From promise to proof: unlocking the potential of tech-enabled care delivery

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CONTEXT

This article was developed as a collaboration between Liberty Science Center's SciTech Scity and Ernst & Young LLP (EY US) and highlights insights from the Healthcare Innovation Engine – the first statewide platform that aims to accelerate the adoption of tech-enabled care delivery. The main objective of the Engine is to help startups and established companies deploy and scale breakthrough technologies that deliver value to patients, businesses and society. This thought leadership series intends to formalize and share the lessons emerging from real-world deployments, marrying ground-level insights with broader system perspectives to help shape the national and global dialogue on healthcare transformation.

ABOUT THE HEALTHCARE INNOVATION ENGINE

The **SciTech Scity Healthcare Innovation Engine** in New Jersey is the **first statewide platform focused on deploying technologies that improve front-line care delivery**.

Launched in 2024 by **Liberty Science Center's SciTech Scity**, the Engine is a **public/private partnership** that unites **state agencies, health systems, payers, corporations, investors and startups**.

Where traditional accelerators focus on mentorship and coaching, the Engine focuses on **adoption and scale** – providing the operational infrastructure to match real-world healthcare challenges with proven solutions, embed them into clinical and reimbursement workflows, and measure outcomes, ROI and equity impact.

For **startups**, the Engine offers a pathway to pilot, validate and scale solutions with leading health systems and payers. For **established industry partners**, it's a platform to **codevelop and deploy health technologies that improve care delivery** – from diagnostics to remote patient monitoring – and make care more accessible, effective and sustainable.

By building this infrastructure, the Engine is positioning **New Jersey as a national leader and the place of choice for health technology deployment** while pioneering a new model for how government, industry and healthcare partners can jointly drive public impact, economic growth and real business value.

From promise to proof: the maturation of tech-enabled care delivery

US healthcare is under intensifying pressure to deliver more, for more people, with fewer resources. Demographics alone are stretching many systems around the world, but America faces a unique and challenging combination of an aging population, a worsening chronic-disease profile, persistent workforce shortages and already exorbitant cost levels. At the same time, policy shifts are tightening the squeeze. The likely rollback of Affordable Care Act (ACA) subsidies, the Medicaid unwinding, and new eligibility and reporting rules are leaving more people uninsured or underinsured. For hospitals, that means rising bad debt and thinner margins; for patients, delayed care and widening gaps in access. All of this is creating an absolute imperative to "do more with less."

Within this context, technology-driven health solutions have emerged to bridge growing gaps. These tools can expand capacity for routine healthcare without expanding headcount — by enhancing screening and detection, improving triage and care coordination, automating disease monitoring and management, and allowing patients to manage themselves more successfully.

But even as innovation has accelerated, impact has lagged. After more than a decade of experimentation, the industry faces what we call the **digital health adoption gap** — the persistent divide between the supply in new ideas and healthcare's ability to turn them into usable practice. Billions in capital have produced extraordinary tools, yet too few have achieved enterprise-level readiness and traction. The gap is not just technological; it's structural. Incentives, procurement, workflow and evidence standards have evolved more slowly than the technologies themselves. Closing that gap — between what works in theory and what scales in the real world — is now the defining challenge for tech-enabled transformation in healthcare.

So, while entrepreneurs and venture capitalists (VCs) have been inspired by what might be possible in theory (technology in healthcare remains one of the most active innovation arenas globally), healthcare providers, payers and patients have often been underwhelmed by the results on the ground. As far as health tech startup customers are concerned, nearly 70% of US

executives report they have yet to see a clear ROI from these solutions, even though 90% of them believe in their theoretical potential (EY Health Pulse Survey 2024). From the entrepreneur's perspective, challenges such as longer fundraising timelines, higher capital burn and structural barriers across regulation, interoperability and reimbursement make health tech a uniquely unforgiving environment, even for well-funded, clinically validated ventures.

