

The Identity Advantage: Accelerating Growth and Integration in Healthcare Technology to Enable Scalable AI

How modern identity foundations accelerate product innovation, simplify acquisitions, and enable trusted data across healthcare technology platforms



Executive Summary

Healthcare technology leaders know this scenario all too well: your organization launches a new product or initiative with a clear roadmap, strong executive backing, and the necessary data already in place, expecting rapid progress and observable impact. Initial momentum builds, teams align around delivery, and the path forward appears clear. Yet progress stalls as identity records fail to align, provider data conflicts, and teams spend months resolving identity instead of delivering value.

Most healthcare technology organizations already recognize identity as critical and have invested in solutions. Yet performance remains a challenge because many existing approaches were built for a different era and cannot keep pace with modern scale.

This creates a growing integration gap that slows innovation.

With each new initiative introducing additional identity complexity, delivery can slow, coordination becomes more difficult, and information usability declines. These disruptions could translate into millions of dollars in avoidable integration costs and delayed outcomes across the enterprise.

Identity has therefore become foundational infrastructure for advancement and enterprise expansion. Organizations that modernize identity create unified, continuously enriched views that enable more efficient operations and reliable information activation. This also serves as the prerequisite for artificial intelligence (AI)—more specifically, scaling generative AI, which creates new content and insights, and agentic AI, which performs tasks and decisions on behalf of the enterprise.



Key Takeaways:

The Cost of Fragmented Identity

Healthcare organizations are already paying for identity fragmentation, and the cost is both quantifiable and escalating.

- **Fragmentation delays execution:**
Fragmented identity prevents reliable data from being unified and activated enterprise-wide, limiting how fast organizations can integrate, launch, and scale.
- **AI investment is at risk because identity breaks data readiness:**
85% of healthcare leaders are deploying generative AI,¹ yet 60% of projects will fail due to poor data readiness.²
- **Identity fragmentation blocks enterprise connectivity:**
62% of organizations cannot harmonize data,³ and only 43% of U.S. hospitals achieve broad interoperability.⁴
- **Fragmented identity erodes operational and financial value:**
Data silos contribute to an estimated \$3.1 trillion in lost revenue and productivity annually,⁵ while 81% of organizations report that they limit digital transformation efforts.³
- **Identity drives integration at scale:**
As organizations accelerate AI adoption, 96% of IT leaders agree that success depends on seamless data integration across systems and platforms, yet fragmented architectures continue to limit how data is connected and used across the enterprise.⁶
- **Solving identity strengthens enterprise data integration:**
By enabling consistent data across systems, applications, and platforms, organizations improve how data is unified, transformed, and operationalized across the enterprise. Those with strong data integration capabilities achieve 10.3x ROI compared to 3.7x for fragmented data environments.⁷

The Hidden Constraint on Healthcare Innovation

Healthcare technology companies are advancing rapidly as AI analytics expand, virtual care continues to scale, and mergers, acquisitions, and partnerships accelerate growth across increasingly intricate ecosystems. In this landscape, speed and coordination between platforms determine competitive advantage.

Throughout the industry, this acceleration is significant, with McKinsey noting that **85% of healthcare leaders are already exploring or deploying generative AI capabilities.**¹ This level of adoption reflects a fundamental shift in how quickly organizations are expected to build, launch, and scale new solutions.

As this momentum builds, a hidden constraint begins to surface: legacy identity solutions. Once the foundation of connected identity records, they cannot keep up with the speed and scale of modern healthcare. Legacy identity solutions were built for contained environments, assuming fewer variables, stable data models, and slower rates of change. For healthcare companies, this often meant Master Patient Indexes (MPIs) or Enterprise MPIs (EMPIs)

that relied on deterministic or rule-based matching and required manual stewardship. But in modern enterprises, identity records exist not only in electronic health records (EHRs), but in customer relationship management (CRM) solutions, cloud platforms, digital frontdoors, marketing tools, and more. As a result, identity fragmentation compounds across systems and products. In fact, only **43% of U.S. hospitals are routinely interoperable across key domains of data exchange**, underscoring how difficult it remains to connect identity and data at scale.⁴

Organizations must manage multiple data sources and identity models, increasing execution complexity as product launches are delayed and implementation timelines extend.

