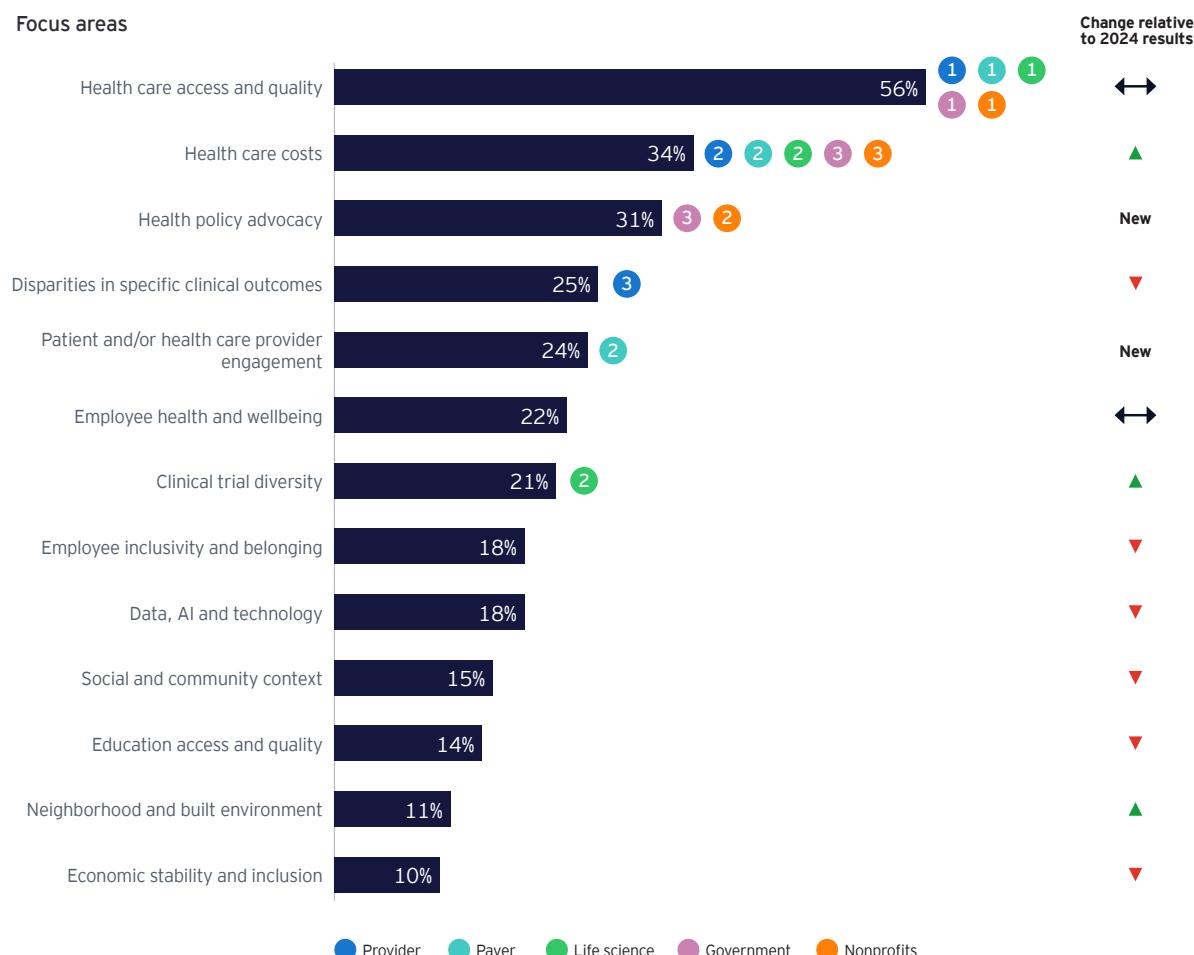
¹ The Growing Burden of Chronic Diseases, National Institute for Health Care Management Foundation, 2025.

Organizations are leaning into generally accepted health care priorities

As the push to optimize health continues, the industry's approach to achieving this goal is shifting. Surveyed stakeholders collectively place the greatest strategic focus on traditional health care challenges of access, quality and affordability. While "health care access and quality" has been the top priority each survey year, consensus has steadily risen – from one-third of organizations focusing on it in 2023 (34%) to over half in 2025 (56%).

Given the declining focus on non-medical drivers of health, organizations may be reassessing their role in advancing social and structural determinants of health outcomes, as well as what will be feasible with program cuts at the federal, state and local level. Looking ahead, 58% of respondents expect minor federal policy changes in health care, while 31% expect major changes. While expectations on scale and impact are mixed, there is clear agreement that the health policy landscape will remain dynamic.

Figure 4. Percentage of organizations indicating each area as one of their top focus areas to optimize health outcomes for all, all sectors.



Focus on data-driven health outcomes optimization strategy persists, though waning

The 2025 survey results point to a reduced focus on data, analytics and technology in promoting health outcomes improvement for all. This shift is reflected in respondents' investment priorities and strategic focus areas, with technology and analytics to address health gaps falling from being a top response in our 2024 survey to the middle of the pack this year.

Over three iterations of this survey, health outcomes optimization data and analytics maturity does not appear to be improving. Compared to 2023 and 2024, the proportions of health industry organizations at each stage of maturity remains relatively consistent in our 2025 survey. Across respondents, two-thirds are collecting and reporting some type of data necessary to identify and address health outcomes gaps, although the type of data varies by sector. (Figure 5).

Figure 5. Self-reported stage of health outcomes optimization data and analytics capability development, all sectors.

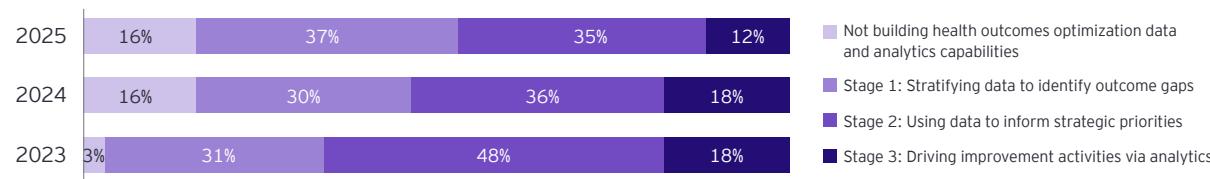
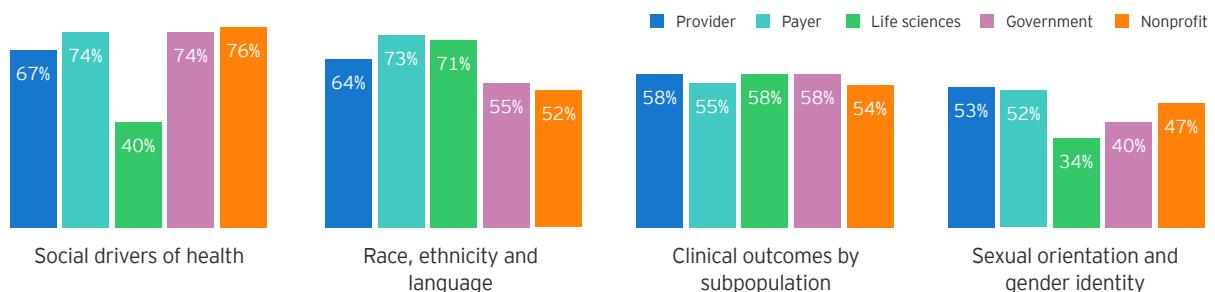


Figure 6. Percentage of organizations currently collecting and reporting various types of health outcomes optimization data, all sectors.

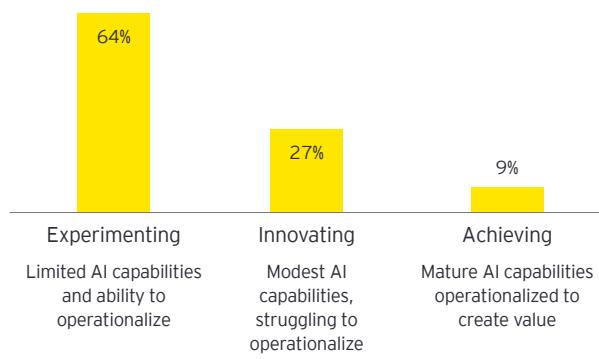


AI continues to emerge as an exploratory area for health outcomes optimization efforts

Organizations are actively exploring the potential of artificial intelligence (AI) to accelerate initiatives designed to optimize health for all. Patient engagement, predictive health care modeling and administrative efficiency are the most common use cases.

