

Designing for the Future

Leading health systems for long-term success

September 22, 2026

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Our Panelists



Julie Wang

Healthcare Strategy, Finance
& Actuarial, Washington DC



Ashley Smith

Strategy & New Business
Models, San Francisco



David Mitchell

Transformation & Employee
Health Benefits, Seattle

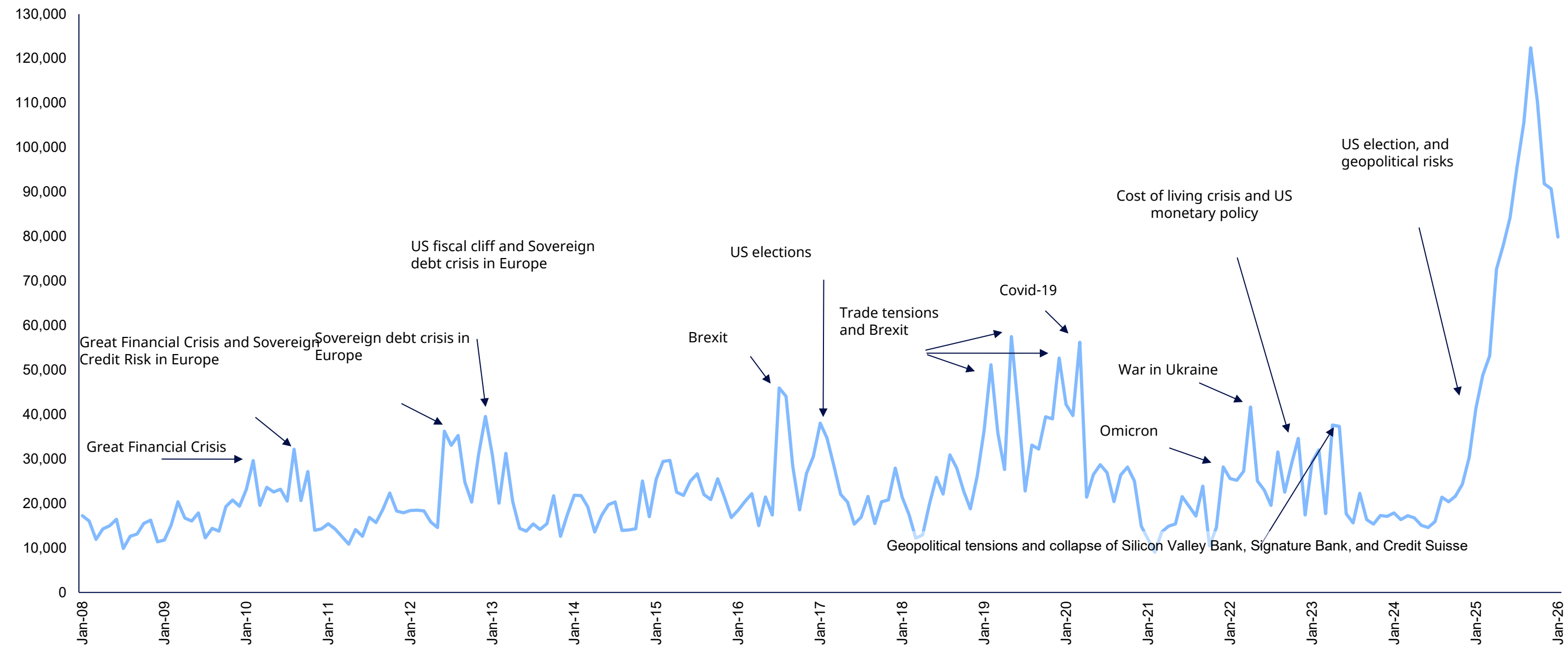


Shannon Padayachy

Healthcare Transformation,
Finance & Actuarial, Chicago

An uncertain world

World Uncertainty Index, 2008-2026



April 2026

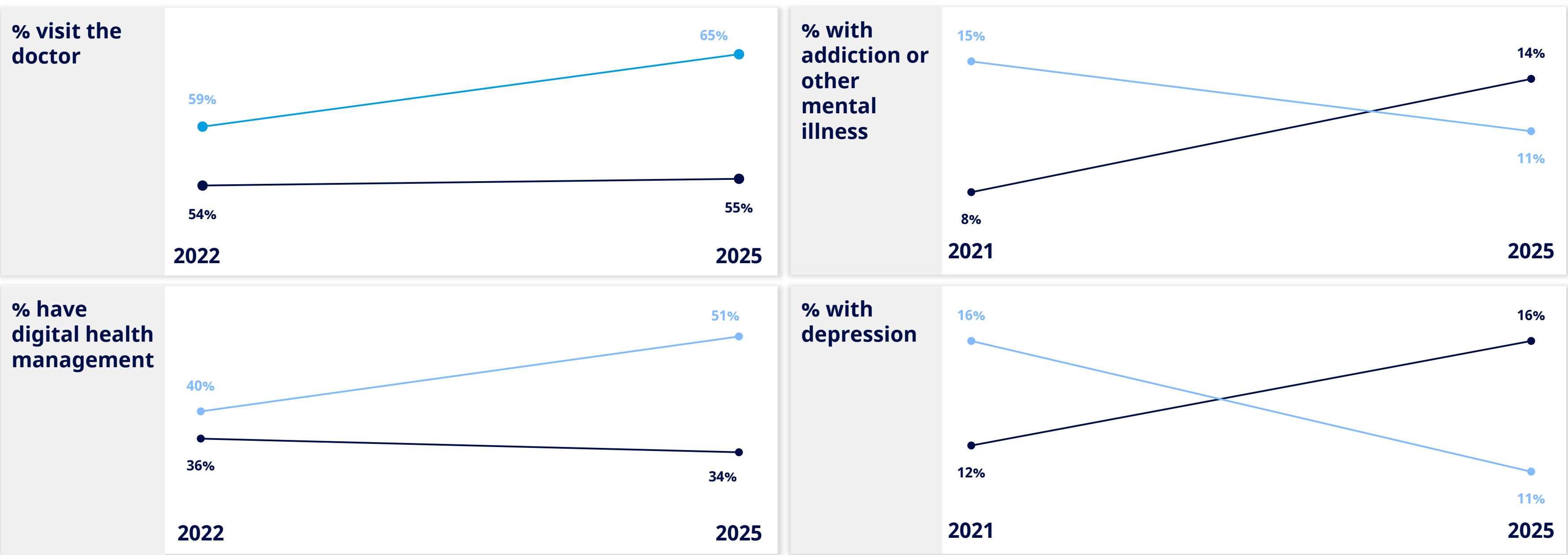
- **AI**
- **Conflict in the Middle East**
- **Inflation**
- **Upcoming US mid-terms**

Source: World Uncertainty Index (track uncertainty via the Economist Intelligence Unit Report across 143 countries). Last measured Jan 2026, downloaded April 2026

The divide is widening

● Low-income ● High-income

The gap between individuals is growing more K-shaped as the divide between haves and have nots widens

