NEW YORK GENERAL GROUP

GLOBAL INDUSTRY INTELLIGENCE

Global Healthcare Industry Report

Market structure, strategic dynamics, regional outlook, investment themes, and 2030s scenarios

PREPARED BY

New York General Group

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CONTENTS

How to read this report

This report uses numbered in-text references such as [1]. The full reference list is provided at the end. Dollar values are nominal unless otherwise stated. Market estimates vary by definition; this report separates services, pharmaceuticals, devices, and digital health rather than treating healthcare as a single homogeneous market.

EXECUTIVE SUMMARY

Healthcare is a growth market whose biggest bottleneck is not demand, but system capacity

Healthcare is one of the largest and most strategically important industries in the world. It is defensive because demand is need-based, yet structurally constrained because delivery depends on scarce clinical labor, regulated infrastructure, public budgets, and payer approval. OECD countries spent roughly 9.3 percent of GDP on health in 2024 [1]. The United States alone spent USD 5.3 trillion on healthcare in 2024, equivalent to 18.0 percent of GDP [2].

The industry is entering a new era. The central question is no longer whether demand will grow; aging, chronic disease, scientific innovation, and expanding access almost guarantee that. The question is whether health systems can convert money, labor, technology, and data into better outcomes at a sustainable cost.

OECD HEALTH SPEND

9.3%

of GDP in 2024 [1]

US HEALTH SPEND

$5.3tn

in 2024 [2]

DIGITAL HEALTH

$1.83tn

forecast by 2033 [4]

WORKFORCE GAP

11m

projected by 2030 [7]

> The next decade will reward healthcare models that increase clinical productivity, shift care to lower-cost settings, and prove measurable outcomes per dollar spent.

01

Healthcare remains structurally defensive but operationally constrained.

Demand is resilient because care is a need, not a discretionary purchase. The binding constraint is increasingly capacity - clinicians, beds, diagnostics, data infrastructure and public finance.

02

Digital health is becoming the operating system of care.

The fastest growth is not only in apps. It is in workflow automation, remote monitoring, clinical data platforms, AI-enabled documentation, revenue-cycle automation and payer analytics.

03

The strategic center is shifting from hospitals to longitudinal care.

Aging and chronic disease require continuous monitoring, prevention, medication adherence, home care and community-based models rather than episodic inpatient treatment alone.

04

The next competitive frontier is proof of value.

Payers and governments will reward interventions that reduce admissions, shorten length of stay, improve adherence, or demonstrate measurable outcomes per dollar spent.

SCALE MARKERS

The industry contains multiple markets with very different economics

Headline healthcare figures can obscure the fact that the industry is a collection of markets with different buyers, margins, capital intensity, and regulatory pathways. Services are labor-intensive and local. Pharmaceuticals are science-intensive and patent-driven. Devices are product-plus-service businesses. Digital health is software-led but must integrate into regulated clinical workflows.