Developing AI capabilities requires scale and resources – most organizations with more mature AI capabilities (67%) have over \$1b in revenue. In addition to the use cases noted above, higher-revenue organizations are deploying AI for patient risk assessment and stratification, reflecting the value potential in moving toward proactive vs. reactive interventions.

Figure 7. Self-reported AI maturity for health outcomes optimization use cases, all sectors





Workforce understanding of health outcomes optimization is improving, but gaps remain

Internal competency is critical to realizing value from health outcomes optimization. All sectors report increased year-over-year (YoY) workforce understanding of foundational concepts underpinning health outcomes optimization for all initiatives, including what it means, the value it brings and its drivers. The greatest area of opportunity is to improve understanding of how health outcomes optimization efforts differ from workforce inclusivity efforts.

Alongside this development, however, a quarter of organizations point to a lack of common understanding of what "optimizing health for all" entails as a top barrier to strategic progress. These findings underscore the ongoing need for tailored education and training in line with inclusive health care objectives.

Collaboration, especially with providers, is highly valued for activation

Providers remain the most common and valued partnership type across the health ecosystem. Public health agencies, community and faith-based organizations, and life sciences companies also ranked highly. For the latter, organizations reported prioritizing growing partnerships with life sciences and have since followed through: 45% of organizations now indicate having a partnership with life sciences, compared with 30% in 2024. Nearly 40% of organizations also report partnering with payers, with payer-payer collaboration being most common.

As funding sources change, opportunities may arise for collaboration within the private sector to advance goals.

Top reasons for partnership center on sharing knowledge, resources and data for health outcomes optimization strategy execution.

1 Establishing evidence basis

2 Co-delivering initiatives

3 Sharing best practices

4 Sharing data

5 Providing investment



PROVIDERS

Key insights

- Despite being at the heart of care delivery, providers report the lowest levels of positive quantitative impact on health outcomes (27%) relative to the health industry at large (39%).
- Providers also report the greatest anticipated decrease in health outcomes optimization prioritization due to the external environment (27% vs. 14% across the health ecosystem).
- Some providers point to value-based payment models as drivers of both improved health outcomes and financial performance.

Providers report a mixed outlook for health outcomes optimization

While most providers expect their organization's focus on health outcomes optimization to either increase (35%) or stay the same (38%) in the coming year, 27% expect a decrease, compared with 1% in 2024. Zooming out, 37% expect the broader provider sector to decrease focus.

Providers are the most likely of all surveyed sectors to anticipate a reduced focus on health outcomes optimization in 2025. Among provider types, physician groups are the most likely to foresee negative impacts.

Figure 8. Provider respondents by organization type and role level.

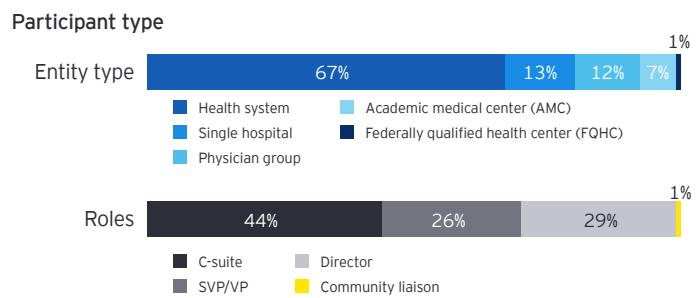
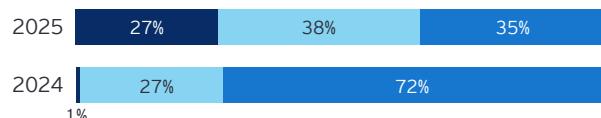
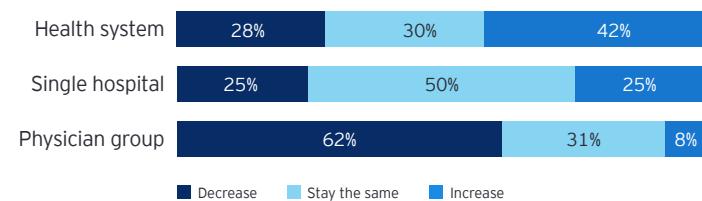


Figure 9. Expected health outcomes optimization prioritization, providers only.

Providers overall year over year



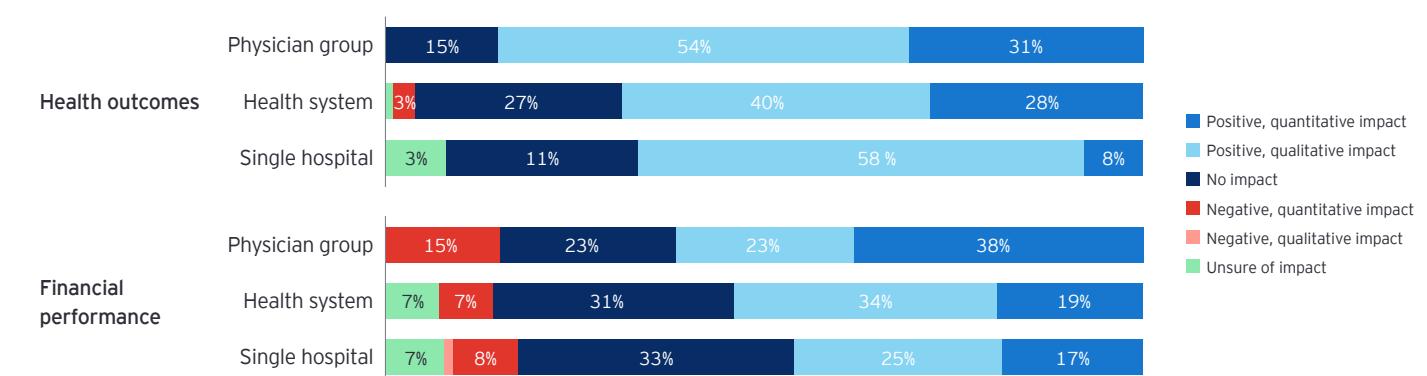
By organization type (2025)



Most providers see improved health outcomes; half achieve financial benefits

Around a quarter of provider organizations are achieving positive quantified health and financial impacts. Despite expecting a decrease in health outcomes optimization prioritization, physician groups outperform their provider peers in both areas. Stand-alone hospitals point to strong qualitative impact on health outcomes, yet only 8% have been able to quantify benefits. This discrepancy may be due to single hospitals being in earlier stages of strategic maturity.

Figure 10. Observed impact of health outcomes optimization initiatives and investments, all sectors.



Value-based payment enables positive health and financial impact

Provider organizations highlight health outcome impacts that include improved diagnostic accuracy, access to mental health care, treatment adherence and patient satisfaction. Common financial benefits include more stable revenue flows due to improved patient retention, reduced emergency department costs and increased revenue from value-based contracts.

Providers, however, are twice as likely to report no impact compared with the health industry overall. This difference may be due to ongoing challenges presented by the fee-for-service payment environment, where improved prevention results in reductions in higher-revenue procedures. Value-based payments, particularly those designed to achieve health outcomes optimization objectives, offer win-win opportunities for providers; some respondents noted these contracts drive improved margins and patient care outcomes.

“

Reduced readmission rates, including due to higher level of acceptance for advanced medical treatment, have reduced the cost of care.

Single hospital chief financial officer

“

Improvements have been seen on access to care for the population served, based on population data. This metric is reviewed annually and approved by the board.