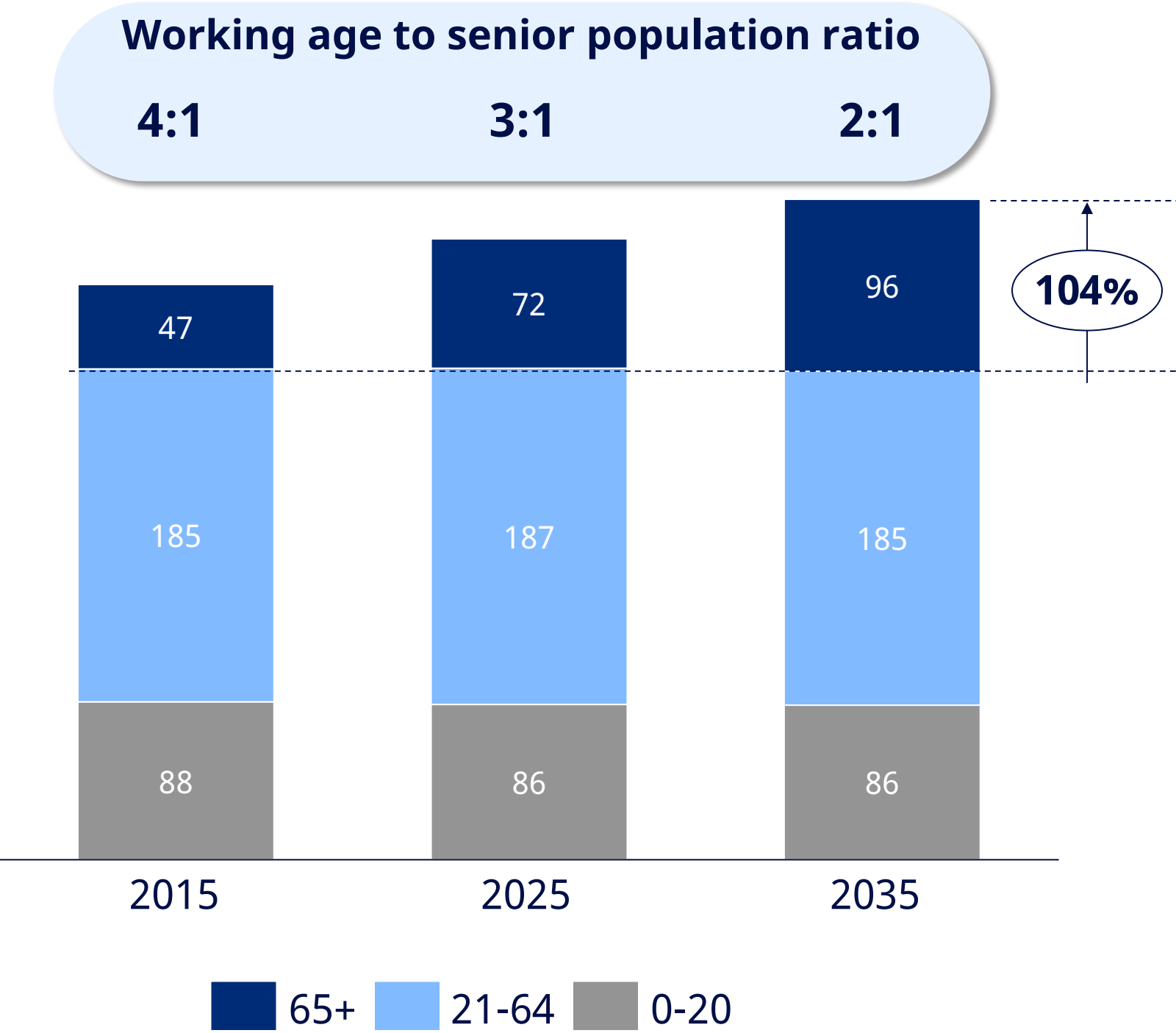


Source: 1. Oliver Wyman Forum surveys, January 2022 (10 countries, Low Income: N = 1,696, High Income: N = 1,080), September 2025 (10 countries, Low Income: N = 1,423, High Income: N = 1,901); 2. Oliver Wyman Forum surveys, November 2021 (4 countries, N=2417), September 2025 (N=3,504); 3. Oliver Wyman Forum surveys. Rise of the community champion: 4 countries, November 2021 (Community Champions: N = 265, General population: N = 2,417), September 2025 (Community Champions: N = 771, General population: N=3,504)

