

# The Business of Health Care: Navigating Change

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## Abstract

**What is the message?** The University of Miami's 15<sup>th</sup> annual Business of Health Care conference focused on changes across the U.S. healthcare system, the changing national political climate, the explosion of artificial intelligence (AI) tools, and the formidable cost and affordability challenges facing payers, providers and patients.

**What is the evidence?** A summary of the panelists' discussion provided by the authors. Panelists were heads of the major healthcare industry associations representing providers, payers, pharma and financial executives.

**Timeline:** Submitted: February 16, 2026; accepted after review February 17, 2026.

**Cite as:** Karoline Mortensen, Steven G. Ullmann, Richard Westlund. 2026. The Business of Health Care: Navigating Change. *Health Management, Policy and Innovation* ([www.HMPI.org](http://www.HMPI.org)), Volume 11, Issue 1.

With the U.S. healthcare system facing a wide range of challenges, "Navigating Change" was the focus of the 15<sup>th</sup> annual Business of Health Care Conference hosted by Miami Herbert Business School of the University of Miami. More than 850 health care professionals, business executives, and students registered for the February 6, 2026 conference, which was held on the

Coral Gables campus and live-streamed globally.

In a wide-ranging panel discussion, eight leaders in key healthcare sectors focused on the changing national political climate, the explosion of artificial intelligence (AI) tools, and the formidable cost and affordability challenges facing payers, providers and patients.

Brian D. Pieninck, president and CEO, GuideWell Mutual Holding Corporation, moderated the panel discussion with Anders Gilberg, SVP, Government Affairs, Medical Group Management Association; C. Ann Jordan, J.D., president and CEO, Healthcare Financial Management Association (HFMA); Lisa Kidder Hrobsky, SVP for advocacy, federal relations, and political affairs, American Hospital Association (AHA); Jennifer Mensik Kennedy, R.N., president, American Nurses Association (ANA); Roger A. Mitchell, Jr., M.D., president, National Medical Association (NMA); Bruce A. Scott, M.D., immediate past president, American Medical Association (AMA); Mike Tuffin, president and CEO, America's Health Insurance Plans (AHIP); and Stephen J. Ubl, president and CEO, Pharmaceutical Research and Manufacturers of America (PhRMA).

Pieninck began the discussion by noting the “incredible need and incredible opportunity” to build a common sense of purpose in the \$5.3 trillion healthcare industry. “We are spending the most on both an aggregate and per-capita basis, but we are not the healthiest nation in the world,” he said, adding that demand for care will continue to grow due to the nation's aging population. “We need to find ways to create efficiencies, such as the introduction of AI.”

## **Advancing AI**

Because the business of healthcare begins with human interactions, Pieninck asked Kennedy how frontline nurses and clinicians feel about AI. “People are excited and wary,” she said. “We have seen a lot of technology come to nurses without their involvement, so we need to have nurses and clinicians helping to design these tools,” she said. For instance, nurses are working with Columbia University on having an AI model read nursing documentation for key trends in a patient's health.

Physicians are also excited and scared about AI, according to the AMA's Scott, who called it “augmented intelligence” to emphasize the human component. “Electronic medical record (EMR) systems were developed without physician input, so this time we need to be sure it works

in our environment,” he added. “The AMA has a new center for digital health, and we need to get AI right so it doesn’t become a problem.”

The insurance sector is optimistic about AI’s ability to boost productivity, said Tuffin, AHIP’s president. “We see AI as the opportunity to slay the administrative dragon,” he said. “So much of our healthcare system runs on manual processes or systems that don’t talk to each other, adding cost and complexity. Let’s ban the fax machines and connect to an AI-driven system.”

From a pharmaceutical perspective, AI is “super exciting” because it can reduce the risks associated with drug development, and accelerate companies’ ability to bring new therapies to market, said Ubl, PhRMA’s president. “We will have more and better medicines that are more affordable, managing chronic health risks, and keeping patients out of the hospital systems.”