Health system chief executive officer

Internal capability development tops providers' investment agenda

Provider organizations report most commonly prioritizing investment in:

Organizational and workforce capability development

Top focus for health systems (78%) and physician groups (69%)

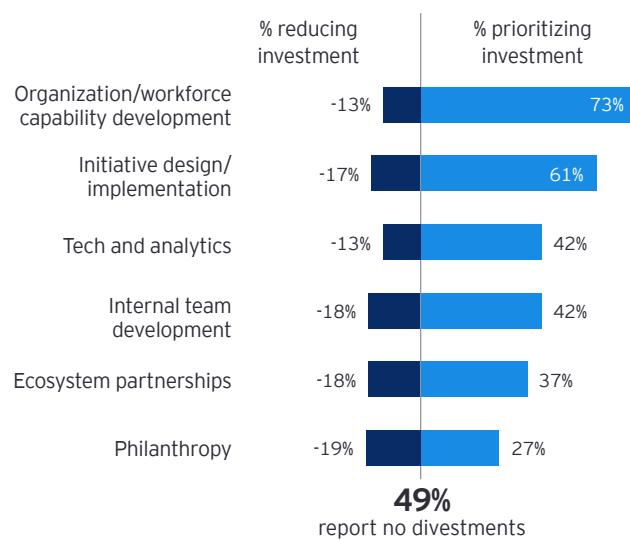
Initiative design and implementation

Top focus for single hospitals (58%)

As the external landscape evolves, many provider organizations (73%) are doubling down on investments in organizational and workforce capabilities to enable strategy activation and impact.

Nearly half of providers (49%) report they are not divesting from health outcomes optimization efforts in any capacity. Of the remainder, top areas to reduce investment include workforce inclusivity commitments, community and ecosystem partnerships, and philanthropic giving. AMC investment is expected to be particularly impacted by federal defunding of medical research.

Figure 11. Percentage of organizations ranking each area as a top health outcomes optimization investment priority, followed by percentage of organizations that have divested or reduced investment in each area, providers only.



Providers are squarely focused on health care access and quality

In line with the broader industry, provider organizations remain focused on improving care access and quality while reducing costs. Addressing disparities in specific clinical outcomes also ranked highly, particularly for health systems.

These focus areas reflect the leading health outcomes optimization value drivers for provider organizations. Single hospitals are motivated by community connectivity, while health systems point to alignment with workforce inclusivity objectives as the leading factor. These drivers create uncertainty for future efforts as policy and funding dynamics shift.

Providers' health outcomes optimization strategies are maturing; data capabilities vary

Providers' self-perceived health outcomes optimization maturity increased over the last year; 58% now report being at the highest stages of maturity – aligning health outcomes optimization and gap closure to enterprise strategies and outlining health and financial impact goals – compared with 46% in 2024.

Data and analytics maturity varies across provider organizations. AMCs lead and physician groups lag provider peers in terms of health outcomes optimization analytics use at 86% and 46%, respectively.

Most providers are still striving to meet regulatory requirements

Readiness to meet regulatory guidelines saw modest improvements since 2024, though less than half of organizations are prepared to meet any regulator and industry accreditation standards today.

Highest maturity is seen within core provider capabilities, including care access, coverage, health literacy and language access (44% meeting requirements today). Community partnerships and data capabilities, including collection and reporting of data on the social drivers of health as well as disparity root-cause assessments, are the areas of lowest maturity (38% meeting requirements). As providers indicate analytics solutions and partnerships are lower-priority areas for investment in 2025, progress here remains uncertain.

Figure 12. Percentage of provider organizations indicating each area as one of their top focus areas to optimize health outcomes for all.

Focus areas

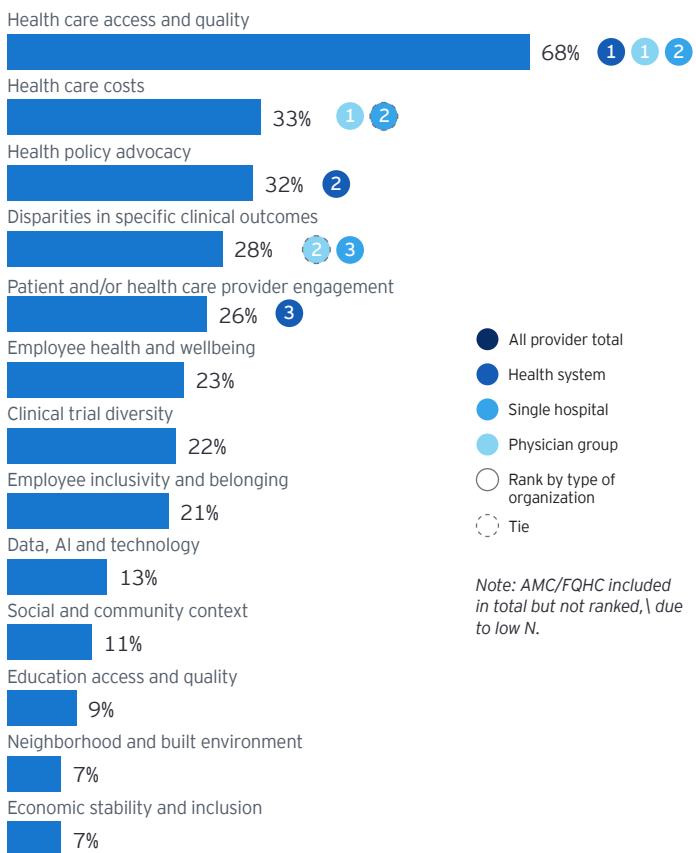
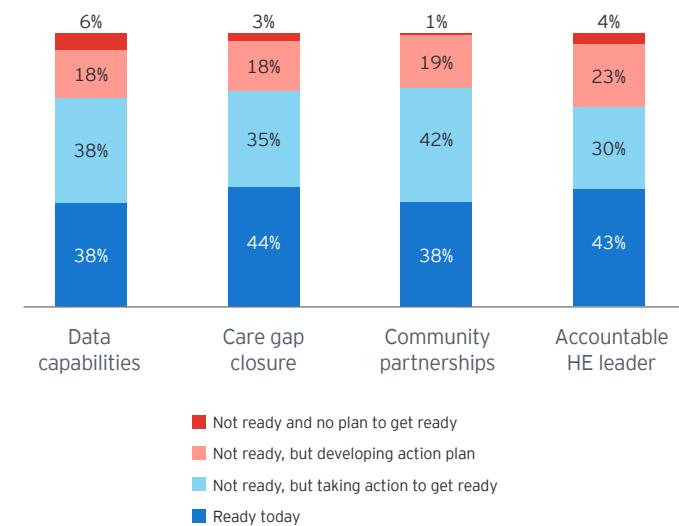


Figure 13 Provider organizations' readiness to meet health outcomes optimization regulatory requirement areas.





PAYERS

Key insights

- Payers report growing maturity in health outcomes optimization efforts across enterprise-level strategy integration, readiness to meet regulatory requirements and data capability development.
- Expectations on future prioritization of health outcomes optimization within the payer sector are mixed.
- Payers are not a monolith: national and regional or local payers report varying priorities across focus areas, investments, data capabilities and the like.

Payers mirror the broader private sector in anticipated health outcomes optimization focus

Payers have a similar outlook on health outcomes optimization prioritization as private sector peers. In the current environment, 17% expect their organization to decrease focus on health outcomes optimization, while 25% expect the broader payer sector to decrease focus. Still, 83% plan to grow or maintain their focus.

While 73% of national payers cite internal factors driving their health outcomes optimization agendas, only 56% of regional payers do the same, indicating a stronger influence of community connectivity and societal impact at the local level.

Health outcomes optimization measurement varies by national, regional payers

Payers report observing positive impact on health outcomes (86%) and financial performance (80%) as a result of health outcomes optimization efforts. Over half of national payers have quantified these benefits – twice as many as in 2024. Regional payers, however, lag in quantifying benefits – potentially due to having less-developed data and analytics capabilities. As also reported, 71% of regional payers reported benefits on financial performance – quantified or anecdotal – up from 42% in 2024.

Figure 16. Observed impact from health outcomes optimization initiatives and investments, payers only.