Age wave, revenue cliff

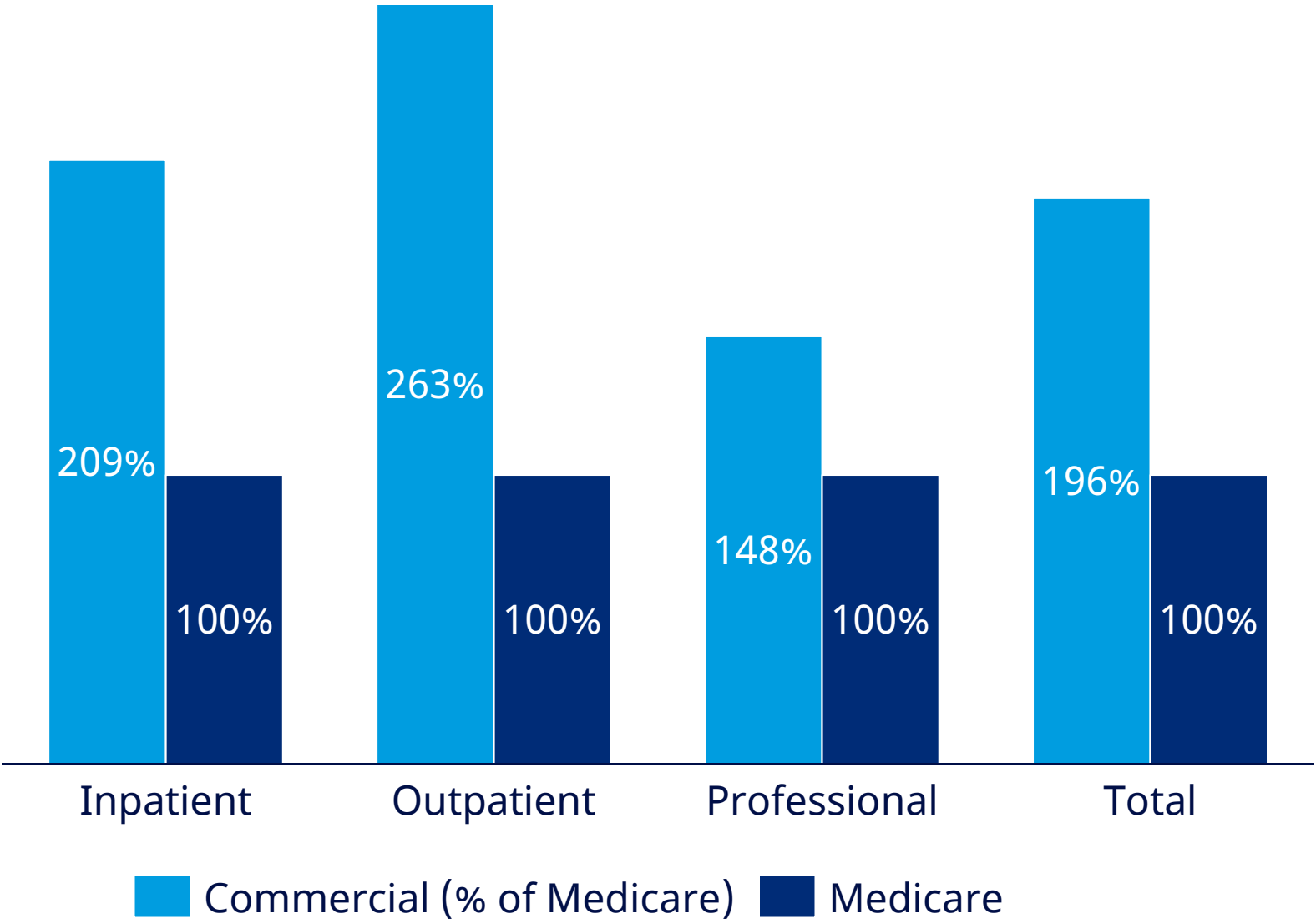
Age distribution from 2015 to 2035

Millions



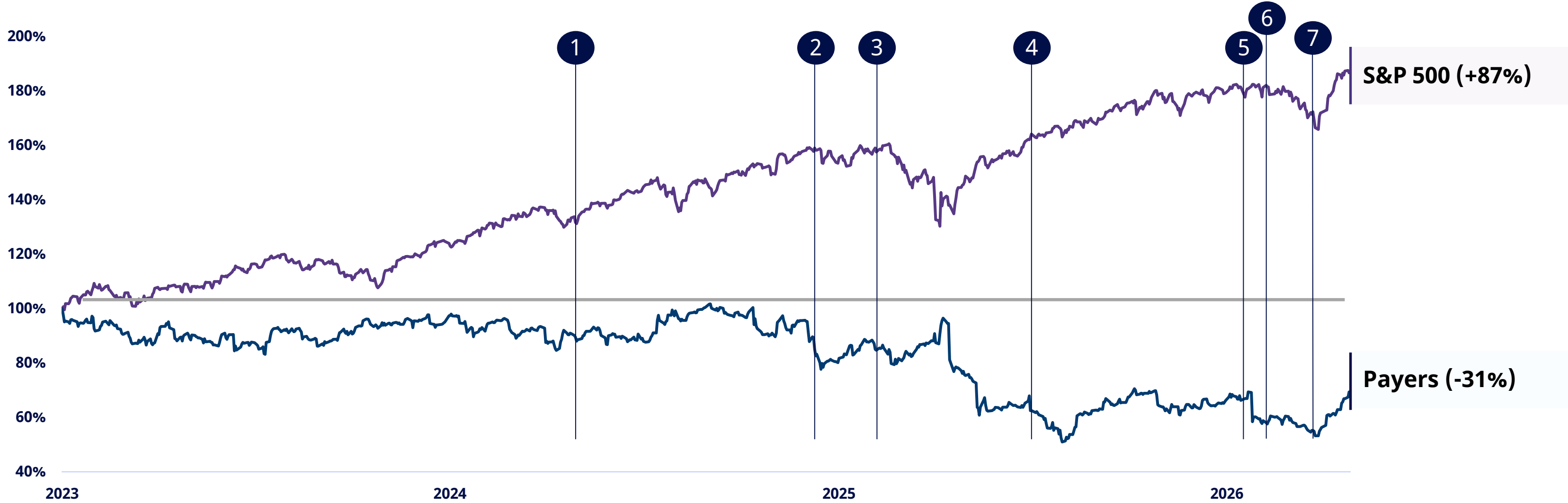
Estimated commercial reimbursement

National average as a percentage of Medicare FFS rates, 2023¹



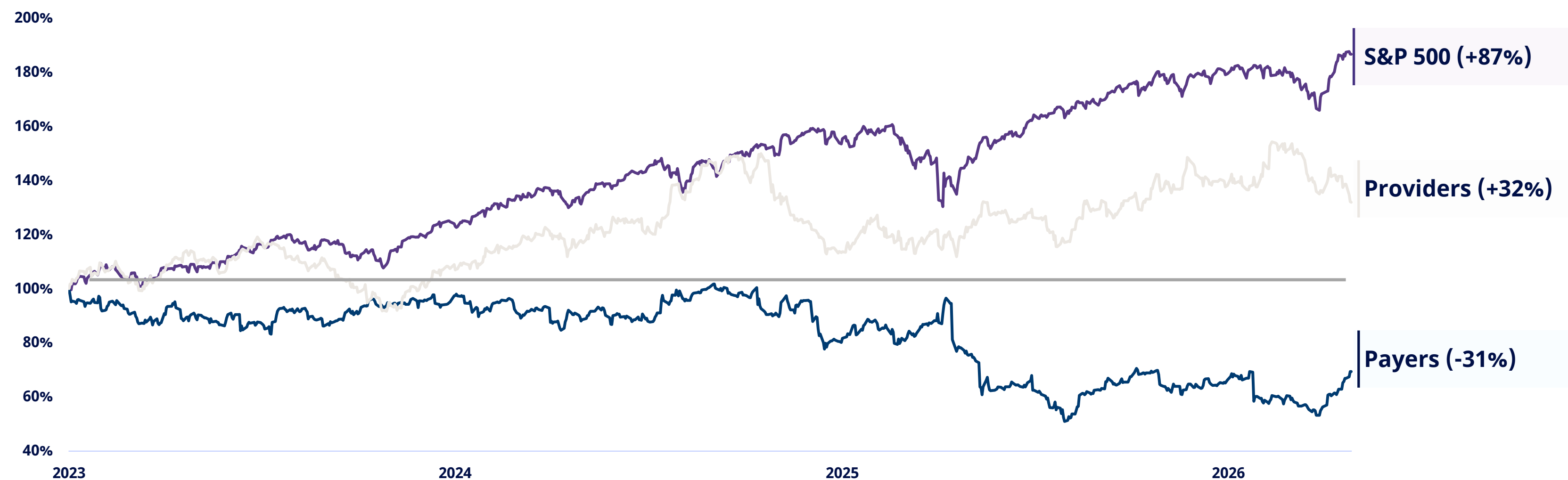
Tough times for health plans

1	2	3	4	5	6	7
Medicare Advantage program changes	Legislative pressure on pharmacy benefit managers (PBMs) , followed by murder of Brian Thompson	President Trump signs Executive Order 14257 applying sweeping tariffs on imports	HR1 passed, placing significant pressure on payers with federal funding changes and payment integrity rules	ACA subsidy rollback and enhanced premium tax credit expiration	Medicare Advance notice is published with proposed flat rate increases meaningfully below cost inflation	Medicare Final notice and some stabilization in utilization



Source: S&P Capital IQ – April 29th 2026

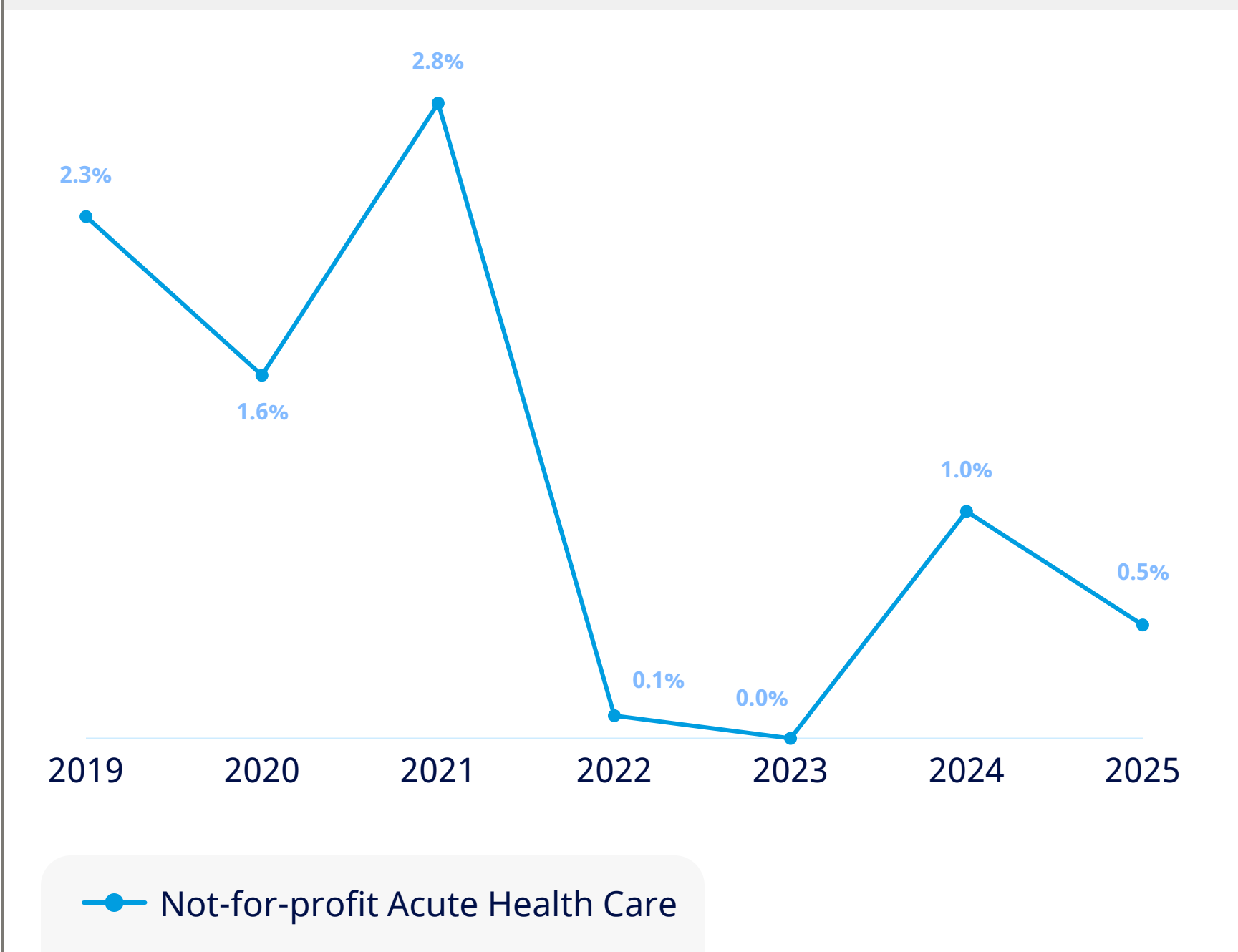
Unlike the payors, (listed) providers have seen growth



