

Consumerism in healthcare series (part III of III)

Taking ownership of the future



Through Parts 1 and 2 of this series, PNC Healthcare both 1) surveyed the current US macroeconomic backdrop and 2) explored some of the latest healthcare landscape changes predicated on rising consumer power and influence. In this final entry, PNC Healthcare will explore the major themes remaining from the initial premise of the series. It also poses pointed questions for healthcare leaders to consider as they grow their organizations for the long term.

The employer perspective

PNC Healthcare has documented the continued rise in the cost of care in the US. As those costs rise, straining patient budgets and employer operating margins, the conversation has changed to question who bears primary responsibility for those increases. Employers will likely continue to bear the majority; that is the expectation of most salaried employees, and it is competitive advantage in an economy at full employment. But those same employers are asking: *“what’s the right percentage of cost-sharing on the next dollar of healthcare costs?”*

Recent surveys from the [Business Group on Health](#) (“We’ll make the BGH”), [Aon](#), and [Willis Towers Watson](#) determined that employers are expecting anywhere from a 9-11% increase in healthcare costs for 2027. Retrospectively, BGH has found that employers historically *underestimate* these forecasts, indicating real potential for increases to cross deeper into double-digits next year.

While employers grapple with how to fund these expense increases, employee benefits constrict, options narrow, and employees’ share of the burden grows. Part 2 examined how these developments drive innovation and choice for consumers of care (HDHPs, ICHRA, etc.), but changing choices are as much the result of necessity as of innovation. Fewer funding mechanisms, new regulations, and lapsed subsidies also narrow those options.

The consumer perspective

On the consumer side, spending slowed to a 0.2% increase for July 2026,¹ a material slowdown from June’s 0.4%, though still an increase. At the same time, according to Treasury Secretary Scott Bessent, “the K-Shaped economy is over.” Lower-wage workers are beginning to feel some lift, with the bottom quartile of earners seeing a 5.5% increase in wage gains.² However, the ongoing war in Iran is keeping prices at the pump elevated, and the average cost for a pound of ground beef is near \$7,³ mitigating any real wage boosts and putting a damper on Summer BBQs across the country. Healthcare costs remain at the forefront of Americans’ concerns, alongside gas, groceries, and housing. The November election results are likely to be a referendum on affordability.

Executive summary

- Healthcare organizations are increasingly competing on convenience, accessibility, and experience, as digitally enabled providers, specialty platforms, and consumer-focused care models gain traction.
- Affordability pressures are intensifying, with employer healthcare costs projected to increase 9–11% annually, forcing employers and leaders to weigh absorbing costs versus shifting them to employees.
- Technology is accelerating consumer empowerment, with telehealth now firmly embedded in care delivery and AI rapidly emerging as a trusted source of healthcare information and guidance for consumers.
- Consumer-generated health data and wearables create new engagement opportunities while raising concerns about transparency and information integrity.
- Shifts in physician employment, private investment, and new care delivery models are expanding patient choice and reshaping how patients access healthcare services.
- Healthcare leaders must evaluate which emerging trends represent lasting changes in consumer preference versus temporary behavioral shifts, ensuring investments align with future demand, affordability, and sustainable competitive advantage.

While inflation remains high—the Fed’s preferred measure, the Personal Consumption Expenditures Index (“PCE”) is up 3.7% annually, relative to July 2025⁴—Americans will likely pull back a bit more on spending, although a handful of companies are plowing tariff refunds into price cuts for customers, offering some relief from inflation fatigue.⁵ The Fed’s recent decision to begin hiking again is a helpful salvo in the renewed fight against price instability.