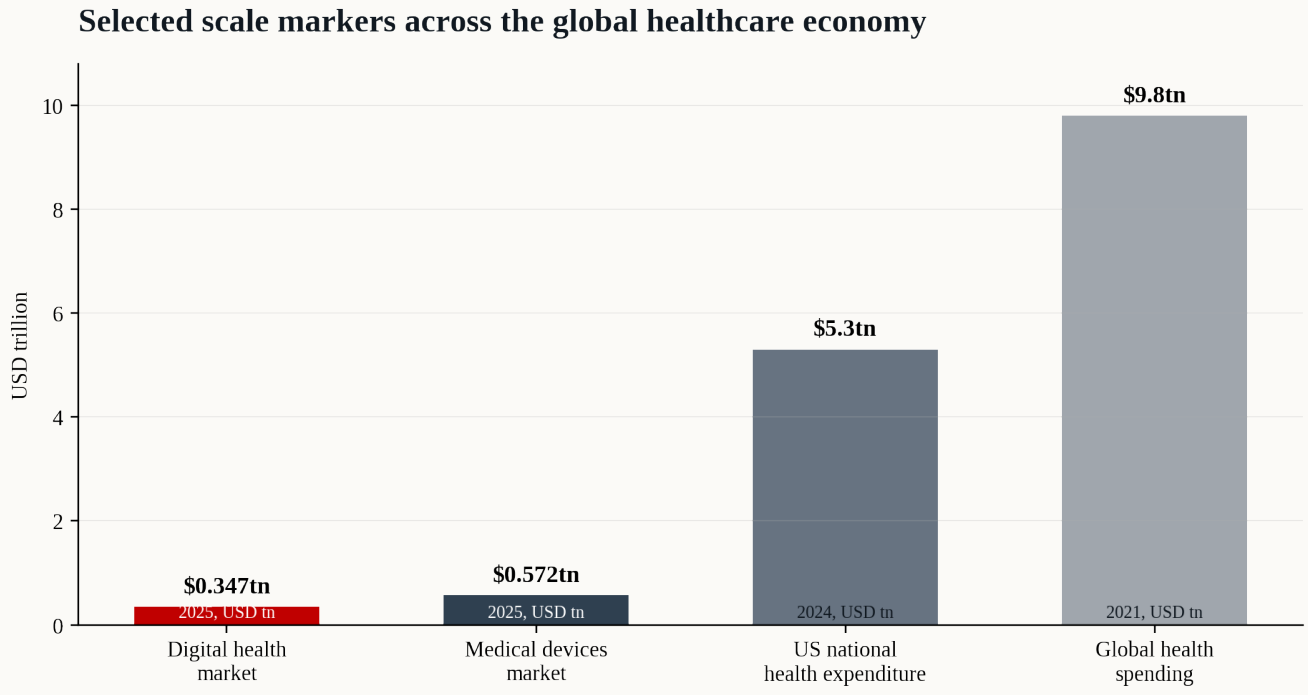

Figure 1. Selected market-scale indicators from public and industry sources. Figures use different definitions and reference years; they are shown to illustrate relative scale, not as a directly additive market sizing exercise [2][3][4][5].

SECTOR	ECONOMIC MODEL	PRIMARY BUYER	STRATEGIC CONSTRAINT	LIKELY WINNING CAPABILITY
Care delivery	Labor, facilities, utilization, case mix	Payers, governments, patients	Clinician capacity and reimbursement	Operational excellence and lower-cost sites of care
Biopharma	R&D, patents, regulatory approval, launch execution	Payers, providers, governments	Clinical evidence, pricing, patent cliffs	High-value pipeline and value demonstration
Medtech	Hardware, consumables, service, software	Hospitals, physicians, distributors	Capital budgets and workflow adoption	Integrated product-service platforms
Digital health	Software, data, subscriptions, transaction fees	Providers, payers, employers, patients	Trust, integration, reimbursement	Workflow-native tools with measurable ROI

MARKET ARCHITECTURE

Healthcare value chains are converging into platforms and ecosystems

The traditional model separated insurers, hospitals, physicians, pharmacies, laboratories, device manufacturers, and pharmaceutical companies. That separation is weakening. Payers are acquiring care delivery assets; pharmacies are moving into clinics; technology companies are entering cloud, AI, and data infrastructure; medical-device firms are embedding software and analytics; and pharmaceutical companies increasingly rely on diagnostics, biomarkers, and real-world evidence to support launches.

Three forces explain this convergence. First, chronic disease requires continuous care rather than episodic intervention. Second, data has become a strategic asset, linking claims, clinical records, diagnostics, imaging, genomics, and wearable data. Third, payers and governments are pressuring the system to demonstrate value, not simply volume.

Strategic implication

The most attractive healthcare assets are not merely large; they are connected. A provider network with strong data, a diagnostic business with treatment linkage, or a device platform with service revenue can create more durable advantages than a standalone product.

Exhibit: high-level value chain

LAYER	REPRESENTATIVE ACTIVITIES	VALUE CREATION LOGIC
Population health	Prevention, screening, vaccination, behavioral health, public health surveillance	Reduce avoidable disease and detect risk early
Access and navigation	Primary care, triage, referral management, telehealth, scheduling	Route patients to the right site of care
Clinical intervention	Diagnostics, procedures, drugs, devices, inpatient care	Improve outcomes through high-quality treatment
Longitudinal management	Chronic care, adherence, remote monitoring, home care, rehabilitation	Prevent deterioration and avoid expensive admissions
Payment and intelligence	Claims, risk adjustment, value-based contracts, real-world data, AI analytics	Allocate capital and incentives toward value

DEMAND DRIVERS

Aging and chronic disease are reshaping the volume and type of care required

Aging changes the healthcare product mix

Older populations consume more care, but more importantly, they consume different care. The system requires more cardiology, oncology, orthopedics, neurology, nephrology, rehabilitation, home care, long-term care, fall prevention, dementia support, and polypharmacy management. Japan, South Korea, Western Europe, and China illustrate how healthcare systems evolve once aging becomes the dominant demographic force.