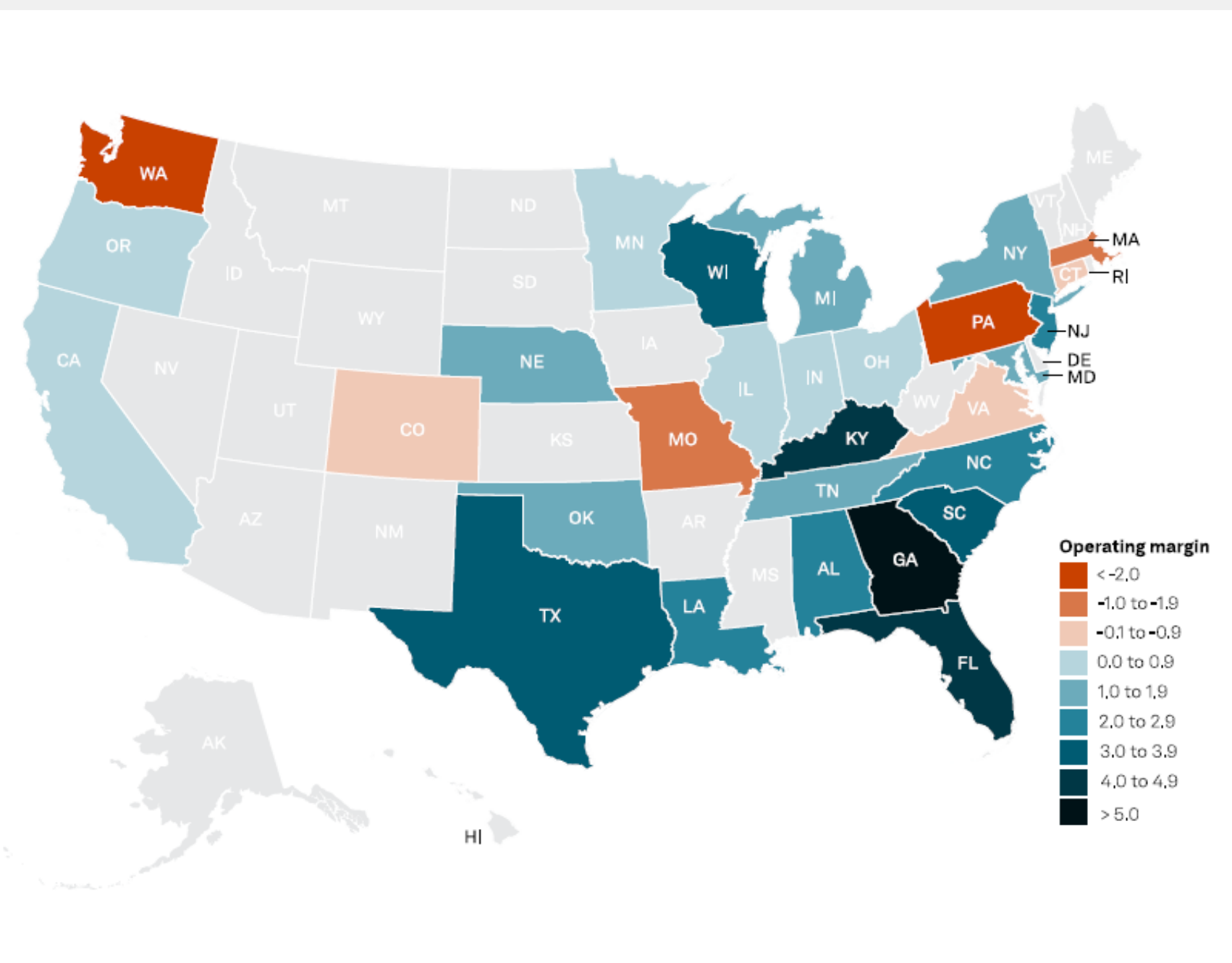
1. Largest companies across provider segment: HCA Healthcare, Tenet Healthcare, The Ensign Group, Encompass Health, DaVita, Universal Health Services, ChenMed, PACS Group, Brookdale Senior Living, Option Care Health
Source: S&P Capital IQ as of April 29th 2026

Not-for-profit systems are having a tougher time (with great variability)

Not-for-profit acute health care median operating margin %, 2019-2025¹



2024 median operating margin by state or acute care health providers²

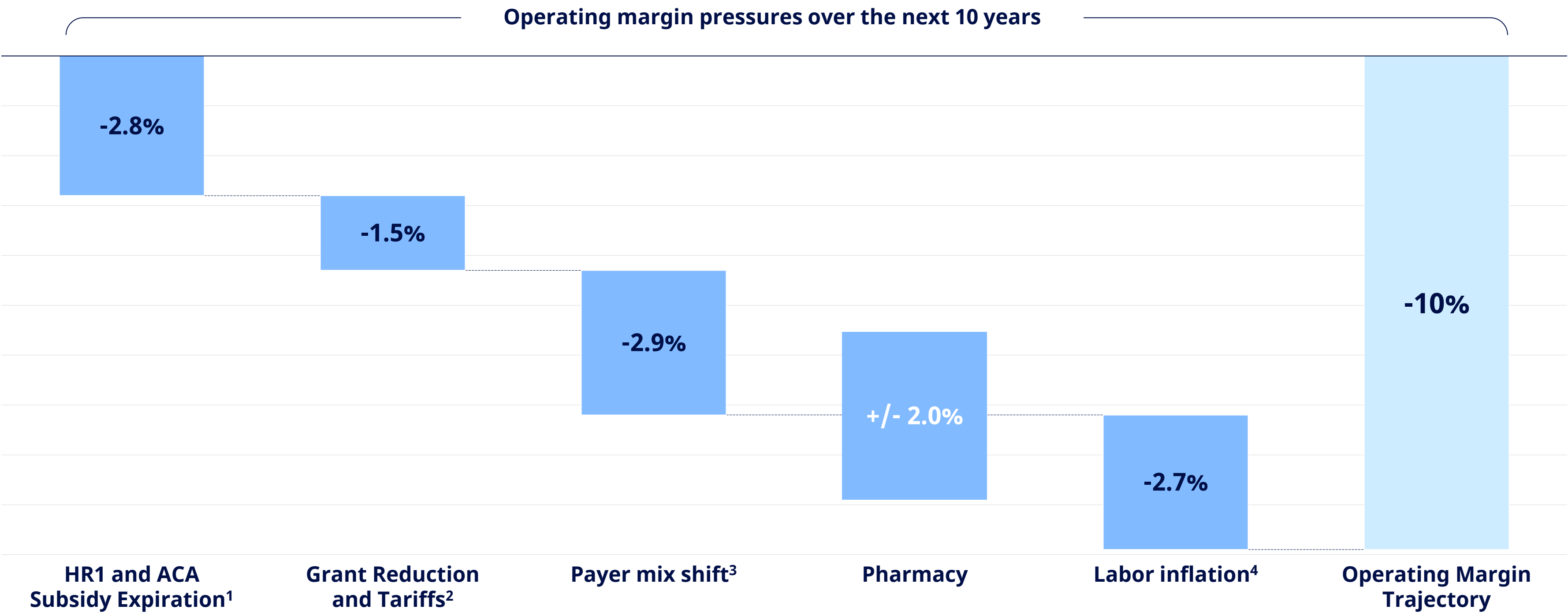


1. S&P Not-for-profit health care outlook 2026 & 2023; 2. 2024 median operating margin by state or acute care health providers (S&P Global Ratings). Note: 58% of Community hospitals are not-for profit. 24% investor-owned, for-profit, 18% state / local govt.

