

Town Hall Ventures identifies nine key themes that are expected to shape the industry in the new Trump administration.

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The healthcare landscape is poised for significant transformation in 2025, driven by policy shifts, technological advancements, and a renewed focus on health outcomes.

1. Health Outcomes, Not Just Healthcare

The anticipated “Make America Healthy Again” (MAHA) initiative underscores a shift from traditional healthcare delivery to a focus on tangible health outcomes. This paradigm emphasizes chronic disease reduction, preventive care, and addressing environmental factors influencing health, such as nutrition. Payment models are expected to reward providers for reducing disease burdens and offer tangible benefits to patients who achieve health milestones. Quality bonus measures may be reoriented to tie payments directly to improved patient outcomes, moving away from administrative compliance metrics.

2. Consumer Accountability and Engagement

Empowering individuals to take charge of their health is central to upcoming policy changes. This involves leveraging digital tools, enhancing price and quality transparency, and implementing reward systems that incentivize preventive care and healthy behaviors. The integration of AI-driven digital health tools is expected to accelerate, supported by incentive models and quality payments. New models from the Center for Medicare and Medicaid Innovation (CMMI) may focus on consumer incentives and rewards, encouraging patient engagement and adherence to care plans.

3. Expansion of Medicare Advantage (MA)

Medicare Advantage is positioned for growth, with policies anticipated to ease regulatory measures and financial pressures. Adjustments to risk scoring and quality measures are expected, aiming to balance necessary changes with improvements in areas that have faced adverse consequences. This approach seeks to drive innovation in care delivery and improve accountability for clinical outcomes. Anticipated rate increases could help MA plans recover financially and reinvest in care quality improvements.

4. Pharmacy Reform and Drug Pricing

Addressing the rising cost of drugs remains a key focus for policymakers. The Inflation Reduction Act introduces significant changes to Medicare Part D, and expanding indications of GLP-1s raise questions about Medicare coverage. The administration may view drug costs as a trade issue, potentially introducing international benchmarks to align U.S. pricing with global standards. Revisiting models that link reimbursements for drugs to the lowest international prices could be implemented, alongside increased transparency and oversight of programs like 340b to ensure discounts directly benefit intended recipients.

5. Evolution of Value-Based Care Models

The CMMI has launched numerous models to test and scale innovative payment and care delivery approaches. However, some models face scrutiny for burdensome requirements and unpredictable outcomes. The focus is expected to shift toward refining underperforming models, addressing participation barriers, and launching high-impact initiatives aligned with cost-containment goals. This includes models that tie reimbursement and patient rewards to preventive care and chronic care management, aligning incentives with behavior change and long-term savings.

6. Integration of Generative AI in Healthcare

Generative AI holds the potential to transform or replace processes affecting patients, providers, and other stakeholders in a personalized and scalable manner. The

government's growing focus on accelerating AI adoption under the new administration may disrupt historical underutilization patterns. This presents opportunities for startups and innovators to develop AI-driven solutions that enhance care delivery, patient engagement, and operational efficiency.

7. Emphasis on Preventive Care and Social Determinants of Health

Policies are likely to align financial incentives with preventive care, encouraging use of technology to enhance patient education and engagement. State-level initiatives may integrate preventive care in schools and community settings, targeting pediatric and family wellness. Addressing social determinants of health, such as nutrition, housing, is expected to be central to efforts aimed at reducing illness and promoting health equity.

8. Redefining Quality Measures and Incentive Structures

Adjusting quality measures to directly tie payments to improved patient outcomes represents a shift from traditional administrative compliance metrics. This reorientation aims to drive innovation in care delivery and improve accountability for clinical improvements. Providers and payers will need to adapt to new incentive structures that prioritize health outcomes and efficiency.

9. Opportunities for Innovation and Investment

The anticipated changes challenge the typical advantages of incumbency, creating fertile ground for innovation. Startups and founders have opportunities to develop solutions that address chronic disease prevention, patient engagement, and care delivery efficiency. Payors and providers will need to embrace new solutions, drive greater adoption, partnerships, and mergers and acquisitions activity. Investment in data collection and analysis, outcomes measurement, consumer engagement, and quality efforts are expected to be critical in this evolving landscape.

In conclusion, 2025 is poised to be a transformative year for healthcare, with significant policy shifts and technological advancements reshaping the industry. Stakeholders must evaluate their positions and strategies to align with these changes.

focusing on improving health outcomes, enhancing patient engagement, and embracing innovation to meet the evolving demands of the healthcare landscape

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