## **AI challenges**

For the healthcare industry to unleash the power of AI, a number of challenges must be addressed, said several panelists. “AI can be a wonderful enabler, but we still need to resolve fundamental technology issues, such as transmitting clinical information from one practice to another,” said Gilberg with the Medical Group Management Association. He added that AI is now embedded in basic business functions, such as phone and video applications, but more standards are needed to address higher-level healthcare functions.

Mitchell, president of the National Medical Association, which represents Black physicians, added that AI tools are only as good as their training on large learning modules (LLMs). If the underlying data or the training process don’t reflect the nation’s varied demographic communities, then the results will be biased or “monolithic” rather than personalized to individual patients. As an example, he cited the “old trope” about Black-White racial differences in kidney functions due to faulty assumptions about muscle mass and creatinine production. He also commented that AI tools must be equitably distributed across all communities in the U.S.

Kidder Hrobsky with the AHA agreed about the importance of a level playing field in AI deployments, noting that many small and rural hospitals lack the financial resources or expertise to implement these new tools. “Currently, hospitals are paying more for labor, while being underpaid by the federal government,” she said. “They are simply trying to stay afloat.”

Defining and measuring the quality of care is another challenging AI issue, said Scott. He noted that the AMA's specialist societies are working on potential solutions, and that the insurance industry favors better metrics for quality care. However, the American "culture of freedom" means that, while the medical profession may be working to attain improved health outcomes, individuals still smoke, turn down vaccines, and ride motorcycles without helmets, increasing their personal health risks.

Asked about the challenges that AI can't solve, Jordan with the HFMA cited the revenue cycle for providers, noting the fragmented nature of the healthcare system. On a different note, the AHA's Kidder Hrobsky said AI won't change ingrained patient behavior, adding, "Some people will still go to the emergency room, regardless of what AI says."

People need to be able to override AI output, making clinical judgments, said Kennedy. She added it would be a mistake to replace nurses with AI tools, simply to save labor costs. "Far better for AI to allow nurses to spend more time with patients and families, building that human connection," she said.

Technology investments in health care are driven by the profit motive, so money to fund AI tools will need to come from somewhere in the system, said Scott. Following up on that comment, Tuffin, with AHIP, said there is potential to divert some resources now going to chronic disease care "downstream" to improve the social determinants of health, such as nutrition, fitness, and environmental conditions.

Currently, there is no tracking of the different forces in the healthcare system, said Jordan, the HFMA president. Even with technology advances, it is difficult to understand the variables that affect costs and outcomes. "Applying AI to the old system won't do us any favors," she said. "Rather than apply new tools to old problems, we need to build something better."

Along the same lines, Kennedy added, "We are tinkering on the edges of the system. I think the tech companies may create a different system that gives consumers what they want, while we are still figuring things out."

## Cost concerns

Lowering healthcare inflation is a massive financial challenge, said Pieninck, who emphasized the importance of collaboration in finding solutions. One opportunity would be moving away from fee-for-service models and aligning financial incentives around patient outcomes, said several panelists. However, that would require a large-scale systemic change.

The HFMA's Gilberg noted that many vendors in the private sector exist only because of inefficiencies in the system and constitute a significant part of the industry. Hospitals are institutions that play essential roles in their communities as employers and providers of acute and emergency services, said Kidder Hrobsky. In the ongoing transition to outpatient care, ways need to be found to keep these hospitals financially solvent.

Pharmacy costs average about 14 percent of the health care dollar, according to Ubl. But generic medications and low copays typically reduce prices for consumers. "We get 90 percent of the political debate, but are still a modest part of the system, and the only segment where prices go down," he said.

While there is no greater return on investment than preventive care, it is consistently the most underfunded segment of the industry, added Scott, the AMA's past-president.