Fragile financials for many not-for-profit hospitals

2035 Operating Margin Trajectory on Median Hospital, Without Intervention

Cumulative Compared to 2025 baseline, %

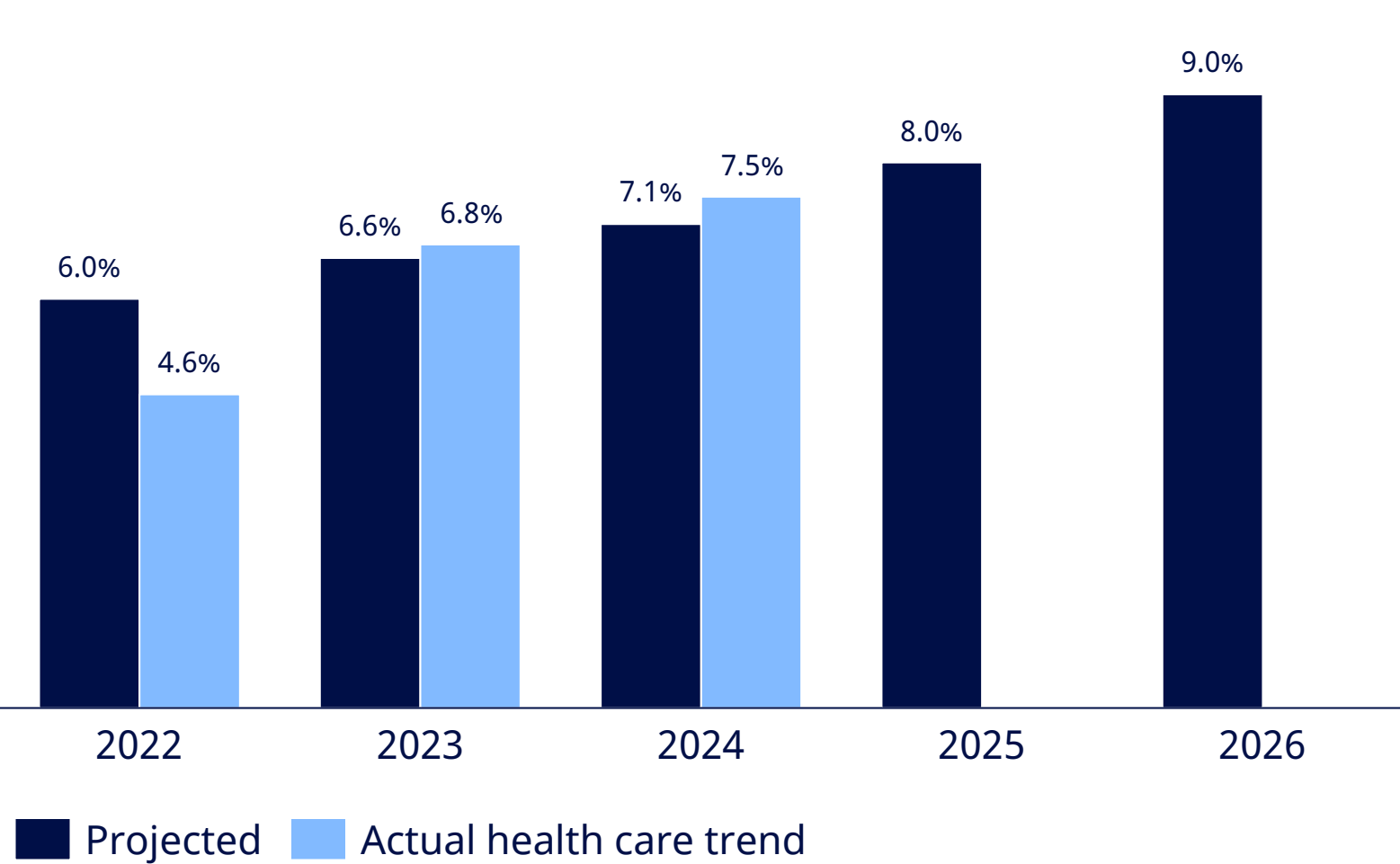


1. [Oliver Wyman Health, KFF](#) | 2. [Dive, Oliver Wyman Health, Oliver Wyman Health](#) | 3. CMS NHE; Milliman Commercial Reimbursement Benchmarking, July 2025 | 4. FRED: Employment Cost Index: Private Industry Workers in Hospitals
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Medical cost trends continue to rise unsustainably

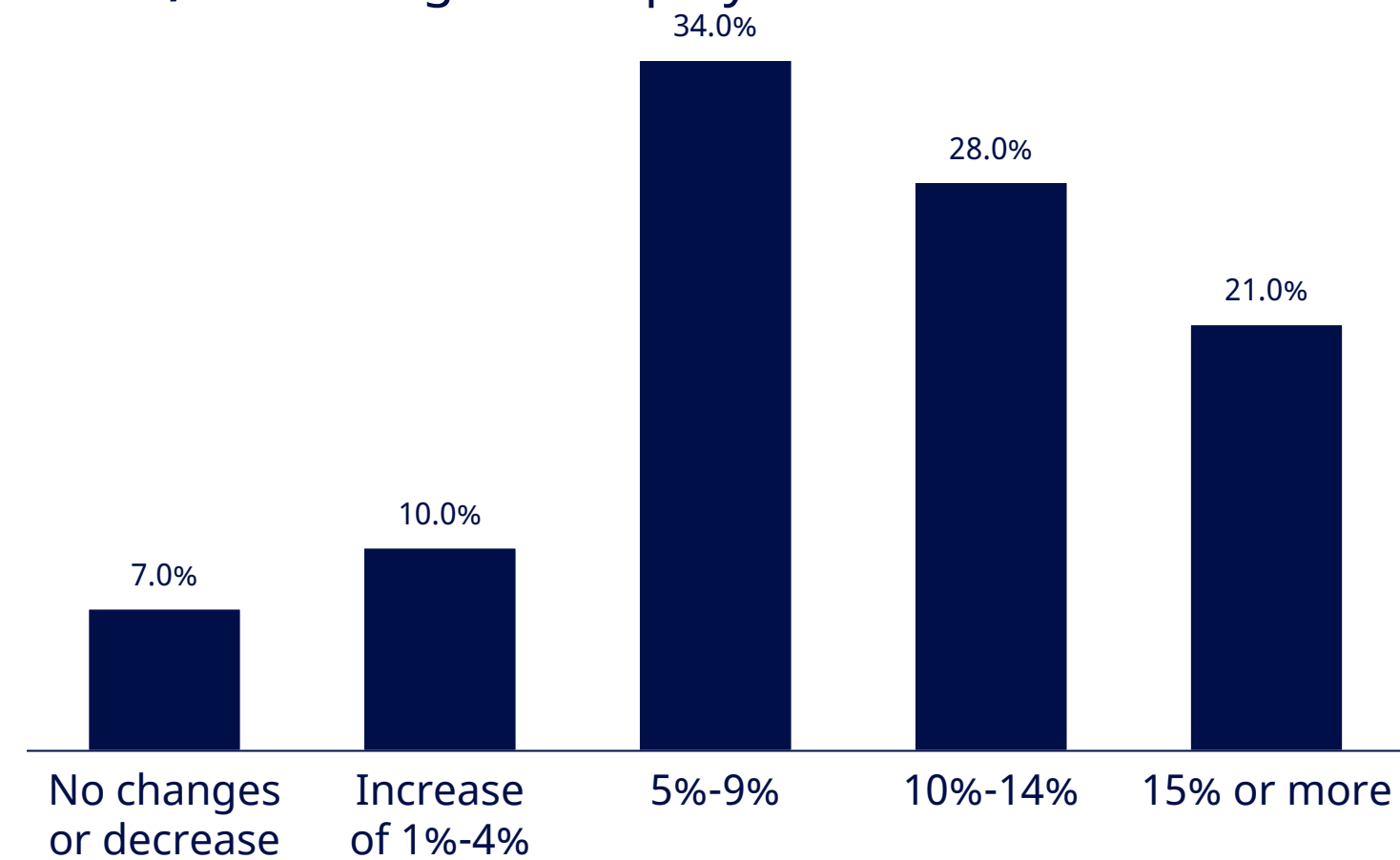
Medical cost increase has accelerated since 2022

Median health care trend (actual and projected¹), 2022-2026²



~50% of employers expect double-digit cost growth

Distribution of projected increases in health plan cost for 2026^{1,3}, Percentage of employers