Aging also shifts the strategic focus from acute intervention to functional status. The relevant question becomes: how can older adults remain mobile, cognitively supported, safely medicated, and outside high-cost institutional settings for longer?

Chronic disease makes healthcare longitudinal

WHO reports that noncommunicable diseases were responsible for at least 43 million deaths in 2021 [6]. Chronic disease creates recurring demand for diagnostics, medication, devices, monitoring, coaching, and follow-up. Diabetes, obesity, cardiovascular disease, chronic kidney disease, chronic respiratory disease, cancer survivorship, and mental health are therefore central markets.

The greatest economic opportunity is not simply treating acute complications. It is building systems that prevent avoidable admissions, improve adherence, and manage risk before deterioration.

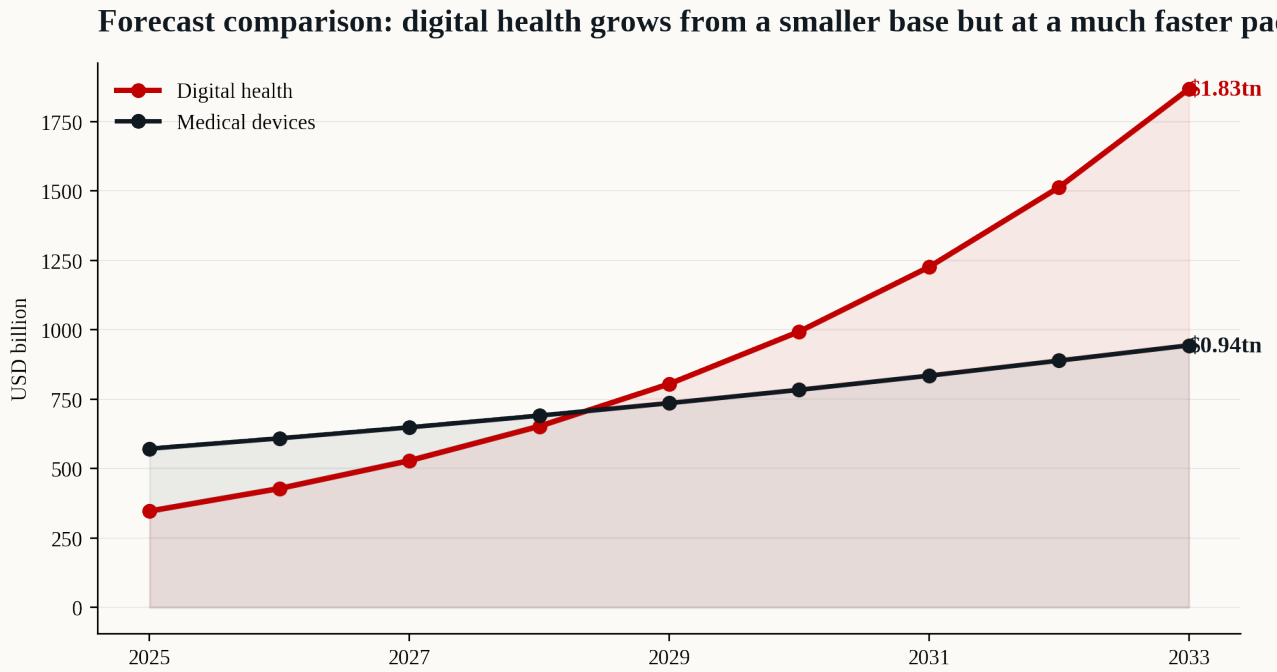

Figure 2. Forecast comparison based on published market estimates for digital health and medical devices [3][4].

SUPPLY CONSTRAINTS

The healthcare labor shortage is a strategic constraint, not a temporary staffing problem

WHO projects a global shortage of approximately 11 million health workers by 2030 [7]. The shortage is unevenly distributed, with low- and middle-income countries facing the deepest deficits, but high-income systems also face burnout, aging clinical workforces, specialty shortages, and geographic maldistribution.