- While the last two decades of innovation centered around digitization and point solutions (e.g., apps), we are now poised to unlock the promise of technology-enabled care delivery at scale. With the quality of capital and maturity of companies increasing, the industry is undergoing a reset. Investors now reward proof of system integration, payer traction and measurable outcomes in cost, access and throughput. And it's driving value: surveys confirm that nearly two-thirds of rigorously selected solutions meet or exceed ROI expectations.
- At the core of this transformation lies the difference between true *healthcare* and *sick-care*: the US invests extraordinary sums in procedures, admissions and late-stage interventions while chronically underinvesting in prevention, primary care and longitudinal condition management. The result is not just imbalance but a self-reinforcing cycle — a kind of financial and clinical doom loop. By underspending upstream, we guarantee higher costs downstream; those downstream costs then crowd out the very investments that could have prevented them. Each turn of the loop widens the gap, driving greater strain on clinicians, worsening chronic disease burdens and making prevention even harder to fund.
- Harnessing health tech at scale could begin to rebalance the system toward prevention and longitudinal management and move our historical, costly "sick-care" model to one that delivers true healthcare (see graphic below). The foundations are starting to finally align — even if progress will take time and discipline to fully materialize.

The three eras of tech-enabled healthcare

Phase 1 (2000s): Digitization era

Digital = binary encoded info (0s and 1s)
Electronic health records (EHRs), picture archiving communication system (PACS), digital registries

Converting analog health information into digital form

Limitation:
Data captured, but not usable Information stuck in silos; limited clinical insight

Phase 2 (2010s): Application era

Digital = software, algorithmic, appified
Mobile health apps, artificial intelligence (AI)/machine learning (ML) diagnostics, etc.

Turning data into insights and use cases via software; same workflows; no interoperability

Limitation:
Usable, but fragmented and inaccessible proliferation of point solutions, poor workflow integration, limited scalability

Phase 3 (2020s–now): Transformation era

Digital = tech-enabled transformation
Digital-first care models and clinics, automated AI triage and clinical decision support (CDS), workflow automation

Workflow, staffing and business model transformation — not just technology

Limitation:
Scalable, but requires thoughtful integration and new incentives, culture and business model

What's driving this evolution?

First, interoperability and workflow maturity are getting real. Now, tools increasingly embed directly into workflows: ambient AI documentation writes into the note, orchestration tools plug into scheduling and revenue-cycle copilots sit inside work queues. Reports show data exchange platforms are maturing, with interface engines supporting both Health Level Seven (HL7) and Fast Healthcare Interoperability Resources (FHIR) for cross-system integration.

Second, the financial model is improving. Tech-enabled care delivery's sweet spot lives upstream — engagement, triage, care navigation, longitudinal condition management, data-driven prevention. Up to now, fee-for-service revenue pools have largely concentrated downstream. However, new reimbursement pathways increasingly recognize the value of continuous, technology-enabled care — through codes for virtual follow-up, chronic-care coordination and data-driven patient management. Commercial payers are embedding technology engagement into value-based and capitated contracts, while employers and payviders design benefits that reward proactive management of chronic conditions. Collectively, these trends are starting to rewrite the incentive map and create clearer revenue pathways for startups.

Third, the evidence base is stronger. Healthcare buyers expect proof, not promises. For all too long, evidence thresholds for clinical effectiveness and economic value were inconsistent, and payors/regulators pushed back (Wired summary of JHU/Rock Health review: only **~20%** of companies in a large sample met rigorous clinical validation standards).[1] Now there is increasingly good data showing how remote patient monitoring (RPM) reduces readmissions in congestive heart failure (CHF), chronic obstructive pulmonary disease (COPD) and diabetes, while the Peterson Center highlights cost savings in Medicare and Medicaid populations (Palmetto Care Connections).[2] With recent data from the Peterson Health Technology Institute highlighting the growing use of performance-based contracts among healthcare purchasers (50%+ in 2025), solutions must demonstrate real results on outcomes and costs (PHTI 2025).[3]