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The New Growth Model for Healthcare Technology

Growth now depends on how quickly organizations can integrate and activate data. To operate in this model, companies must coordinate across **connected ecosystems**. Coordination becomes a key challenge.

The breakdown appears first in operations. Identity fragmentation disrupts information flow, degrades insights, and fragments interactions. **According to Salesforce, 81% of organizations say data silos are limiting digital transformation efforts.**³ At enterprise scale, this drives systemic inefficiency, as siloed data requires manual consolidation, reduces visibility across systems, and contributes to an **estimated \$3.1 trillion in lost revenue and productivity annually.**⁵

The impact also extends into data quality, where **64% of organizations cite it as their top challenge and 77% rate it as average or worse.**⁷ As reliability declines, analytics, AI, and operational decisions degrade.

The consequences are commercial. Patients behave as consumers, comparing experiences between providers and switching quickly after poor interactions. **Roughly 20% switch providers annually, with nearly 90% citing difficulty doing business as the primary reason.**⁸

Fragmentation surfaces in the experience itself, where duplicate records drive repeated intake and disconnected systems disrupt care journeys, eroding trust and increasing churn.

Organizations are redefining identity beyond a system-level function because growth now depends on execution that reaches multiple environments at once.

In a market where experience drives differentiation, identity disconnection limits revenue capture and expansion velocity, preventing full return on digital and AI investments.

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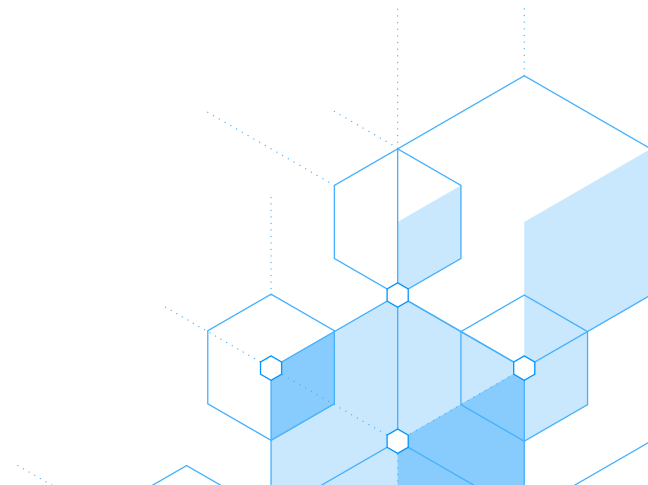
Identity as a Strategic Enterprise Capability

New opportunities have emerged as healthcare technology teams build on this growth model.

While organizations that continue to treat identity as a technical layer remain constrained, those that elevate it to a strategic priority begin to unlock speed, integration, and scale. This changes how value is created across digital platforms, AI services, and multi-product ecosystems.

Organizations that operationalize identity effectively remove a core barrier to enterprise data integration across systems, platforms, and environments. **This matters because organizations with strong data integration capabilities achieve 10.3x ROI compared to 3.7x for those with fragmented integration.**⁷

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Three Ways Identity Accelerates Growth and Integration

Identity is the inflection point where growth strategies either execute or stall. Once identity is established as a core capability, its impact becomes visible in how organizations build, integrate, and activate in three primary ways.

1. Accelerating Product Innovation

New products require integration between clinical, operational, and consumer data sources. Without a unified identity layer, teams often need to rebuild identity logic for each initiative.

Outcome: A unified identity layer resolves identity once and enables reuse throughout initiatives, accelerating development and improving data activation.