Labor pressure is now a board-level issue. It raises provider costs, lengthens waiting times, increases safety risks, constrains growth, and weakens the financial profile of hospitals. For investors, it means that models requiring large numbers of scarce clinicians may be less scalable than software-enabled, team-based, or home-based models.

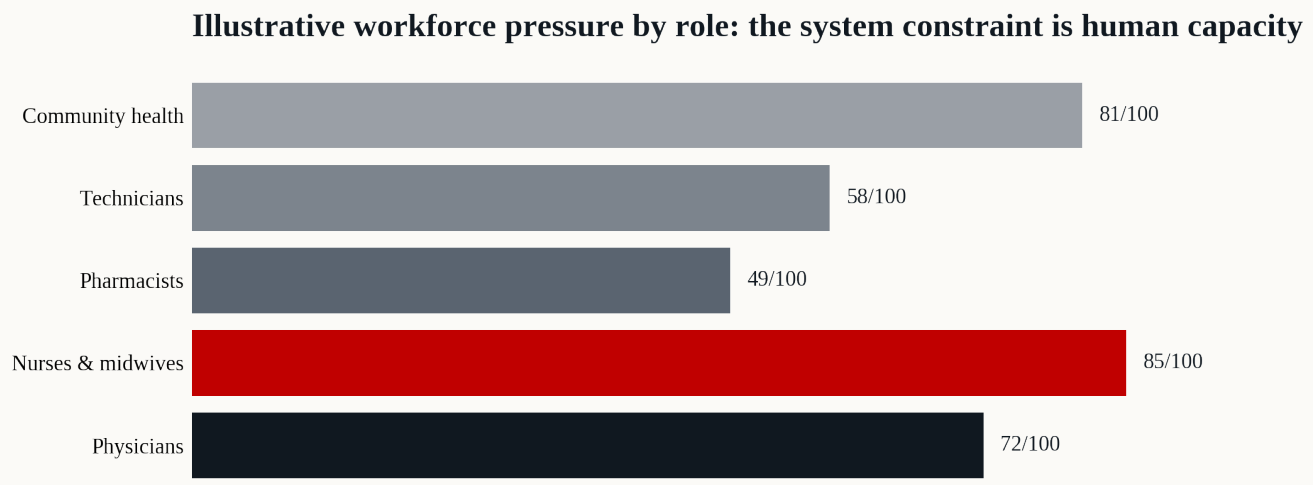

Figure 3. Illustrative workforce pressure index by role. The global shortage estimate is from WHO; the role-level scoring is an analytical illustration by New York General Group [7].

RESPONSE LEVER	WHAT IT CHANGES	COMMERCIAL OPPORTUNITY
Task shifting	Moves appropriate work from physicians to nurses, pharmacists, technicians, or community health workers	Care management platforms, training, clinical protocols
AI documentation	Reduces clerical burden and physician after-hours work	Ambient scribing, coding support, administrative automation
Remote monitoring	Allows one clinical team to oversee larger patient panels	Devices, dashboards, escalation algorithms, home services
Site-of-care shift	Moves care from inpatient to outpatient, home, or virtual settings	Home health, ambulatory surgery, telehealth, logistics

SEGMENT ANALYSIS

Care delivery: the center of gravity is shifting away from hospital-only models

Hospitals remain essential for surgery, emergency care, intensive care, complex diagnostics, and specialized intervention. However, they are expensive settings and frequently face capacity pressure. The strategic direction is therefore toward ambulatory surgery, outpatient specialty care, virtual-first triage, home-based care, and community-based chronic management.

Winning models in care delivery

- **Integrated primary care:** models that manage risk early, coordinate referrals, and reduce avoidable emergency use.
- **Specialty platforms:** focused networks in oncology, fertility, dialysis, ophthalmology, orthopedics, behavioral health, or cardiology.
- **Home-based care:** remote monitoring, hospital-at-home, palliative care, post-acute care, and chronic disease support.
- **Operational intelligence:** tools that improve scheduling, bed management, staffing, coding, supply use, and discharge planning.

> The hospital of the future is less a building and more an orchestrator of care across physical, virtual, and home-based settings.

The main risk is that shifting care sites without redesigning incentives can fragment accountability. Successful models require shared data, clear escalation protocols, payer alignment, and measurable outcomes.