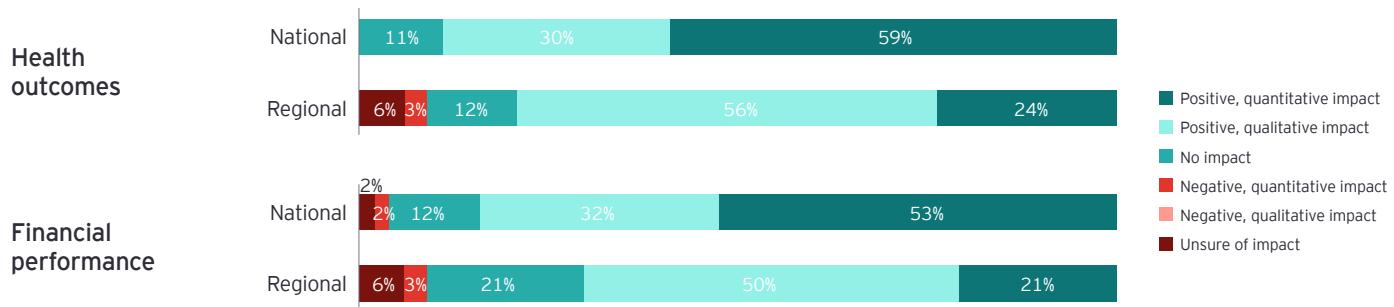


Figure 14. Payer respondents by organization type and role level.

Participant type

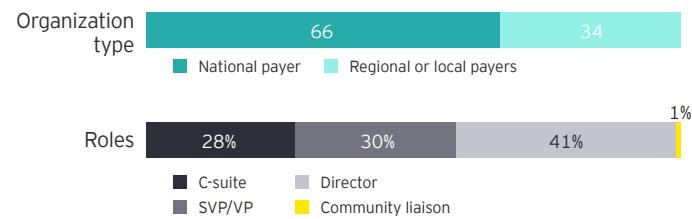
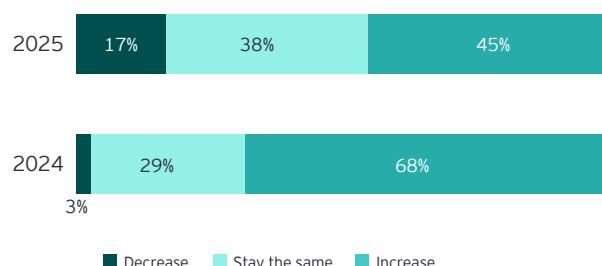


Figure 15. Expected health outcomes optimization prioritization, payers only.

Payers overall year over year



■ Decrease ■ Stay the same ■ Increase

Improved preventive care drives better health outcomes and cost savings

For health outcomes, payers commonly report an observed relationship between increased access to care and improved preventive care metrics. Through access to care efforts such as mobile care units, health literacy campaigns and telehealth expansion, payers have reported improvements in cancer and diabetes screenings, immunizations, and morbidity and mortality rates due to earlier intervention.

Combined with workflow and resource management efficiencies, health outcome improvements have, in turn, resulted in cost-of-care savings. Many organizations report improved member engagement, enrollment and satisfaction as drivers for revenue stability and growth as well.

“

Medical loss ratio has been lowered due to our focus on health [optimization], and we've gained lots of new members — likely as a result of benefit designs geared toward health [optimization].

Single hospital chief financial officer

“

We have seen lower costs of readmissions and surgical complications from OB-GYN patients in lower socioeconomic geographies and data-backed improvements in maternal and infant mortality.

Health system chief executive officer

National payers prioritize investing in initiatives, regional payers in tech

As payers evolve their capabilities to address and close gaps in health outcomes, they report most commonly prioritizing investment in:

Initiative design and implementation

Top focus for national payers (61%)

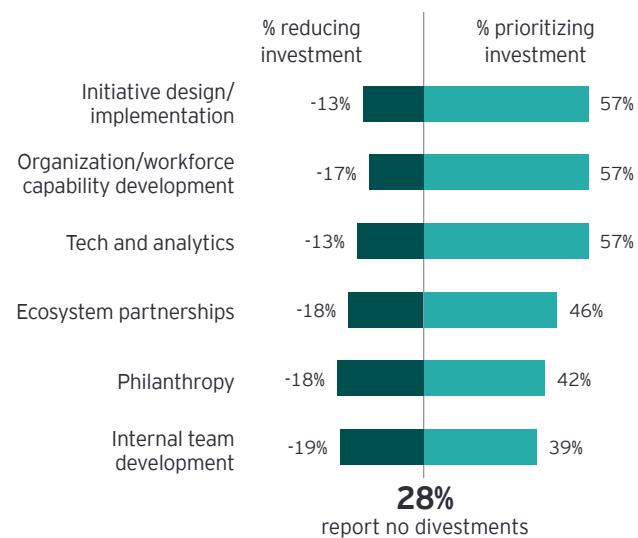
Organizational and workforce capability development

Technology and analytics solutions

Top focus for regional payers (62%)

Although regional payers see philanthropy as a key area of investment, national payers report it as their top area to reduce investment. Overall, national payers are reducing investment at a higher rate than regional payers. Over a third of regional payers (35%) and nearly a quarter of national payers (24%), however, report no current divestments from health outcomes optimization efforts at all.

Figure 17. Percentage of organizations ranking each area as a top health outcomes optimization investment priority, followed by percentage of organizations that have divested or reduced investment in each area, payers only.



Half of payers focus on health care access and quality, followed by a variety of internal and external areas

Payers follow the broader health ecosystem trend of increased focus on health care access and quality.

National payers are 40% more likely than the broader ecosystem to prioritize patient and/or health care provider (HCP) engagement – perhaps as a result of growing discourse over the past year around the value large health plans are delivering to their members. The crux of this discourse, however, has centered around the cost of health care, which has increased as a priority (29%, up from 19% in 2024) but remains a key focus for less than one-third of payers.

All payers report strategy maturation

While 10% of payers reported no strategy to address gaps in health outcomes in 2024, only 1% continue to lag in this foundation. Roughly two-thirds of payers now also indicate having established an enterprise-driven health outcomes optimization strategy, up from about half in 2024.

To advance their strategies, most payers collaborate with other payers (65%), providers (59%) and behavioral health organizations (53%). National payers partner most commonly on sharing best practices and co-delivering initiatives while regional payers partner most on establishing an evidentiary basis for health outcomes optimization efforts and sharing data.

Data capabilities and regulatory readiness fall along payer type lines

Data and reporting capabilities pose a challenge for regional payers: about half are in the earliest stage of collecting and stratifying data to identify health disparities (47%), while 6% are not building health outcomes optimization data functions at all. National payers, however, report progress here: 26% indicate they are optimizing care and closing gaps through data and analytics – the highest level of maturity and more than double the ecosystem average.

This trend is also reflected in readiness to meet regulatory and accreditation requirements. Nearly half of national payers report meeting data requirements today compared with 15% of regional payers. Readiness has broadly improved since 2024; still, most organizations remain in build mode.

Figure 18. Percentage of provider organizations indicating each area as one of their top focus areas to optimize health outcomes for all.