Several panelists said that reducing the administrative burden for providers can lead to cost savings. Tuffin estimated that about 25 percent of the \$5.3 trillion overall cost is wasteful or harmful. He cited the time-consuming system of obtaining prior authorization from insurers for a patient's treatment or prescription medication. While patient safeguards are needed, the process should be faster and simpler. One step forward would be to use consistent terminology and approval-rejection decisions, added Jordan. "We need to look at incremental changes to prior authorization and see what we can learn from other industries, such as financial services, to get out of the way of consumers."

## Price transparency

Price transparency is a worthy goal, but difficult to achieve because of the many providers who deliver patient care, including hospitals, physicians, therapists, and ancillary services. "It's

difficult for patients to understand their copays and responsibilities, and I don't think anyone makes choices solely on cost alone," said Kennedy.

Mitchell, the president of the NMA, added that variability in hospital costs and reimbursement sources is a big issue affecting patient bills. However, Tuffin noted that insurers often provide cost comparison tools for consumers as prices for services, such as imaging, can vary greatly in the same community.

Price transparency is also an issue for providers, and other participants. For instance, Ubl noted that inefficiencies in the pharma supply chain can lead to wide variations in consumer pricing. He said the industry is launching a consumer platform similar to the TrumpRX site, which contains pricing information for certain drugs.

## **Incentivizing patients**

One key to reducing costs and improving outcomes would be to provide more incentives for patients to improve their own health. Mitchell called for the states to use incoming federal dollars to prioritize an "upstream" approach to care by helping individuals address the social determinants of health, while Kennedy said shifting more nurses from hospitals into primary care clinics could help individuals and families enhance their personal health.

However, the AMA's Scott cited the increased flow of misinformation on vaccines and other kinds of preventive care as a public health challenge. Mitchell agreed, noting that many Americans are distrustful or fearful of seeing a doctor. "We need to address that issue on a personal level, and teach those interactions in medical and nursing schools," he added. "The journey to health is a partnership between the physician and patient."

## **One Big Bill**

The panelists had different perspectives on the One, Big, Beautiful Bill Act signed by President Trump on July 4, 2025. Nearly all the panelists noted its deep impact on the Medicaid population, such as increased work requirements, as well as the expiration of the enhanced premium tax credits for Affordable Care Act subsidies that made it affordable for many individuals to purchase health insurance.

While work requirements are popular politically, many Medicaid recipients are already working, said Scott. It would be a better policy to help individuals from falling through the administrative cracks in the program. Tuffin agreed, adding that the insurance industry would be working on the state level to help recipients maintain their coverage.

Both Jordan and Kidder Hrobsky said the Act will make it more difficult for rural hospitals to survive the expected loss of reimbursements, while other panelists pointed to restrictions on educational loans that could lead to fewer nurses, therapists and physicians in the future.

Several panelists pointed to the need to educate policymakers in Washington and state capitols about how the healthcare industry works. “Civic engagement is so important,” said Mitchell. “As a forensic pathologist, I see failed policies every day on the autopsy table.”

## **The next pandemic?**

While government and industry stakeholders worked intensively together to develop effective COVID vaccines in 2020, a repeat of that collaboration in the face of a future pandemic is unlikely, according to participants. Trust in science and medical professionals has been eroded, and the federal government is questioning the value of current vaccines.

“We have left the World Health Organization, so global surveillance has been lost,” said Mitchell. “And we are facing other epidemics right now, like adolescent homicides, maternal deaths, and breast and prostate cancer. We are going down a path that will lead to more disease and deaths in the future.”

## **Reasons for hope**

Despite the many challenges facing the industry, the panelists offered several reasons for hope. “We are entering the golden years of medicine with new curative therapies as long as we continue to nurture and invest in our ecosystem,” said Ubl, the PhRMA president.

While nothing will replace the healing touch of a doctor or nurse, AI will offer caregivers more tools to help their patients, added Scott. “We need to reach out and personally engage with others in our communities to solve these issues.”

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