SEGMENT ANALYSIS

Biopharma: innovation is strong, but payers are becoming more demanding

Biopharma remains one of the highest-value segments of healthcare because it can create transformative clinical impact and high-margin global products. Growth is concentrated in oncology, immunology, obesity and diabetes, rare disease, neurology, vaccines, and advanced modalities such as cell, gene, and RNA therapies. IQVIA expects global medicine use and spending to continue expanding through 2029, with differing drivers across developed and pharmerging markets [8].

THERAPEUTIC AREA	GROWTH LOGIC	PRESSURE POINT
Oncology	Targeted therapies, immunotherapy, ADCs, radioligands, companion diagnostics	High cost, access, resistance, clinical sequencing
Obesity and diabetes	Large patient populations and cardiometabolic benefits	Price, supply, duration of therapy, payer coverage
Rare disease	High unmet need and premium pricing	Small trials, affordability, durability of benefit
Immunology	Biologics and next-generation mechanisms	Patent cliffs, biosimilars, payer step therapy
Neurology	Aging populations and high disease burden	Clinical endpoints, diagnosis, patient selection

The value equation is changing. Launch success increasingly depends on comparative evidence, real-world outcomes, biomarker strategy, patient identification, and payer economics. Products that reduce hospitalization or long-term complications will have a stronger case for reimbursement than products showing marginal biomarker improvements alone.

SEGMENT ANALYSIS

Medical technology and diagnostics are becoming data businesses

The global medical devices market is forecast to grow from USD 572.31 billion in 2025 to USD 886.68 billion in 2032 [3]. Growth is supported by aging, chronic disease, surgical innovation, minimally invasive care, diagnostic modernization, and remote monitoring. The most attractive medtech models combine hardware, consumables, software, service, and data.

Diagnostics

Early detection and patient stratification are increasingly central to oncology, cardiology, infectious disease, women's health, and rare disease. The diagnostic business model is shifting toward panels, platforms, and data-driven interpretation.

Robotics and procedural tools

Robotics can improve precision and standardize procedures, but adoption requires capital budgets, surgeon training, procedural volume, and reimbursement support.

Remote patient monitoring

Wearables and connected devices can convert episodic care into continuous observation, especially for diabetes, heart failure, hypertension, respiratory disease, and post-acute recovery.

Software-enabled devices

AI interpretation, workflow integration, cloud dashboards, and predictive maintenance can turn device companies into recurring-revenue platform businesses.

Strategic risk: hospitals facing margin pressure may delay capital purchases unless the device clearly improves throughput, reduces complications, or creates reimbursable clinical value.

DIGITAL HEALTH AND AI

Digital health is moving from convenience layer to infrastructure layer

Digital health was once defined by consumer apps and telehealth visits. It is now becoming infrastructure: cloud-hosted health records, interoperability, revenue-cycle automation, payer analytics, AI-enabled documentation, clinical decision support, virtual nursing, remote monitoring, and cybersecurity. Grand View Research forecasts the global digital health market to reach USD 1.8304 trillion by 2033 [4].

AI use cases with near-term commercialization potential

USE CASE	PRIMARY VALUE	ADOPTION BARRIER
Ambient clinical documentation	Reduces physician documentation burden	Accuracy, privacy, EHR integration
Medical coding and claims automation	Improves revenue-cycle efficiency	Auditability, payer acceptance
Imaging triage	Prioritizes urgent cases and supports radiologists	Clinical validation and workflow fit
Patient engagement assistants	Improves access, education, and adherence	Safety, escalation, language quality
Drug discovery and trial operations	Accelerates target selection, protocol design, and recruitment	Scientific validation and regulatory confidence

The lesson from the first wave of digital health is clear: technology must enter the clinician’s workflow rather than add another portal, inbox, or dashboard. Buyers will increasingly ask for measurable evidence that a tool reduces time, cost, risk, or avoidable utilization.