Focus areas

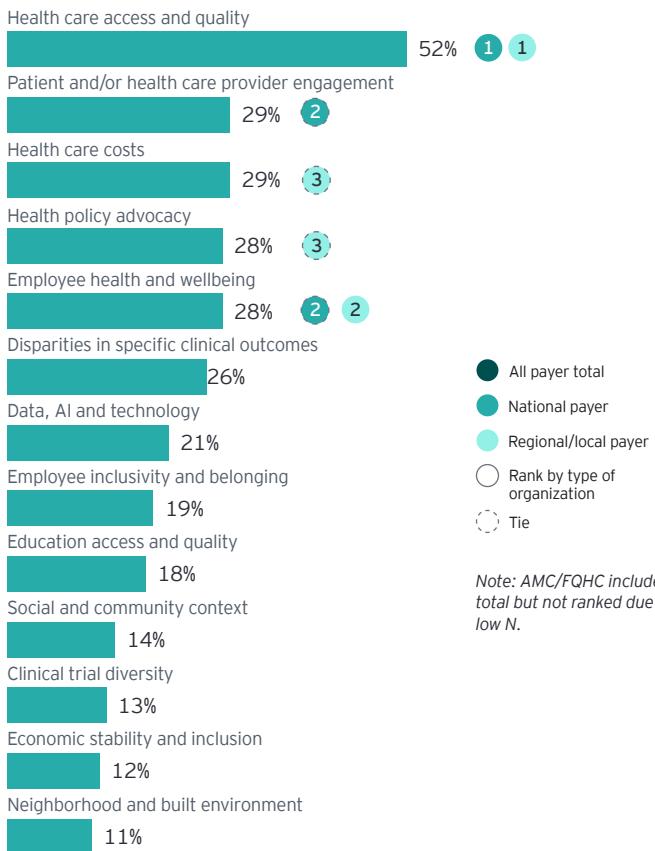
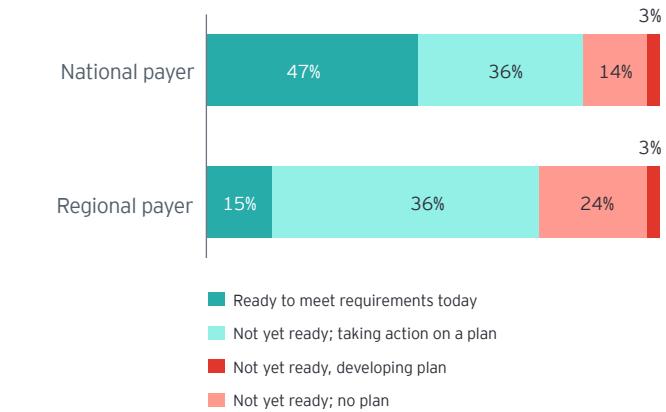


Figure 19. Reported readiness to meet regulatory data requirements, including data collection, analysis and reporting related to demographics and social determinants of health, or disparity root-cause assessment.





LIFE SCIENCES

Key insights

- At 39%, the pharma sector has one of the highest expectations across the ecosystem for a decrease in prioritization of health outcomes optimization due to the external landscape.
- Conversely, the biotech sector reports higher rates than pharma for prioritization, health outcomes optimization data collection and impact quantification and lower rates of divestment from health outcomes optimization efforts.
- Partnerships are on the rise, particularly with government organizations.

Expectation for health outcomes optimization prioritization is highly organization-dependent

Within their own organizations, 25% of pharma respondents expect health outcomes optimization prioritization to decrease due to the external environment. Across the life sciences sector overall, this response rate jumps to 39% – one of the least favorable outlooks across all surveyed organizations and sectors.

Biotech, however, has high expectations to increase focus in this area (69%) and is three times as likely as pharma to point to community connectivity's role in driving health outcomes optimization agendas.

Figure 20. Life sciences respondents by organization type and role level.

Participant type

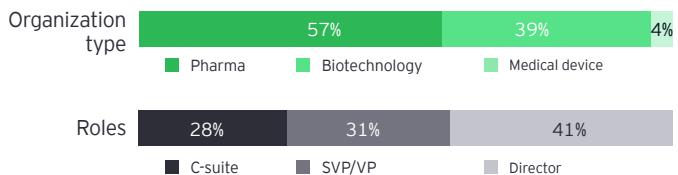
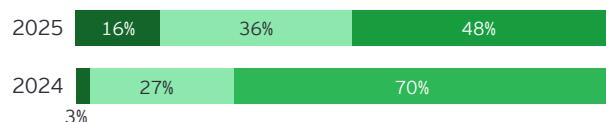
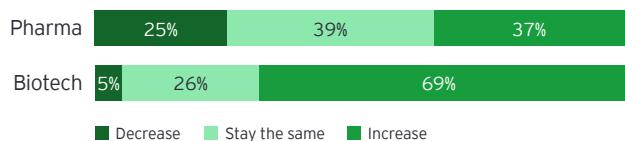


Figure 21. Expected health outcomes optimization prioritization, life sciences only

Life sciences overall YoY



Pharma vs. biotech (2025)

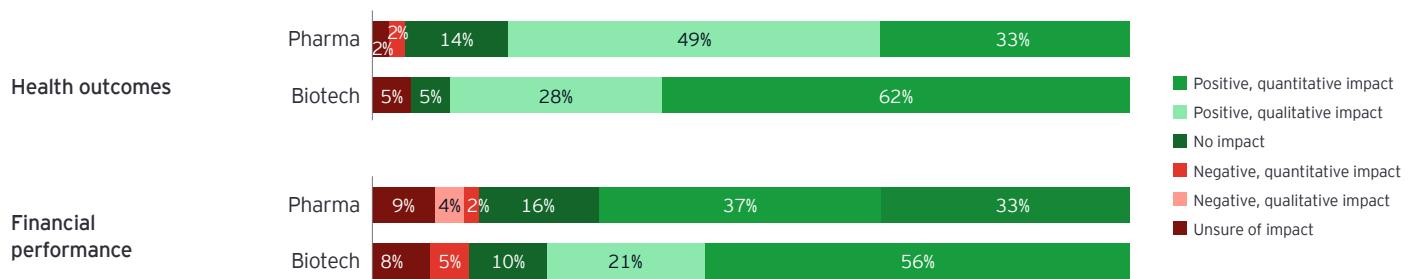


Biotech leads in ability to quantify benefits of health outcomes optimization efforts

Across life sciences organizations, quantification of the benefits from health outcomes optimization initiatives – and strength of data capabilities in general – positively correlate with organization size and differ by life sciences subsector.

A third of pharma organizations report quantifying positive impacts of their health outcomes optimization efforts on either health outcomes or financial performance. Meanwhile, biotech companies have quantified impacts in these categories at 62% and 56%, respectively.

Figure 22. Observed impact from health outcomes optimization initiatives and investments, life sciences only



Strides are underway in standardized health outcomes optimization metrics

Life sciences organizations commonly cite measuring the impact of efforts to close health gaps and improve care on mortality rates, hospitalization rates, medication adherence, market penetration and operating efficiency. Those that have not seen benefits point to higher costs of implementing initiatives as a burden.

Most biotech companies report setting standardized metrics for programmatic process measures (59%) and patient safety measures (51%) to assess health outcomes optimization impact. Roughly one-third of pharma organizations have also established standardized measures for clinical outcomes, revenue generation and patient access outcomes.

While no biotech respondents expect their organization's measurement or reporting of health outcomes optimization metrics to decrease in the next year, 16% of pharma respondents do have this expectation.

“

We've seen patients across populations improve their health significantly when they get access to medicines at affordable rates.

Pharma SVP/VP of development

“

Increased market access: Efforts in ensuring equitable access to our therapies have expanded market reach in regions where costs were previously prohibitive.

Biotech research director

Pharma and biotech prioritize investments similarly but cut back differently

Life sciences organizations report most commonly prioritizing investment in:

Initiative design and implementation

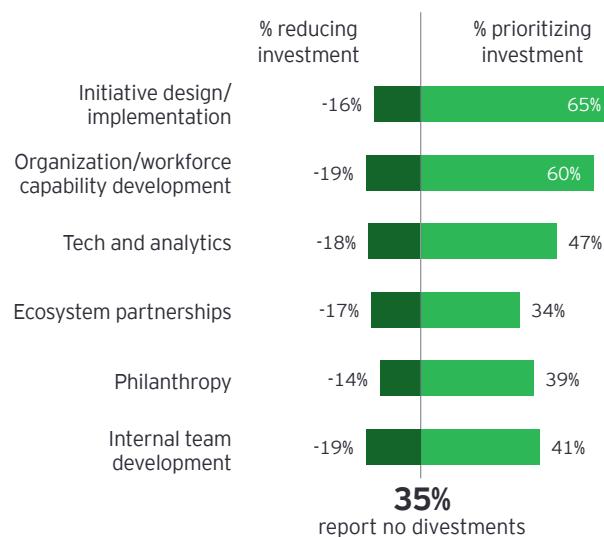
Top focus for biotech (72%)

Organizational and workforce capability development

Top focus for pharma (61%)

Pharma and biotech are directionally aligned on investment focus areas but differ in approaches to streamlining. While many pharma companies are reducing investment in multiple health outcomes optimization areas at once, biotech respondents report a more narrowed approach. Similar to the broader health ecosystem, however, over a third of life sciences organizations report no reduced investment in any areas.

