

The AI infrastructure advantage: Build it and consumers will come



DAVID W. JOHNSON
david.johnson
@4sightthehealth.com

As a Peace Corps volunteer in Liberia, West Africa, I witnessed the transformative power of connecting isolated rain-forest villages to road networks. Suddenly, never-before-seen goods and services appeared. Villagers could travel for education, work and pleasure. A road's arrival was both exciting and disruptive. New opportunities emerged as old ways disappeared.

Based on its traditional structures, U.S. healthcare today resembles those remote, pre-road African villages. And an AI-powered digital road is barreling toward its legacy organizations, opening the way for self-actualizing intelligence platforms that will disrupt and transform their clinical and business operations.

To prepare, enlightened healthcare companies are building the digital infrastructure now to gain the connectivity needed for success in the industry's value-creating and consumer-centric future. They will increase their market presence and relevance. To understand how quickly digital technologies can drive this kind of transformation, let's play a hand at the sports betting table.

ALL BETS ONLINE

Healthcare has lagged other industries in technology adoption. Its highly regulated operations and convoluted pricing mechanisms stifle innovation, which explains the industry's excessive costs and poor outcomes and why service providers routinely disappoint their end-users (i.e., patients, customers, consumers).

An advantage (if you want to call it that) of being a technological laggard is that healthcare can learn from other industries how to jump the digital chasm. Insights can come from unexpected places, even those far removed from healthcare. An example is the rapid emergence and growth of the sports-betting industry.

FanDuel and DraftKings dominate this industry. As of January 2025, their combined market share was approaching 80%.^a The two upstart companies have outcompeted more established gaming and media giants to become market leaders. Their success testifies to the importance of early investing in digital technologies.

THE RISE OF THE SPORTS-BETTING GIANTS

FanDuel and DraftKings emerged in 2009 and 2011, respectively, as New Jersey passed laws that challenged the legality of the Professional and Amateur Sports Protection Act (PASPA). Congress had passed PASPA in October 1992 to limit sports betting outside the state of Nevada. Hoping sports betting would become legal nationwide, both companies developed digital intelligence platforms to support daily fantasy sports leagues that circumnavigated PASPA's betting prohibitions.

Their approach paid off. In a surprising May 2018 ruling, the Supreme Court overturned PASPA and created a path for states to legalize sports betting. A race to monetize ensued. FanDuel and DraftKings were ready.

Their digital infrastructure mattered. By 2018, FanDuel and DraftKings already had customer databases, payment processing systems, analytics platforms and personalized apps. With this digital infrastructure in place, both companies launched New Jersey sports books and bookmaking operations within months.

Since 2018, 38 states and the District of Columbia have legalized sports betting. Now collectively valued at over \$45 billion, FanDuel

^a Saba, J., "US sports-betting duo's growth wager is paying off," *Reuters*, Jan. 23, 2025.

and DraftKings launch expansive operations in new jurisdictions as they come to market. Meanwhile, big-name gaming and sports media companies, including MGM and ESPN, needed time to develop their digital infrastructure. They have never caught up.

HEALTHCARE'S DIGITAL INFRASTRUCTURE OPPORTUNITY

Unlike sports betting, the obstacles to engaging consumers in healthcare are institutional, not legal. That institutional resistance is crumbling. With CMS's push to achieve full health data interoperability this year, healthcare could see consumer-first business models emerge as expansively and dramatically as sports betting did after the Supreme Court's 2018 decision.

Who will become healthcare's pro-consumer market leaders? Which companies will marry data interoperability with AI-driven analytics to transform healthcare delivery? Here's the answer: companies that invest expansively in digital AI infrastructure.

In a column last year, I argued that health systems should embrace consumerism as a growth strategy.^b Since then, AI-driven platforms like Anthropic's Claude and Open AI's ChatGPT have gone from grade-school to grad-school level capabilities. Even scarier for health systems, these intelligence platforms are getting smarter and becoming increasingly autonomous.

Here's the good news. The evolution of AI platforms makes it much easier for health systems to build digital infrastructure. These platforms now have an organic, almost biological character. They can orient their source code (unified data, algorithms, applications) to create a panoply of environmentally driven outputs.

In nature, genomes rewire DNA to give birds wings to fly. In data science, intelligent platforms create applications to optimize business operations. Only imagination limits their impact.

b. Johnson, D.W., "Consumerism introduces itself to U.S. healthcare," *hfm*, February-March 2025.

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In healthcare, algorithms can deliver clarity to discharge planning, efficiency to claims adjudication, innovation to preventive care and sanity to clinical documentation. Indeed, there is an emerging singularity to platform intelligence that will negate the need for isolated point solutions.

In my earlier column, I profiled Baylor Scott & White's and AdventHealth's consumerism-first operating models. Their digital infrastructure investments have generated enormous returns. Collectively, the companies have added millions of new customers to their networks through custom-built, digital apps. As it happens, these two health systems are achieving what may be the highest profit margins among all nonprofit health systems, at 10.7% and 10.3%, respectively.^c

Is that a coincidence? No, it's a growth strategy. Healthcare's future belongs to organizations that invest in AI infrastructure to reap the benefits of consumer-first business practices.

Are there any healthcare leaders who want to bet me and their organizations' futures that this prediction is wrong? ■

c. Cass, A., "Baylor Scott & White Health posts 10.7% operating margin in H1," *Becker's Hospital Review*, Feb. 20, 2026; and Cass, A., "AdventHealth posts 10.3% operating margin in Q3," *Becker's Hospital Review*, Dec. 1, 2025.

About the author

David W. Johnson is CEO of 4sight Health, Chicago, and a former member of HFMA's National Board of Directors.