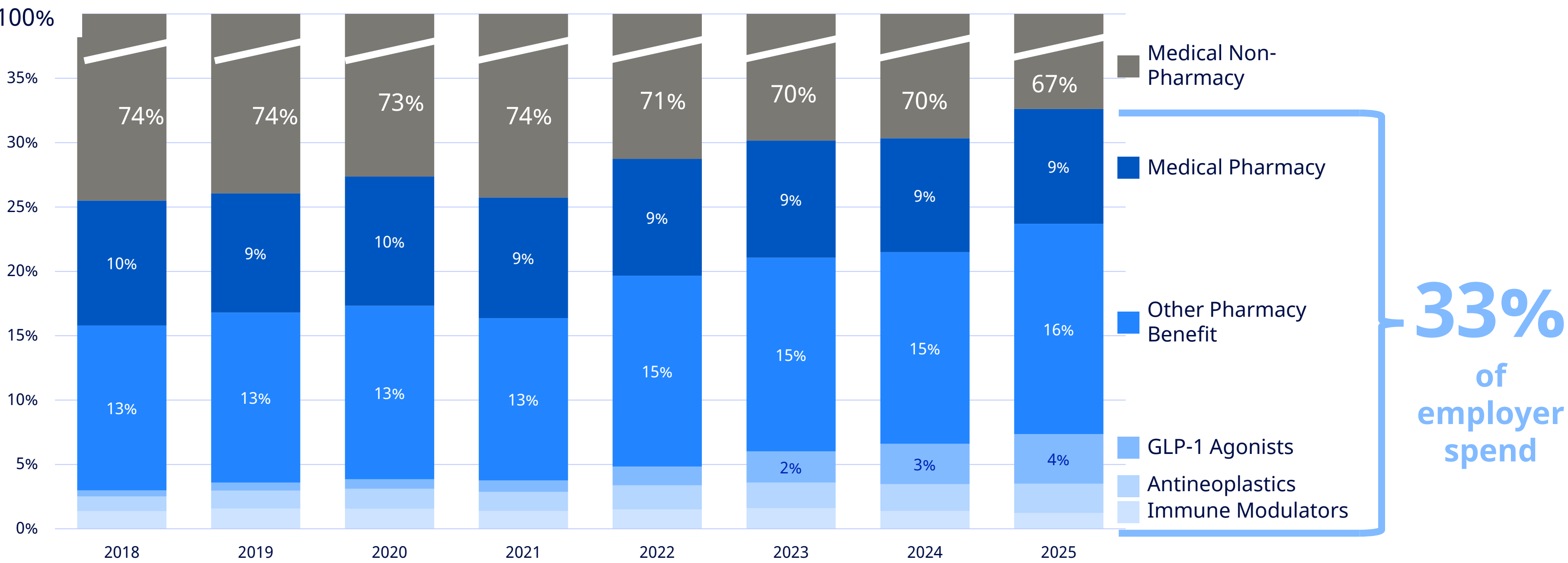


Given compounding trend growth, health care costs are projected to be 62% higher than they were in 2017

1. Projected are before plan design changes; Source: 2. Business Group on Health 2026 Employer Health Care Survey Executive Summary; 3. Mercer Employer Survey on Health and Benefit Strategies for 2026 (link); 4. Oliver Wyman Trend survey, which includes carrier responses representing trend assumptions used for the development of premiums for >100 M members across group, individual, Medicare and Medicaid for January 2025

Miraculous drugs, at a price

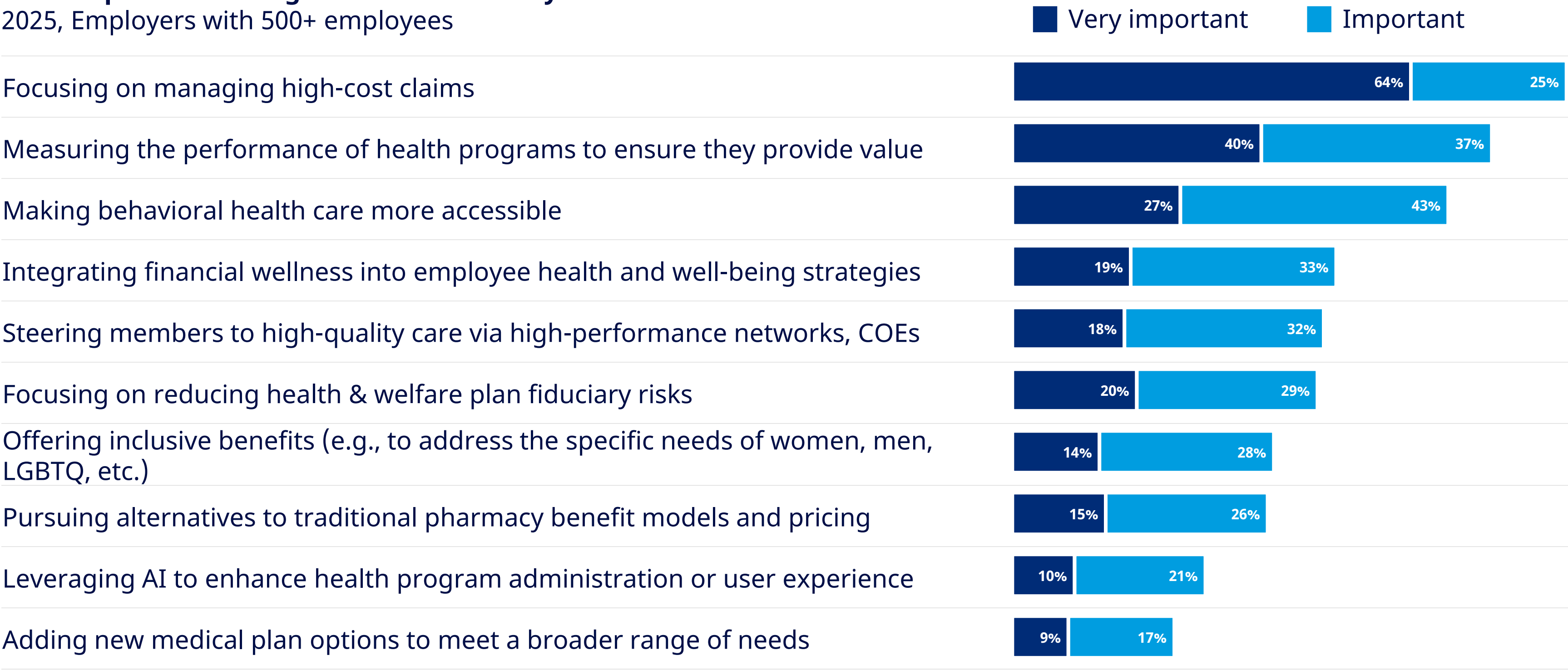
Percent of Net Employer (Medical + Pharmacy) Benefit Spend



Employers are prioritizing affordability...