Growing consumer responsibility and engagement

One of the primary drivers of out-size cost increases has been uptake of GLP-1s and their inclusion in employee benefits plans.⁶ This preference is helping drive employers’ decisions to lay more of each incremental dollar of cost on employees through higher premiums, deductibles, and/or out-of-pocket maximums.⁷

2027 Employer Consideration to Amending Employee Healthcare Cost-Sharing

Increase Cost-Sharing Through Plan Design Changes

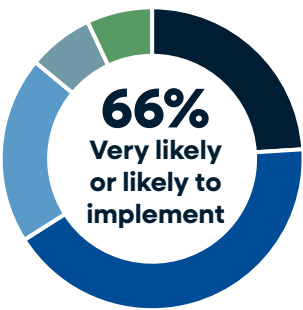
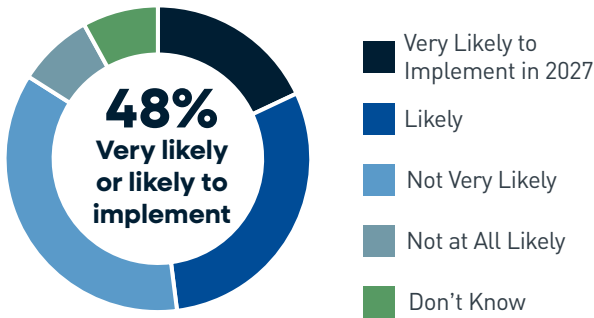
Plan design changes such as raising deductibles, out-of-pocket maximums, copays, etc. in the largest medial plan.

Increase Cost-Sharing by Raising the % of Premium Paid by Employees

Pass along more than a proportionate share of the cost increase across all coverage tiers in the largest medical plan.



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Very Likely	18%
Likely	30%
Not Very Likely	36%
Not at All Likely	8%
Don't Know	8%

Very Likely	24%
Likely	42%
Not Very Likely	20%
Not at All Likely	7%
Don't Know	7%

Source: Mercer

The current Administration has materially altered the mix of Federal, tax-based cost-sharing in patient care through actions such as H.R. 1 / One Big Beautiful Bill (“OB BB”) Act, the lapse of enhanced premium subsidies for the ACA Exchanges, the introduction of TrumpRx, and the pursuit of “Most Favored Nation” pricing for some drugs. Americans’ Midterm votes in November will likely serve as commentary on the cost-sharing conversation.

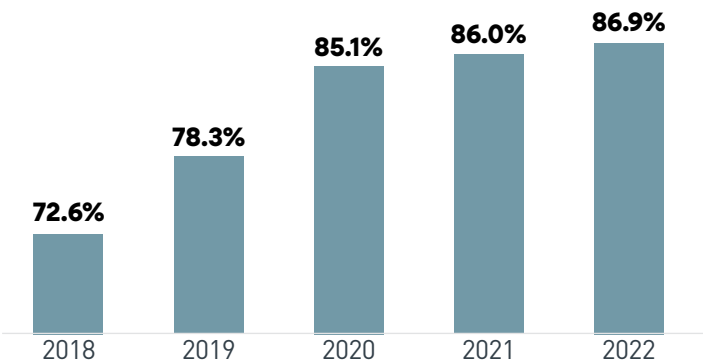


The pace of technology

Medicine and technology have made stunning advancements throughout human history, often working together to boost outcomes, reduce acuity, and improve patients’ overall quality of life. In the modern era, this advancement is can be observed in the uptake and proliferation of telemedicine, particularly post-pandemic.

Consumer preference for ease, accessibility, and convenience has driven the continued use of telehealth, even amid the broader return to normal, in-person activities of the last few years. Once the necessity of telehealth during the pandemic drove usage and built familiarity and comfort among patients and physicians, adoption grew. To revisit some statistics from Part 2 in this Series, 71.4% of physicians report using telehealth weekly according to 2024 data from the American Medical Association (“AMA”). Prior to the pandemic, weekly utilization was just 25.1% (2018); it peaked at 79.0% in 2020. While *utilization* peaked during the pandemic, each year since has set a new high watermark for telehealth *availability*.⁸

Figure 2. Hospitals Offering Telehealth Services (%)



Source: AHA

Given its overwhelming uptake, telemedicine is likely here to stay in its various forms. Entities like Hims and Hers, Ro, and Mochi Health meet consumers’ demands for convenience and have grown significantly. From providing access and improving affordability of GLP-1s, to catering to various women’s, men’s, and mental health issues, these organizations have streamlined clinician interaction, diagnosis, and treatment. Noted in Part 2, these entities have garnered a reputation for good patient experience. Consumers (and investors) are signaling that convenience and accessibility are paramount.