Figure 23. Percentage of organizations ranking each area as a top health outcomes optimization investment priority, followed by percentage of organizations that have divested or reduced investment in each area, life sciences only.



Pharma focuses on clinical trial diversity, biotech on advocacy; all focus on access and quality

Consistent since 2023, “health care access and quality” is the highest-priority alignment for life sciences organizations addressing health gaps.

Pharma is 60% more likely than biotech to prioritize clinical trial diversity, likely due to differing focuses on commercialization vs. early development. Organizations with a US-only health outcomes optimization strategy are also twice as likely to prioritize clinical trial diversity than those with a global focus, likely due to recent FDA guidelines. Conversely, biotech is twice as likely to emphasize health policy advocacy, possibly due to more complex regulatory pathways.

Despite global remits, US-focused strategies remain predominant

Two-thirds of life sciences organizations operate globally, but US-focused health outcomes optimization strategies are predominant, with 67% of global biotech and 41% of global pharma reporting US-only strategies. Global-focused organizations report earlier stages of health outcomes optimization maturity with more siloed initiatives, yet they are also more likely to quantify the benefits of their efforts.

Notably, pharma organizations are over twice as likely as biotech and medical device companies to have an integrated enterprise-level health outcomes optimization strategy (65% vs. 31% vs. 25%).

Life sciences organizations have successfully broadened partnerships

In 2024, survey respondents expressed the greatest interest in expanding their partnerships with life sciences organizations. This year’s data indicates that expansion was successful, with 45% of organizations reporting active partnerships with life sciences (compared with 30% in 2024).

Provider partnerships are viewed as most important to life sciences – likely due to their proximity to the delivery of care. However, while over half of life sciences organizations report partnering with providers, only 17% of surveyed providers say they partner with life sciences. This discrepancy may indicate that many life sciences organizations are targeting the same provider partners and have an opportunity to expand their breadth. The most common partnership areas include establishing an evidentiary basis for efforts to close health gaps and sharing best practices and data.

Figure 24. Percentage of organizations indicating each area as one of their top focus areas to optimize health outcomes for all.

Focus areas

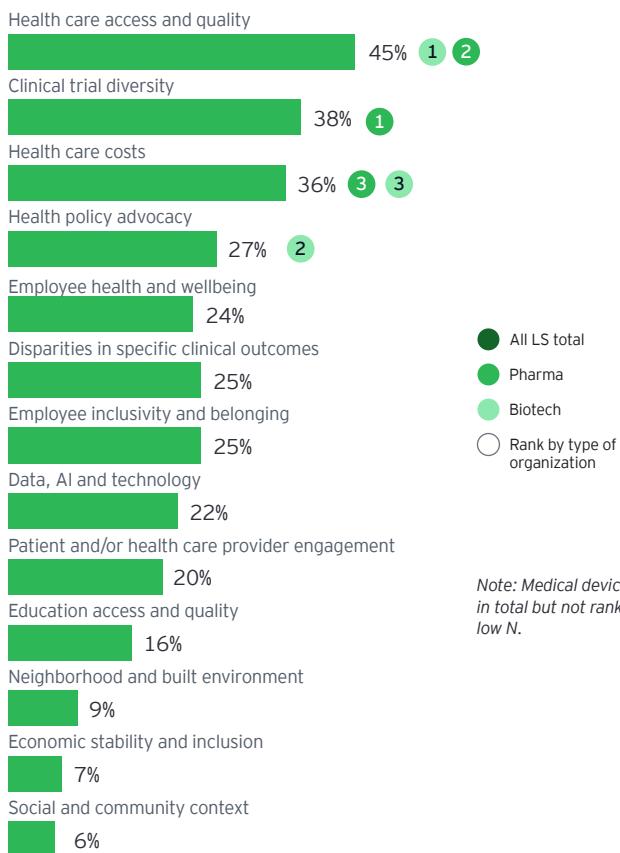


Figure 25. Percentage of organizations reporting partnerships with life sciences in 2024 vs. 2025.

Organization type	% partnering with LS		
	2024	2025	% change
Provider	16%	17%	+1%
Payer	21%	39%	+18%
Life sciences	56%	68%	+12%
Government	33%	60%	+27%
Nonprofit	25%	40%	+15%

GOVERNMENT

Key insights

- Survey respondents included state and local public health and Medicaid agencies; no federal agencies were included.
- State and local public health agencies report the most positive health outcomes optimization outlook of all organizations surveyed, with more than three-quarters anticipating increased prioritization of health outcomes optimization in light of the evolving external landscape.
- Government organizations lead the ecosystem in community engagement while lagging in data and analytics capability development.

Government organizations are largely steadfast in health outcomes optimization focus

Government entities, predominantly state and local public health respondents, are most likely to anticipate increased focus on health outcomes optimization (81%) compared with the industry average (55%).

This trend is significant amid federal policy shifts, reflecting strong ongoing prioritization at the state and local levels. However, a small but growing number of organizations foresee a decreased focus on health outcomes optimization, making it essential to monitor this metric as the external policy and funding landscape evolves.

Figure 26. Provider respondents by organization type and role level.

Participant type

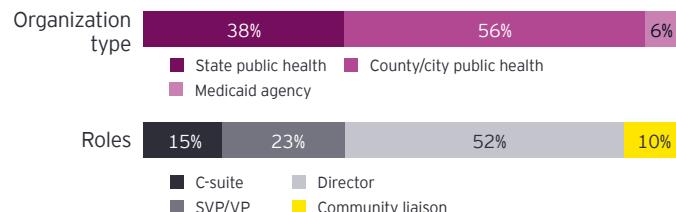
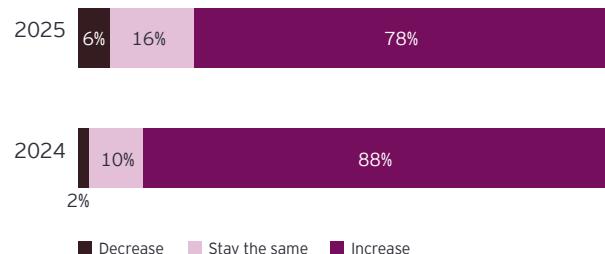


Figure 27. Expected health outcomes optimization prioritization, providers only.



Governments are overwhelmingly realizing improved health outcomes and financial value from health outcomes optimization initiatives

The value government entities are deriving from their health outcomes optimization work is largely very positive. Over 80% of the government agencies surveyed are seeing positive benefits on both health and financial outcomes. A third of organizations have quantified that impact.

Figure 28. Observed impact from health outcomes optimization initiatives and investments, government only.



Government efforts enable improved population health and cost avoidance

Some of the health impacts highlighted by respondents include improved access to care and mental health services, screening and earlier diagnosis, and treatment adherence.

Financial impacts include expanded consumer base in areas with historically limited access to care, increased beneficiary satisfaction driving long-term retention and financial sustainability, and cost avoidance through a focus on community wellbeing and prevention efforts.

“

Public health campaigns promoting preventive health measures have led to increased awareness and participation in health screenings.

State public health SVP/VP of operations

“

By offering services specifically designed to meet the individual needs of our patients, we've seen not only an improvement in patient satisfaction but also a noticeable increase in revenue per patient.

County/city public health SVP/VP of clinical operations

Programming to close health outcomes gaps leads government agencies' investment agenda

Government organizations report most commonly prioritizing investment in:

Initiative design and implementation

Top focus for states (71%)

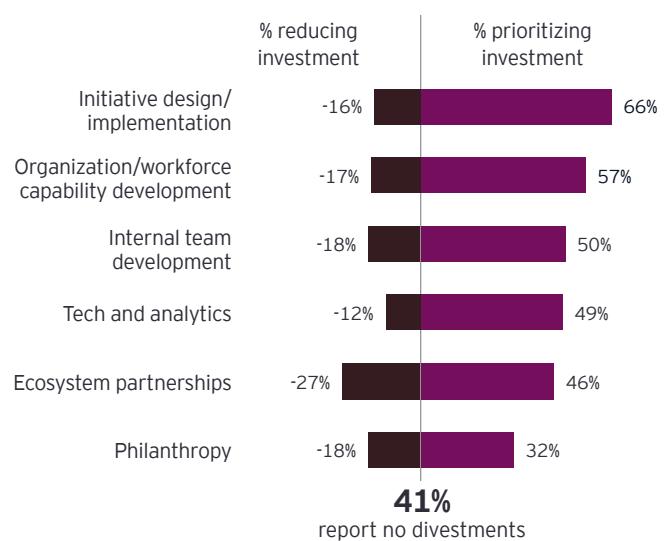
Organizational and workforce capability dev.