Most important strategies for the next 3-5 years

2025, Employers with 500+ employees



Source: Mercer National Survey of Employer-Sponsored Health Plans 2025

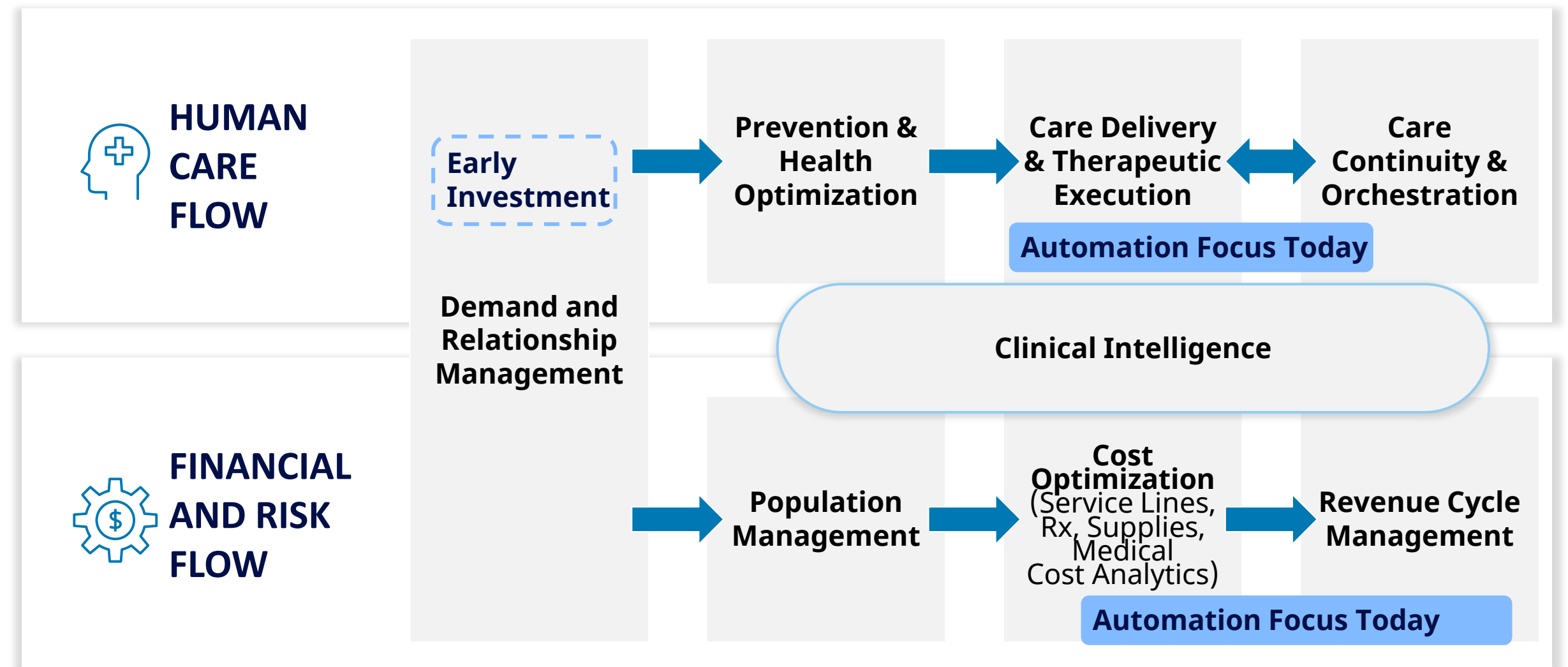
AI to the rescue?

So far, AI adoption is concentrated in documentation-heavy and rules-based tasks where ROI is clearest and risk is lowest:

- Ambient documentation
- Coding / revenue cycle mgmt.
- Prior authorization automation
- Inbox and patient messaging
- Call centers / member services

We are beginning to see growth in digital front doors, but primarily from outside of incumbents

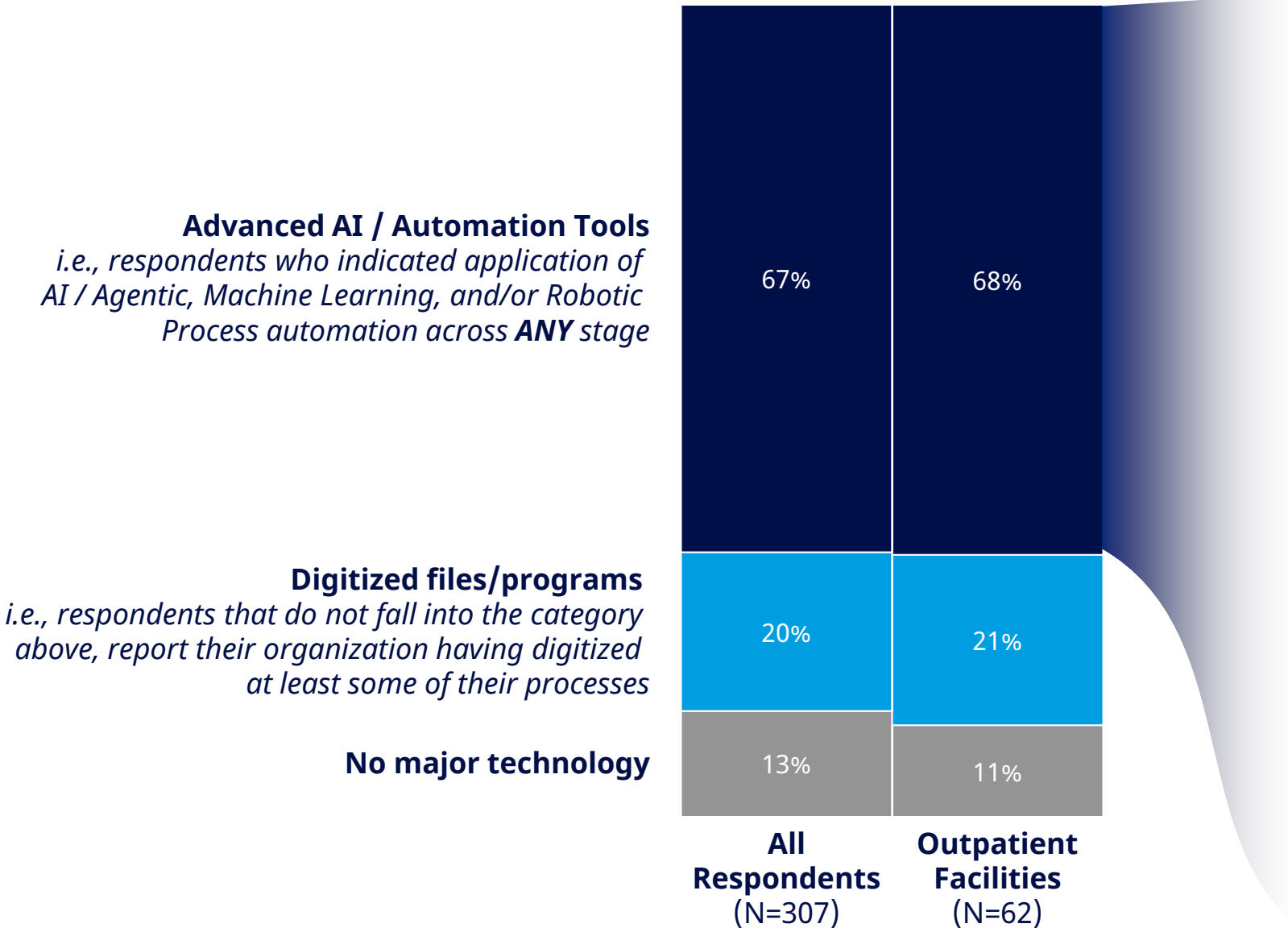
Administrative Automation Across the Value Chain (Today)



Two-thirds of providers use advanced AI or automation in some capacity

Application of AI / Automation technologies

2026, respondents who answered "I don't know" were excluded



Of Respondents who use Advanced AI / Automation tools, where is it applied?			
Stage		All Respondents	Outpatient Facilities Only ¹
Front-Office	Patient Acquisition	40%	45%
	Eligibility Verification	42%	40%
	Patient Pre-Authorization	39%	33%
Point-of-Care	Clinical Documentation	61%	57%
	Charge Capture & Claims Preparation	47%	38%
Back-Office	Claims Processing & Adjudication	43%	36%
	Payment Posting & Payer Remittance	43%	38%
	Denials & Account Resolution	44%	43%
	Analytics & Reporting	50%	45%
Cross-Cutting	Patient Billing & Payment Responsibility	34%	33%

Survey question: "Q22: Where across the RCM value chain has your organization applied AI / automation technologies?"
Source: January 2026 Healthcare RCM Survey, Oliver Wyman analysis | 1. "Outpatient Facilities" refer to respondents who indicated they were "Facility-based Ambulatory/Outpatient Care Setting (e.g., ASC, urgent care, freestanding ER)", or Independent Hospitals / Health Systems that report being "Primarily outpatient (i.e., majority of care delivered in ambulatory / office-based settings)" or "Exclusively outpatient (i.e., no inpatient beds or inpatient services)"; N=65

Four forces reshaping health systems — and how to respond

Cost of delivering care is rising faster than revenue



RESPOND

- Thoughtfully transform the care model to be rewarded for keeping seniors healthy
- Secure talent supply channels and build new ones
- Start with strategic objectives, then find the right technology to enable reaching them

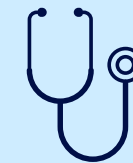
Payers, employers & govt. are pushing back on cost



RESPOND

- Bifurcate the care model to excel in both FFS and VBC models
- Differentiate payer relations, partnering with select few and de-prioritizing others
- Know when scale is an accelerant and when an impediment to achieving your objectives

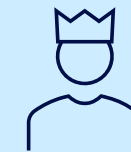
Profit pools shift away from acute care



RESPOND

- Understand site neutrality revenue exposure and have a plan for local payment dynamics
- Treat patients' home as a site of care and use it to drive outcomes and growth
- Develop the approach to "pharmacy pop. health" now

Patients are consumers who choose their healthcare journeys



RESPOND

- Have a clear answer to the question 'why should patients choose me over other providers?'
- Know when 'one size fits all' is an advantage and when hinderance
- Address broader health needs, balancing owning and partnering for services



Julie Wang

Partner & Practice Leader,
Oliver Wyman Health Actuarial
Consulting | FSA, MAAA

Leads Oliver Wyman's Health Actuarial Consulting practice

Heads an 80-person team advising health plans, providers and investors on financial performance, growth and transformation, with over 20 years of executive and consulting experience across payer, provider, healthcare services and life sciences.