AI has had an explosive uptake and application by consumers for managing their own care. Not only do patients have all available data at their fingertips, as with the advent of the internet; they also have AI agents to sort, curate, and surface the most relevant information.

In an exceedingly short time (ChatGPT was released for public use in late 2022), AI is competing closely with the traditional healthcare system for patients’ trust. Of the surveyed US population, 18% use AI for health info, and 89% of them find it helpful. This compares with 96% who consider a Primary Care Physician (“PCP”) helpful, a mere seven percentage point delta. In addition, roughly 30% of US patients do not even have a primary care physician.⁹

Considering this, it is not a stretch to say that AI has already begun to fundamentally change the US healthcare consumer, placing power back in their hands and engendering new behaviors in a decades-old care delivery model. Working in concert with physicians’ expertise and appropriate guardrails, these tools may help consumers feel more in control of their care and well-being.

Technology and information integrity

Consumers are particular about where, when, and how much data to offer industry players. Two of the most visible examples are Whoop and Oura Health, wearables companies that provide biometric, health, and fitness habit data to the consumers who wear them. Over time, they can track changes in these metrics. “Gamifying” health and wellness this way has made these devices compelling to wear; however, this data is also shared through partnerships with other healthcare entities, all, ostensibly, in service of improving consumer care. Oura Health has even developed a partnership with Counsel Health to offer users AI-enabled primary care services based on their own specific data.¹⁰

While still firmly on the side of “consumer preference” for now (evidenced by Oura’s recent IPO filing and Whoop’s latest funding round), companies must stay transparent and offer users commensurate “bang” for their data “buck” to remain in good graces. As other firms collect data through patient input, they should consider how best to earn buy-in.

Shifts toward new modes of care

Another touchstone for shifts in healthcare consumer choice is the generational move away from private practice among US doctors. In 2012, the proportion of physicians in private practice, compared with hospital ownership, PE ownership, hospital employee/contractor, and other arrangements was 60.1%. The latest data for 2024 show that number has reduced by nearly a third to 42.2%.¹¹

Distribution of Physicians by Practice Ownership

	2012	2014	2016	2018	2020	2022	2024
Private Practice	60.1%	56.8%	55.8%	54.0%	49.1%	46.7%	42.2%
Hospital-Owned	23.4%	25.6%	25.4%	26.7%	30.5%	31.3%	34.5%
Private Equity-Owned	n/a	n/a	n/a	n/a	4.4%	4.5%	6.5%
Direct Hospital Employee/Contractor	5.6%	7.2%	7.4%	8.0%	9.3%	9.6%	12.2%
Other	10.9%	10.3%	11.4%	11.2%	6.8%	7.9%	4.6%
total =	100%	100%	100%	100%	100%	100%	100.0%
n =	3,466	3,500	3,500	3,500	3,500	3,500	5,000

Source: AMA. Notes: Significance tests are for changes over time, within ownership category. "a" is $p < 0.01$, "b" is $p < 0.05$, and "c" is $p < 0.10$. Indications in each column are for that year and the one following, except in the 2024 column where they are for 2012 and 2024. "Hospital-Owned" includes physicians in practices owned by hospitals, hospital systems, and health systems. "Other" includes fill-in responses and insurer-owned practices. Prior to 2024, it also includes "wholly owned by a not-for-profit foundation" which was eliminated as an option in 2024.

This shift both informs and is informed by market dynamics we have already touched on, particularly the pervasiveness of new and corporate entrants. As new ownership and strategic priorities come into play through both private equity and large corporate conglomerates (e.g., Amazon, Walmart), physicians have more options when weighing employment v. private practice.

Where this development has been primarily beneficial to the US consumer is in the choice category. As appointments with traditional private practice, or even hospital-based, physicians have become hard to schedule, the growth in corporate- and PE-backed offices has drastically improved choice.

In addition, consumers are creating choice through demand for specialty care, facilitated by the rise in healthcare tech. New businesses have formed to streamline care and navigation, often within broader employer-funded benefits packages. For example, the shift in attitudes toward, and increase in, fertility care has given rise to Progyny and Maven Health. Similar companies exist for diabetes care and weight management (Virta Health), mental health (Spring Health), and even gastrointestinal health (Oshi Health).