REGIONAL OUTLOOK

Regional opportunities differ by demographic pressure, financing model, and digital readiness

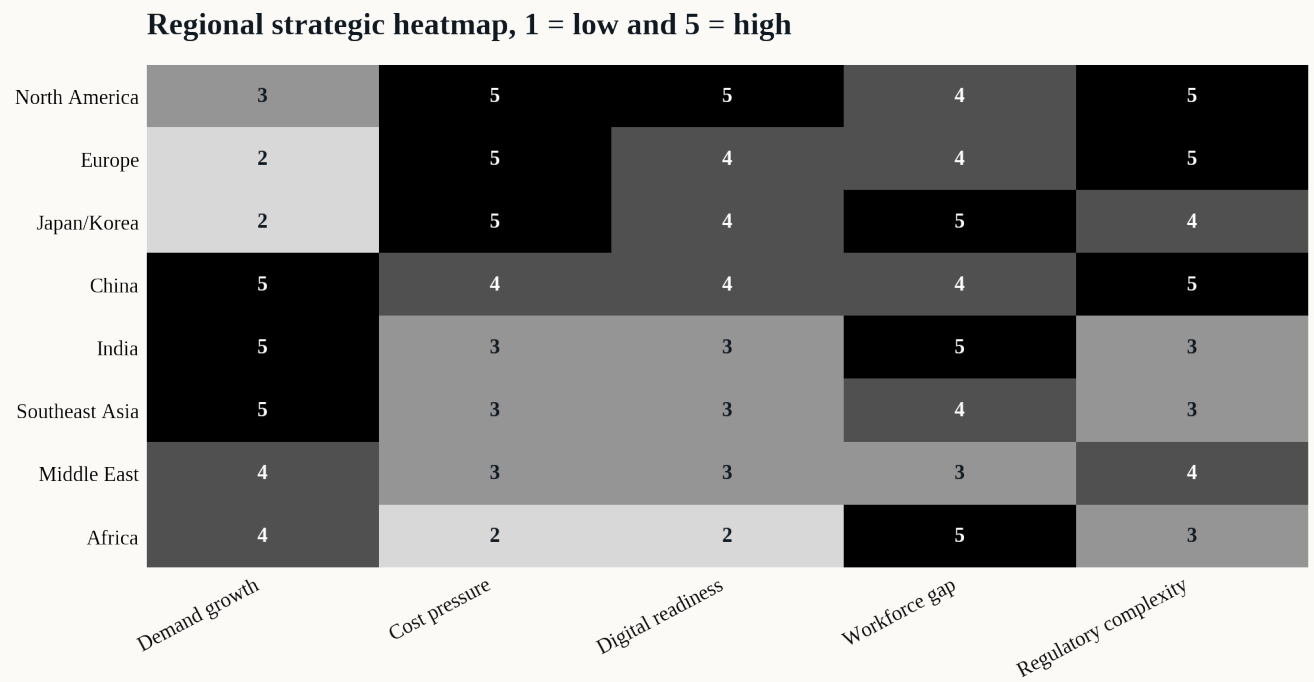

Figure 4. Strategic regional heatmap. Scores are an analytical synthesis by New York General Group using public expenditure, workforce, demographic, and market-context indicators [1][7][9][11][12].

North America

The United States is the largest and most innovation-intensive healthcare market. It combines high spending, complex reimbursement, strong biopharma and medtech ecosystems, sophisticated providers, and a deep venture-capital market. The opportunity is large, but so are the risks: affordability, drug pricing, administrative cost, provider consolidation scrutiny, and unequal access [2].

Europe

Europe places greater emphasis on access, public financing, cost-effectiveness, and data protection. Aging and workforce shortages are key issues, and the European policy agenda increasingly includes AI, antimicrobial resistance, resilience, and cross-border health-data governance [9]. Market access can be slower, but payer discipline creates strong incentives for evidence-based value.

Asia-Pacific

Asia-Pacific combines mature aging markets, such as Japan and South Korea, with high-growth access-expansion markets such as India and Southeast Asia. Japan illustrates the challenge of sustaining universal coverage under extreme aging; OECD estimates Japan’s 2024 health expenditure at roughly 10.6 percent of GDP [11]. China remains strategically important due to scale, aging, domestic innovation, and policy-led purchasing reform.

Emerging markets

Emerging markets face a dual burden: infectious disease and maternal-child health needs coexist with rising chronic disease. The most scalable opportunities are often low-cost diagnostics, generics, telehealth, mobile health, community health workers, vaccine delivery, and digitally supported primary care [12].

INVESTMENT AND M&A

Healthcare capital is moving toward assets that combine growth, resilience, and measurable efficiency

Healthcare attracts private equity and strategic acquirers because it offers demographic growth, recurring demand, scientific innovation, and fragmentation. Bain reports that healthcare private equity activity remained significant through 2025, with provider assets, biopharma services, and healthcare IT among important areas of activity [10].