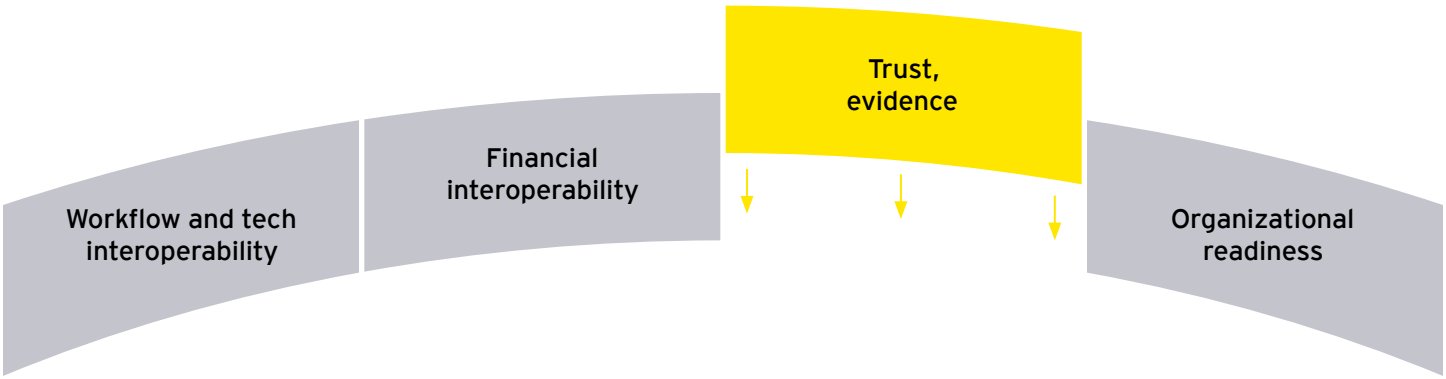
Finally, startups and corporations are more disciplined. Investors are concentrating capital on companies that can deploy across systems and show ROI. Payment schedules for tech-enabled chronic care management are more transparent, making it easier to design viable models (1bios).[4] The winners are those ready to scale, not just pilot. Health systems and insurers are putting clear pathways in place for how startups can succeed.

Taken together, these trends define four pillars that now determine whether health technologies can truly scale:

- **Technical and workflow interoperability** — the ability to embed seamlessly into clinician workflows and existing IT ecosystems
- **Financial and policy interoperability** — alignment with reimbursement models, incentive structures and regulatory pathways
- **Trust and evidence** — credible validation of clinical, operational and financial impact on which buyers and clinicians can trust
- **Organizational readiness** — the cultural, governance and process maturity for health systems (and for startups) to adopt and sustain innovation

These aren't "nice-to-haves;" they are the gating criteria that will determine which startups — and which health systems — turn tech-enabled care delivery from aspiration into operating reality.