Experience

- Health plan performance transformation: led enterprise turnarounds spanning product, pricing, revenue optimization, risk adjustment, medical management, provider contracting and network design — improving Medicare Advantage MLR from over 100% to below 85% within three years.
- Health plan financial strategy and operating model: redesigned finance, actuarial and analytics organizations covering forecasting, reserving, medical economics, financial reporting and regulatory strategy.
- Provider economics and value-based care: helps health systems and physician organizations translate value-based care strategy into measurable operating and financial improvement.
- Leadership and governance: member, Oliver Wyman Actuarial & Insurance Operating Committee; former Operating Committee member, Clover Health; former Board member, Mayo Clinic ACO.
- Prior roles: Associate Partner, McKinsey & Company; VP & Chief Actuary, Clover Health; Vice Chair, Revenue Strategy, Mayo Clinic; Senior Director, UnitedHealth Group | Optum.

Education and credentials

FSA, MAAA. MS Biostatistics; MS Bioengineering.



Ashley Smith

Partner, Oliver Wyman Health
& Life Sciences

Partnerships and growth strategy across payers, providers and pharma

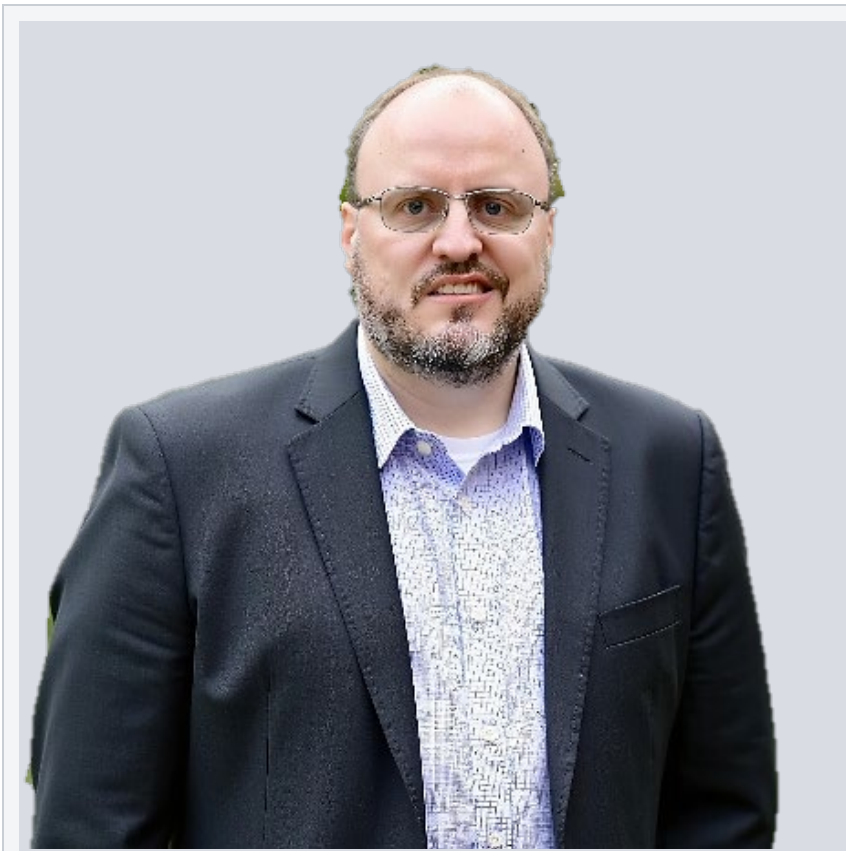
Based in San Francisco, Ashley advises payers, health systems, pharmaceutical companies and retailers on forming partnerships that capture value in a changing healthcare market.

Relevant experience

- Top 10 US health system: led CEO-sponsored payer partner selection end to end — strategy, RFP and evaluation, financial modelling, terms negotiation and launch of a separate legal-entity joint venture.
- Top 5 national retail pharmacy chain: designed and implemented a retail health partnership with physician practices, deploying new care models for chronic patients and capturing value-based payments.
- Clinically integrated network: advised the CFO on negotiation strategy, key terms and financial mechanics for a JV with a national payer targeting commercial membership growth.
- Regional health insurer: led Medicare Advantage revenue management strategy, identifying opportunities through risk adjustment and STARS optimization.
- Leading regional health system: created a new employer-focused network and commercial insurance product, including market sizing, segmentation and offering design.
- Global pharmaceutical companies: built direct-to-employer strategies spanning scenario planning, segmentation, targeting and value proposition design.

Prior experience

Strategy and Corporate Development, Mercer; consultant, Booz & Company; Keefe, Bruyette & Woods.



David Mitchell

Partner, Transformation —
healthcare delivery subject
matter expert

Healthcare workforce and HR transformation

A Partner in Mercer's Transformation consulting business, David brings healthcare delivery experience as both an external consultant and an HR function leader to some of the world's leading healthcare providers.

Experience

- Sr. Vice President of Human Capital for a 500-bed tertiary hospital and multi-site ambulatory clinic ecosystem affiliated with Massachusetts General Hospital, responsible for all HR people, processes and programs.
- Designed multi-year workforce strategies aligned to enterprise growth plans for academic and not-for-profit healthcare systems, including Community Health Network (IN) and University of Wisconsin Health.
- Led people strategy, HR investment planning and margin uplift for not-for-profit and AMC systems, including St. Charles Health System.
- Redesigned work to create capacity and revised labor standards for ambulatory operations at a US top 10 AMC, and aligned three outpatient operations merging into one organization.
- Advised US top 5 AMCs, a leading US children's hospital and mid-sized not-for-profit systems on talent acquisition and management practices.
- Oversaw design and deployment of workforce management systems (UKG, Workday) for large healthcare providers in the US and globally.
- Due diligence and integration support on workforce risks and optimization opportunities for healthcare sector acquisitions and partnerships.

Education and publications

Princeton University (magna cum laude). Author, "Reimagining work to solve healthcare's workforce crisis," Management in Healthcare, Vol. 10 No. 4, July 2026.



Shannon Padayachy

Principal, Oliver Wyman Health
Actuarial Practice

Co-leads the Provider & Value-Based Care group

Shannon works across payers and providers, leading customized solutions and large-scale programs focused on affordability, access, business growth and transformation, with an analytics-driven approach to payment, funding models, reimbursement and network design.

HCSC experience

- Developed the business case for the HCSC Platform strategy in partnership with corporate strategy.
- Oversaw design and implementation of a value-based care payment platform covering VBC program modeling, financial performance measurement and provider reporting for the largest mutual health insurer.
- Evaluated new Medicare Advantage market entry for a large regional payer, assessing current and future state and defining new product and benefit design opportunities.
- Led finance and actuarial modernization across people, process and technology for one of the largest regional payers.

Other relevant experience

- Led a Fortune 8 mega-retailer through design and implementation of integrated health products, with 40+ business use cases defining a roadmap to capture ~\$700M in revenue and medical cost savings.
- Oversaw cost restructuring valued at \$150M–\$250M for large and regional payors, focused on automation, process improvement and operating model transformation.
- Designed a medical economics and trend Center of Excellence for the largest nonprofit payer in the US.

Credentials

Double board-certified actuary: Fellow of the Society of Actuaries (US) and of the Institute of Actuaries (UK).



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