INVESTMENT THEME	WHY IT IS ATTRACTIVE	WHAT TO DILIGENCE
Specialty care platforms	Fragmented markets and potential operating leverage	Clinician retention, referral quality, reimbursement exposure
Healthcare IT and RCM	Clear administrative-cost pain point	Integration complexity, customer churn, compliance
Home health and chronic care	Aging and site-of-care shift	Labor model, outcomes evidence, payer contracts
Biopharma services	R&D outsourcing and scientific complexity	Customer concentration, margin durability, regulatory quality
Diagnostics platforms	Precision medicine and early detection	Clinical utility, reimbursement, sample logistics

Not all healthcare assets deserve a premium. Investors should be cautious with businesses whose growth depends mainly on price increases, aggressive billing, scarce clinicians, or regulatory arbitrage. Durable value will more likely come from businesses that demonstrably improve access, quality, cost, or clinician productivity.

RISK AGENDA

The industry’s risks are systemic, not merely company-specific

Fiscal sustainability

Healthcare spending competes with pensions, defense, education, and infrastructure. Governments and payers will intensify pressure on price, utilization, and evidence.

Regulatory and reimbursement risk

Drug pricing, device approval, AI regulation, data privacy, and insurance coverage rules can change the economics of an entire category.

Cybersecurity

Connected hospitals, cloud systems, imaging networks, and medical devices expand the attack surface. Cyber risk is now a patient-safety issue.

Equity and access

Innovation can widen disparities if high-value care is available only to well-insured, urban, digitally connected populations.

Scenario view to the early 2030s

SCENARIO	DESCRIPTION	STRATEGIC IMPLICATION
Productivity breakthrough	AI, interoperability, home care, and preventive models reduce administrative burden and avoidable utilization	Digital infrastructure and integrated-care assets outperform
Managed constraint	Demand grows but systems contain spending through reimbursement discipline and site-of-care shift	Value demonstration becomes the core commercial capability
Capacity crunch	Labor shortages, cyber events, and fiscal pressure overwhelm delivery systems	Resilient operating models and workforce-light care gain value

STRATEGIC RECOMMENDATIONS

What leaders should do now

STAKEHOLDER	PRIORITY ACTIONS
Health systems	Automate administrative work, redesign care pathways, shift appropriate care homeward, invest in cybersecurity, and measure outcomes by service line.
Biopharma companies	Build payer evidence earlier, pair therapies with diagnostics and adherence support, prepare for pricing scrutiny, and use real-world data to defend value.
Medtech companies	Move from device features to workflow value, create service and software layers, prove throughput and outcome improvement, and support lower-cost care settings.
Digital health companies	Integrate into EHR and payer workflows, demonstrate ROI, design for compliance, and avoid products that increase clinician cognitive load.
Investors	Prioritize durable cash flows, regulatory resilience, clinician scalability, evidence of quality, and assets that benefit from the site-of-care shift.
Policy makers	Invest in primary care, workforce pipelines, health-data infrastructure, prevention, and payment models that reward outcomes rather than volume alone.

> The winners will not be those that simply sell more healthcare. They will be those that help systems deliver better health with less friction, less waste, and less preventable escalation.

CONCLUSION

The global healthcare industry is entering a productivity decade

The world will need more healthcare. Aging populations, chronic disease, rising expectations, and expanding access make this almost unavoidable. Yet the industry cannot respond only by adding more hospitals, clinicians, drugs, and devices. Labor and budgets are constrained. The strategic imperative is to improve healthcare productivity: better outcomes, lower avoidable utilization, more efficient workflows, and care delivered in the most appropriate setting.

This will blur boundaries across sectors. Pharmaceutical products will be tied to diagnostics and adherence services. Devices will become connected platforms. Providers will manage patients across home, virtual, outpatient, and inpatient settings. Payers will use data to shape care pathways. Technology companies will compete not by novelty, but by how deeply they integrate into clinical and administrative workflows.

For New York General Group's strategic view, the most attractive opportunities sit at the intersection of large unmet need and measurable system value: chronic disease management, AI-enabled workflow automation, home-based care, early diagnostics, oncology and cardiometabolic innovation, medical-device platforms, healthcare cybersecurity, and data infrastructure.

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Prepared by New York General Group. Date: June 3, 2026. This report is for strategic research and discussion purposes. Market estimates are not directly additive because each source uses different market definitions, base years, and methodology.