

The Real Future of Work in Healthcare

Why AI alone won't fix healthcare's productivity crisis — and what actually will. Our summary of new research from McKinsey & Company, and what it means for the people we serve.

Healthcare's productivity paradox

Over the past two decades, nearly every service industry — banking, retail, insurance — has become dramatically more productive thanks to technology. Healthcare is the striking exception. According to McKinsey's analysis, productivity in US clinical-care organizations has actually *declined* slightly since 1998, even as the broader services economy improved by more than half. This is despite enormous investment: clinical-care organizations now spend over \$150 billion a year on information technology.

The problem, the authors argue, is that healthcare has been *automating inefficiency rather than eliminating it* — layering new tools onto old, broken workflows. More technology and more people have not produced more care.

-1%

Change in clinical-care productivity since 1998, vs. +56% for other services industries

2×

US health systems employ roughly twice as many administrative staff as physicians and nurses combined

25–50%

Potential productivity gains in shared services through redesigned work and AI enablement

What's different now: AI as a redesign tool, not a gadget

For the first time, AI offers a genuine chance to break the historical link between the number of people employed and the amount of care delivered. But the research is emphatic on one point: the gains do not come from buying more tools or running isolated pilots. They come from **redesigning how work itself is done** — workflows, staffing models, and roles together — with targets of 40 to 50 percent end-to-end improvement in key processes.

Rethinking care delivery

Hiring has grown 2 to 3 percent a year for two decades, adding more than five million clinical roles, yet patient access hasn't meaningfully improved. The constraint isn't headcount — it's the care model. In a redesigned hospital unit, routine documentation and administrative steps are automated or reassigned, virtual nurses support multiple units, and ambient AI handles note-taking. Organizations that make this shift have seen labor cost improvements above 20 percent and, in some systems, first-year nurse turnover falling by more than 60 percent — because clinicians spend more time doing what they trained to do.

The key insight: partial automation creates capacity, but only coordinated redesign of workflows, technology, and staffing changes outcomes.

Fixing the back office

Administrative functions consume 15 to 25 percent of healthcare spending, and up to half of that administrative work can now be automated. The research finds the biggest returns in functions like HR, contact centres, finance, and revenue cycle management, where AI agents can handle routine screening, scheduling, payment posting, and inquiries — freeing people for judgment-heavy, high-touch work. Organizations taking this approach report productivity gains of up to 40 percent in revenue cycle operations alone.

The rise of concierge-like navigation

Perhaps the most important shift for patients: McKinsey describes a future in which fragmented scheduling, billing, referral, and care-coordination systems are replaced by **continuous, concierge-like navigation layers**. Intelligent agents guide patients through administrative, clinical, and financial steps, while skilled humans step in for complex, sensitive, or high-stakes situations. The article even proposes a new integrated role — a "care continuity partner" — who serves as the trusted human relationship across the entire patient journey, empowered by AI rather than replaced by it.

What separates leaders from laggards

The authors close with a warning: the gap between organizations that get this right and those that don't will widen quickly, perhaps irreversibly. Success won't belong to those experimenting with the most AI tools, but to those making bold choices about where AI can reshape the operating model — then executing with speed, discipline, and accountability. Without that, AI won't fix a broken system; it will simply scale existing inefficiencies.

The RCM Health perspective

This research validates the model RCM Health has been building for over 30 years: expert human navigation at the centre of the patient journey, now amplified by intelligent technology. Concierge-like navigation, a trusted human coordinator across every step of care, and AI handling the administrative friction — this is precisely the architecture behind our case management practice and our RCM Connect platform, which pairs secure AI-assisted intake and triage with our team of nurses, nurse practitioners, and case managers connected to 4,000+ specialists worldwide.

The future of work in healthcare is human judgment, elevated by AI. For our members and corporate clients, that future is already here.

Better productivity. Better service. Better outcomes.

Reference: Li Han, Michael Elliott, Pooja Kumar, MD, and Yenli Wong, "The real future of work in healthcare," McKinsey & Company, Healthcare Practice, July 2026. This newsletter is RCM Health's independent summary and commentary; all findings and figures cited are drawn from the McKinsey article.