Bridging the digital health adoption gap

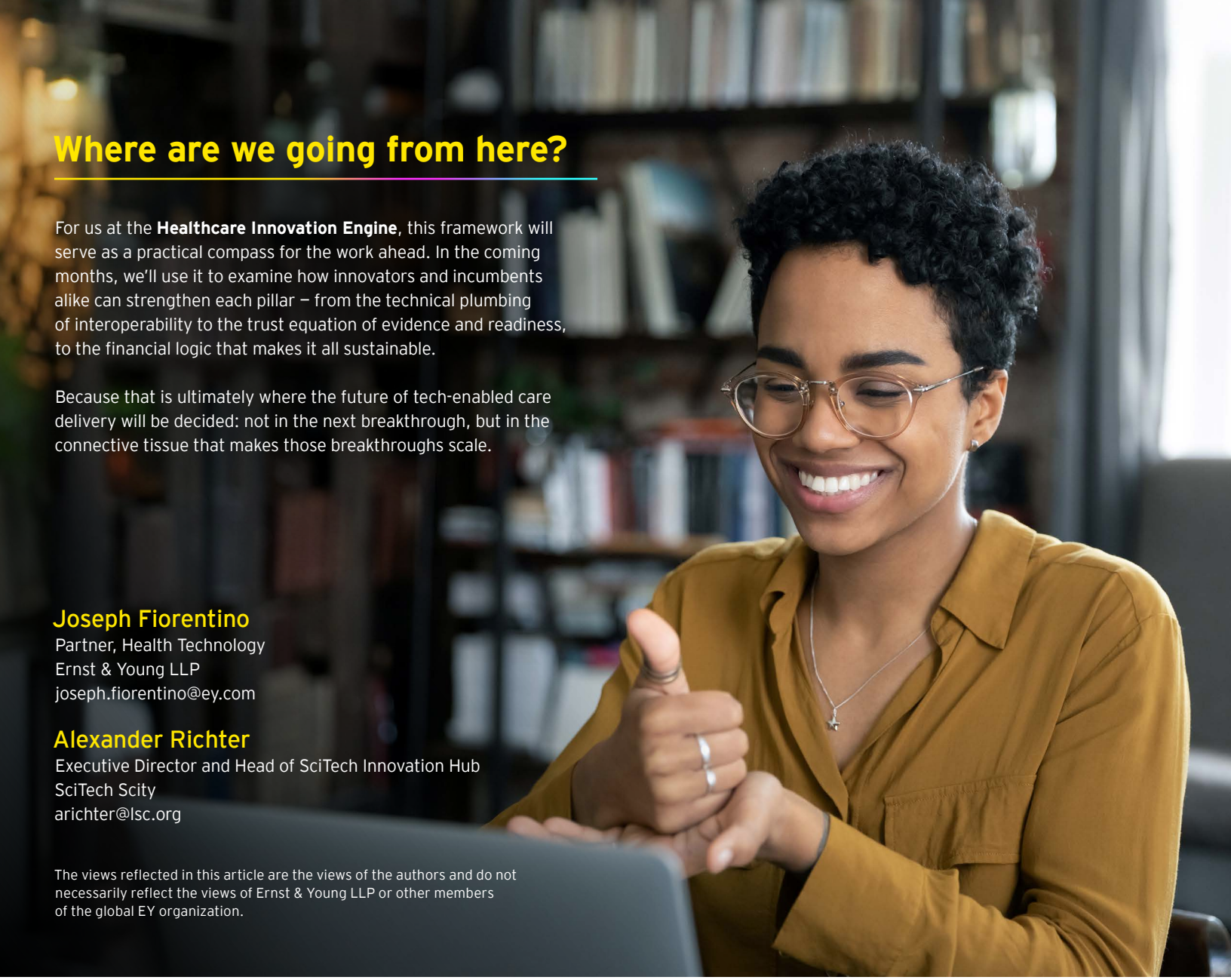


[1] Ghafur, Saira, "Digital Health Tools Need a New Benchmark", Wired.com website (wired.com/story/medicine-artificial-intelligence-digital-healthcare/?utm_source=chatgpt.com), December 26, 2022.

[2] Causey, Chaunte, "New Report Highlights the Growing Role of Remote Patient Monitoring in Improving Outcomes and Reducing Costs," *Palmetto Care Connections website* (palmettocareconnections.org/news/growing-role-of-remote-patient-monitoring/), accessed January 7, 2026.

[3] "2025 State of Digital Health Purchasing," *Peterson Health Technology Institute website* (phti.org/2025-state-of-digital-health-purchasing/), October 15, 2025.

[4] Smith, Jane, "2025 Payment Rates for Remote Patient Monitoring (RPM), Chronic Care Management (CCM), Principal Care Management (PCM), Remote Therapeutic Monitoring (RTM), and other Virtual Care Programs," *1bios website* (1bioshealth.com/blog/2025-payment-rates-for-remote-patient-monitoring-chronic-care-management-and-more), accessed January 7, 2026.



Where are we going from here?

For us at the **Healthcare Innovation Engine**, this framework will serve as a practical compass for the work ahead. In the coming months, we'll use it to examine how innovators and incumbents alike can strengthen each pillar — from the technical plumbing of interoperability to the trust equation of evidence and readiness, to the financial logic that makes it all sustainable.

Because that is ultimately where the future of tech-enabled care delivery will be decided: not in the next breakthrough, but in the connective tissue that makes those breakthroughs scale.

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