Local public health also prioritizes partnership investments

Building out internal team

Governmental health agencies are prioritizing investment in initiatives to address and close health gaps (66%), workforce capabilities (57%) and internal team development (50%). Over 40% report continued levels of funding for health outcomes optimization efforts, while a minority of organizations are pulling back on ecosystem and community partnerships (27%) and organizational development activities (17%). The impact from these shifting funding priorities remains to be seen.

Figure 29. Percentage of organizations ranking each area as a top health outcomes optimization investment priority followed by percentage of organizations that have divested or reduced investment in each area, government only



Government agencies prioritize care access, quality, costs and policy

Government organizations have a similar focus on health care access, quality and costs as compared with industry respondents overall. Policy advocacy also rises to the top as a priority for 42% of government organizations – the highest focus of any surveyed sectors.

These focus areas reinforce the leading factors driving government agencies' health outcomes optimization agendas: state and local public health departments are motivated by community connectivity, while Medicaid agencies point to regulatory compliance.

Government strategies are powered by community and collaboration

All government organizations surveyed report having a strategy in place to identify, address and close health gaps. Similar to the industry at large, about half of strategies are driven at the enterprise level.

Government entities are more commonly engaging communities as part of their health outcomes optimization initiatives (90% vs. 63% for broader ecosystem). Ecosystem partnerships are also frequently cited. Partner types span private- and public sector collaboration, with health systems (63%), biopharma and medical device companies (60%), and community- and faith-based organizations (57%) as most frequent.

Government has the most robust data but limited capabilities to action it

Government organizations have expanded collection and reporting of data related to social determinants of health since 2024, up from 56% in 2024 to 74% this year. Medicaid agencies tend to put more emphasis on collecting critical demographic data, including race, ethnicity and language (REaL) and sexual orientation and gender identity (SOGI) data.

Despite this, government organizations report a lack of actionable data as a top barrier to strategic progress. While 90% of government organizations are building health outcomes optimization analytics capabilities, they are in earlier stages of maturity than other sectors. Just 4% of government entities are using data to drive improvement activities, compared with 17% of private sector organizations.

Figure 30. Percentage of government organizations indicating each area as one of their top focus areas to optimize health outcomes for all

Focus areas

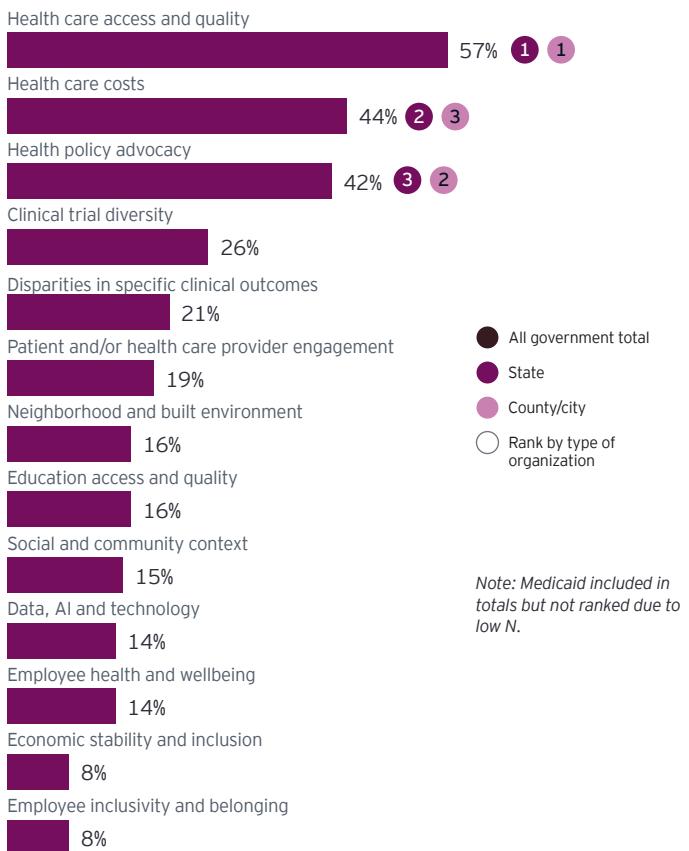
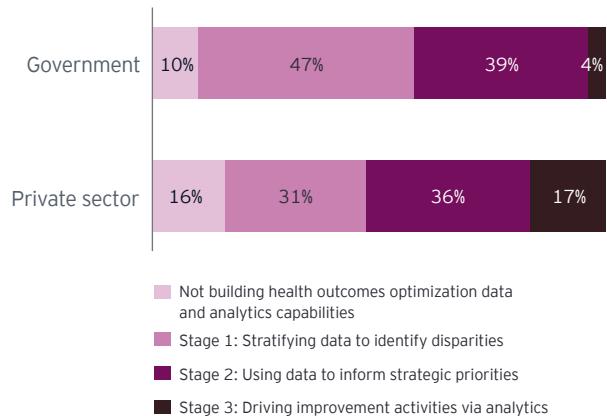


Figure 31. Self-reported health outcomes optimization data and analytics maturity, government vs. private sector respondents (provider, payer and life sciences).



NONPROFITS

Key insights

- The vast majority of nonprofits are committed to maintaining or increasing their organization's level of health outcomes optimization prioritization.
- Nonprofit organizations are highly varied in their priority focus areas, with upstream drivers of health outcomes and gaps centered more than the ecosystem average.
- Data and analytics capabilities are nascent, but nearly half of nonprofits are still quantifying benefits for health outcomes and financial performance.

Nonprofits' health outcomes optimization outlook remains consistently positive

Nonprofit respondents largely do not expect their organizations to decrease prioritization of health outcomes optimization (5%) in response to the external environment. In fact, all surveyed social services or mental health organizations expect to only maintain or increase efforts. Over 60% of these organizations indicate external factors drive their health outcomes optimization agendas, compared with 47% of other nonprofit types.

The future outlook is a bit less favorable for the sector overall as 12% expect peers to decrease focus.

Nearly half of nonprofits are quantifying health and financial benefits

Roughly 45% of nonprofits report observing positive, quantified impact of health outcomes optimization initiatives on both health outcomes and organizational financial performance, higher than the average reported by surveyed respondents (39% and 36%, respectively). Community and faith-based organizations, however, are most likely to report qualitative benefits on either area and lag their peers in quantifying impact.

Figure 34. Observed impact from health outcomes optimization initiatives and investments, government only.

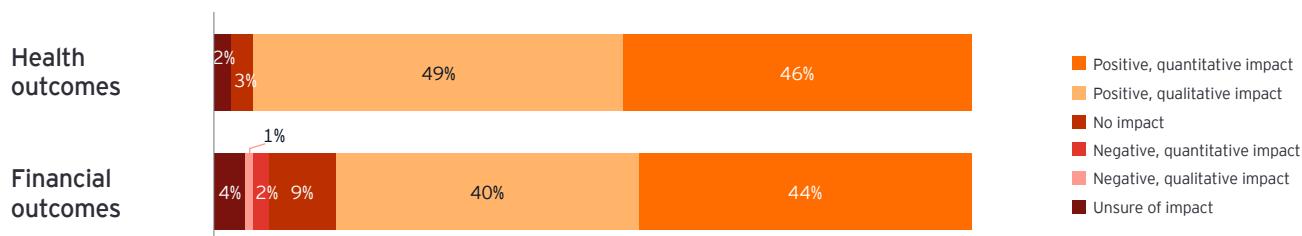


Figure 32. Nonprofit and community organization respondents by organization type and role level.