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Demand & adoption — what does the future hold?

In this 3-part series, PNC Healthcare has offered perspective on healthcare consumerism and affordability through the rear view, evaluating both the past and the resulting present. These have been characterized by improved choice, convenience, and transparency.

Healthcare costs will likely continue to grow, regardless of regulatory/policy changes, in large part due to consumer demand. Where new models of care, new types of providers, and rapidly improved technology and pharmaceuticals have given consumers a bevy of choices for pursuing their health, they have also introduced the affordability question for future generations. Alongside inflation for everyday needs and wants, healthcare inflation is unsustainable.

Healthcare executives, business leaders, and patients are empowered and beginning to take ownership of these choices at this inflection point. Patients want optionality, as well as transparent pricing and affordable care. As leaders plan for their organizations' futures, it is imperative to consider the following questions:

1. Is this benefit a true choice, or an incidental?

Is this benefit / category that we are contemplating meaningful to employees? Will they broadly choose to use this and other offerings, or are we padding our "total benefits package?" How do we meet consumer preference where it is?

2. Are we providing the right tools to fund care, or are we simply shifting cost from predictable operating expenses to unpredictable lost revenue?

We have discussed the growing popularity of Individual Coverage Health Reimbursement Agreements (ICHRA), now Custom Health Option and Individual Care Expense (CHOICE),¹² as a means of shifting employer-funded healthcare costs to defined-contribution from defined-benefit. Is this expense genuinely going to premiums, or are we reducing costs now only to pay them later in reduced productivity, time off, and the like? Are employees equipped to handle care episodes when they arise? In the current era of deteriorating ACA exchanges (OBBA Act, enhanced subsidy expiration), is there even a robust-enough marketplace for my employees?

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3. Is this program / investment truly lifting the floor on patient care at my organization, or could this money be better utilized elsewhere?

With increased choice comes increased competition for all care providers, amid the multi-year trend in rising costs, the shift to outpatient care, and hospital / health system consolidation. Am I investing in programs that future-proof my organization, or am I putting it on the path to "target" rather than "acquirer?"

4. Which technologies are poised to truly re-imagine healthcare?

Telehealth is here to stay to facilitate access and convenience. What is less clear is whether Garmin, Apple, or Oura (for example) will be more impactful in generating, tracking, and reporting data that changes preventative care forever. Or will health stats of today lose relevance altogether in the GLP-1 Age?

5. Which of trends are temporary, and which are here to stay? Am I forward-looking, or just playing catch-up?

Transformational leaders will separate the consumerism wheat from the chaff, looking through to true changes in preference v. brief changes in behavior. Legacies are built today and will be evidenced by the organizations that survive the current inflection point.

- 1 - US Retail Sales Post First Decline in Nine Months in July ([reuters.com](https://www.reuters.com))
- 2 - CNBC Transcript: U.S. Treasury Secretary Scott Bessent Speaks with CNBC's "Squawk Box" Today ([cnbc.com](https://www.cnbc.com))
- 3 - Average Price: Ground Beef, 100% Beef (Cost per Pound/453.6 Grams) in U.S. City Average (fred.stlouisfed.org)
- 4 - Personal Consumption Expenditures Price Index ([bea.gov](https://www.bea.gov))
- 5 - Companies Plow Tariff Refunds Into Price Cuts, Appealing to Stretched Consumers ([wsj.com](https://www.wsj.com))
- 6 - More US Employers to Drop Weight-loss Drugs in 2027, as Healthcare Costs Increase ([reuters.com](https://www.reuters.com))
- 7 - Survey on Health & Benefit Strategies for 2027 ([mercer.com](https://www.mercer.com))
- 8 - New Data Details How Telehealth Use Varies by Physician Specialty ([ama-assn.org](https://www.ama-assn.org))
- 9 - Why People Are Leaving the Healthcare System ([zs.com](https://www.zs.com))
- 10 - Oura and Counsel Health Partner to Provide AI-Enabled Care Within the Oura App (ouraring.com)
- 11 - Physician Practice Characteristics in 2024: Private Practices Account for Less Than Half of Physicians in Most Specialties ([ama-assn.org](https://www.ama-assn.org))

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