Participant type

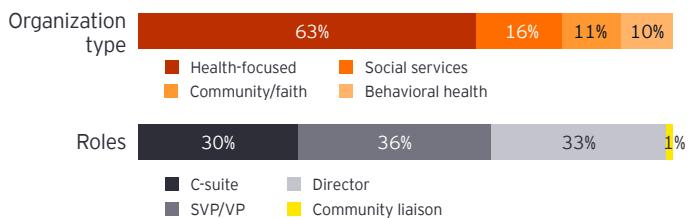
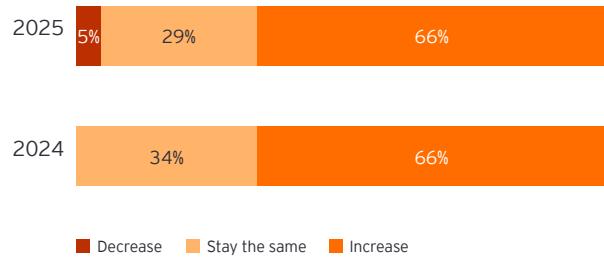


Figure 33. Expected prioritization of health outcomes optimization, nonprofit only.



Improved social outcomes generate financial value for nonprofits and society

Many nonprofits report quantifying improvements in screenings, management and outcomes within clinical conditions that have significant health disparities such as HIV, obesity, maternal mortality and heart disease. This progress is translating to economic benefit: nonprofit organizations report improved reimbursement via risk-based contracts for health-related social service needs while others engaged in health literacy programs are seeing cost reductions through improved adherence and repeat visits.

Community and faith-based organizations are least likely within the nonprofit sector to have quantified the benefit across either health or financial dimensions (27%); instead, they report primarily observing qualitative benefits (73% for health outcomes, 64% for financial performance).

“

Enhanced follow-up care has improved the management of chronic conditions like asthma and hypertension, leading to fewer complications and hospitalizations.

Health-focused nonprofit chief executive officer

“

We've seen measurable impacts on KPIs such as fundraising revenue, donor retention rates and grant income.

Social services nonprofit chief executive officer

Nonprofits are investing in internal capabilities to meet external needs

Organizational and workforce capability development

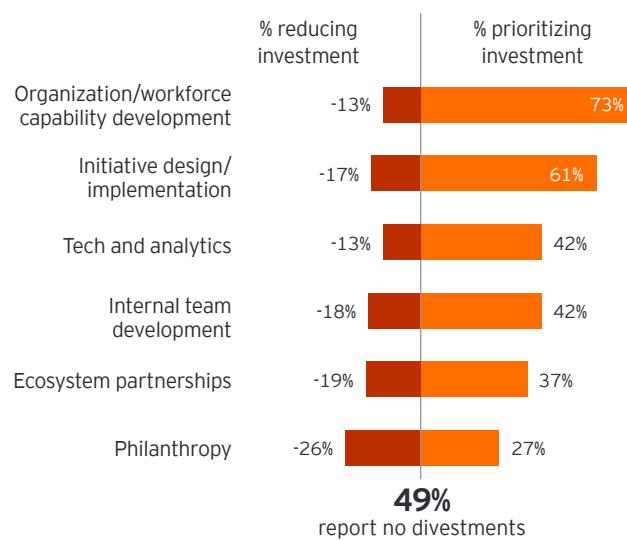
Top focus for health-focused nonprofits (78%)

Initiative design and implementation

Behavioral health orgs. focus here far less than sector peers (38% vs. 61% average).

Across organization types, nonprofits are largely aligned on key investment areas – with a moderate exception among behavioral health organizations. These respondents indicate investing most in technology while also divesting the most across all health outcomes optimization areas. Nonprofits are least likely to reduce investment related to workforce inclusivity commitments compared with other health organizations (7% vs. 18% survey average).

Figure 35. Percentage of organizations ranking each area as a top health outcomes optimization investment priority followed by percentage of organizations that have divested or reduced investment in each area, nonprofits only.



Nonprofit priorities are as varied as the organization types themselves

While nonprofits align with the broader health ecosystem in prioritizing health care access and quality as their top focus area, they are also more likely than these peers to prioritize addressing upstream determinants of health.

While most sectors tend to coalesce around a handful of top priorities among sub-organizations, nonprofits demonstrate the greatest variety in subsequent priorities after access and quality. This may reflect the more targeted nature of these types of organizations toward fewer issue areas.

Most organizations are at nascent stages of health outcomes optimization maturity

Most nonprofits (60%) are in the earlier stages of health outcomes optimization strategy maturity – represented through siloed initiatives or a lack of integration into enterprise strategy – more than any other surveyed sector.

They also report encountering greater challenges than other surveyed organizations with garnering financial commitment and technology enablement for efforts to close health gaps. Given that these factors are foundational in driving action, outsized challenges here may be hindering nonprofits from implementing health outcomes optimization initiatives at scale.

Nonprofits lead in data collection but lag in analytics capabilities

Nonprofits lag peer sectors in health outcomes optimization data and analytics capabilities: two-thirds of nonprofits are either not developing these capabilities (23%) or are at the earliest stages of data collection (43%), compared with about half of other sectors.

Despite data capability challenges, roughly 75% of nonprofits report collecting social-determinants-of-health data – as opposed to two-thirds of surveyed sectors on average and up from 53% in 2024. An increase in SOGI data collection was also reported (47% vs. 36% in 2024) – largely driven by social services organizations (63%). As analytics capabilities evolve, the strength of this collection will prove an asset for informing targeted activities to identify, address and close health gaps.

Figure 36. Percentage of nonprofit organizations indicating each area as one of their top focus areas to optimize health outcomes for all

Focus areas

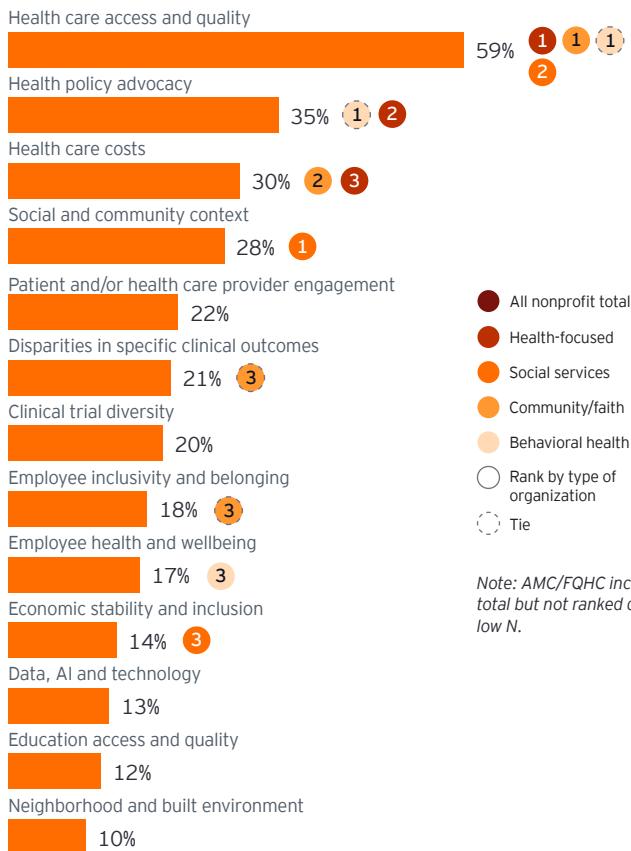
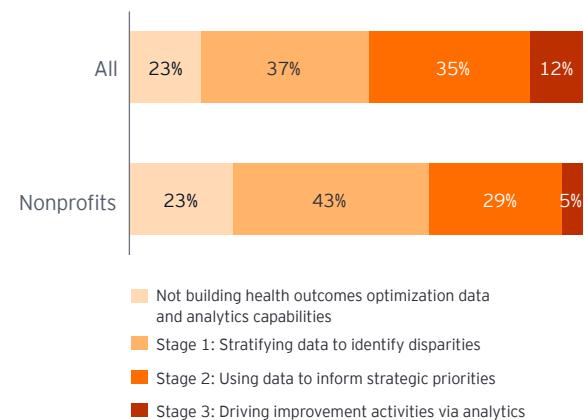


Figure 37. Self-reported stage of health outcomes optimization data and analytics capability development, nonprofits only.



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