2. Simplifying Mergers & Acquisitions (M&A) Integration

M&A activity introduces new systems, identity models, and data structures as organizations combine or one company acquires another to enhance growth, market share, or efficiency. This results in duplicate identities and conflicting identifiers. With nearly half of organizations prioritizing M&A as a growth strategy, many still enter deals without the ability to confidently assess data quality, system compatibility, or regulatory risk.⁹

A modern identity foundation resolves duplicate identities between systems by continuously matching and linking records at scale, even when data is incomplete, inconsistent, or distributed over newly acquired environments. It identifies overlapping patients, providers, and organizations, reconciles conflicting identifiers, and establishes a persistent identity that follows each entity through various systems. This reduces the need for manual reconciliation, ensures continuity of care, and empowers teams with the confidence that they are operating on a single, unified view rather than fragmented records.

Outcome: Organizations reduce manual reconciliation, eliminate duplicate records, maintain continuity of care, compress integration timelines, and accelerate value realization.

3. Enabling Enterprise Data Activation

Enterprise information strategies depend on consistent identity across domains. When identity is fragmented, analytics become unreliable, AI datasets degrade, and experiences become inconsistent, limiting the ability to operationalize data effectively.

A trusted identity foundation ensures consistency across datasets, improves analytics accuracy, and enables AI models to perform reliably.

Outcome: Business outcomes become measurable and scalable, and identity becomes the prerequisite for generative and agentic AI at enterprise scale.

Identity as the Foundation for AI and Data Innovation

As organizations operationalize identity as a core capability, its impact becomes most visible in AI and analytics, where investments are accelerating but execution remains stunted by underlying data conditions. This is especially true for generative AI, which depends on complete and consistent context to produce accurate outputs, and agentic AI, which must take action throughout systems based on that same context.

When identity is fragmented, generative AI produces inconsistent or incomplete results, and agentic AI cannot reliably execute multi-platform decisions. At scale, both fail to operate as intended. This aligns with broader evidence that **62% of organizations are not equipped to harmonize data systems to fully leverage AI.**³

Additionally, **60% of AI projects will be abandoned due to lack of AI-ready data as surveyed by Gartner,**² while **96% of IT leaders agree that AI success depends on seamless data integration across systems and platforms.**⁶ These failures occur where fragmented identity prevents data from being consistently connected, limiting the ability of AI to operate across workflows and systems.

A trusted identity layer provides the consistent framework required for generative AI to produce accurate outputs and for agentic AI to act on them with confidence.

The bottom line: Fix identity to scale AI reliably.



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What a Modern Identity Foundation Requires

Master Data Management (MDM) extends and modernizes what legacy MPIs and EMPIs were originally designed to do by creating a unified, trusted view of people and organizations across fragmented systems. What defines a next-generation MDM—and where Verato stands apart—is its ability to deliver identity intelligence, not just manage data:



Verato Referential Matching® for unmatched accuracy:

Verato uses a patented approach to referential matching to resolve identities with industry-leading accuracy at scale, without the manual tuning required by traditional systems.



Purpose-built for healthcare complexity:

Designed to model real-world healthcare relationships and workflows, supporting interoperability, compliance, and enterprise-scale identity across the care continuum.



Native enrichment and complete 360° identity:

Continuously augments and connects data to create a more complete, trusted view of individuals, providers, and their relationships across systems.



AI-powered automation and governance:

Reduces manual effort and improves data quality through automated matching, stewardship, and continuous identity optimization.

This is where **Verato MDM Cloud™** becomes essential—delivering persistent, trusted identity intelligence that powers better decisions, experiences, and outcomes across the enterprise.



The Verdict: Identity Determines the Speed of Innovation

Healthcare technology leaders are not lacking investment or ambition. What continues to slow progress is the inability to consistently connect identity across systems, products, and environments, creating a persistent integration gap that delays execution, limits scalability, and erodes the value of data and AI initiatives. As organizations expand, this fragmentation compounds, making it harder to unify data, maintain interoperability, and operationalize AI with confidence.

Identity is now foundational infrastructure. Organizations that establish a unified, continuously maintained identity layer accelerate integration and enable reliable data activation at scale. **Verato MDM Cloud™ provides this foundation**, eliminating fragmentation and connecting identity across the enterprise. **Organizations that act now will move faster, integrate more effectively, and capture the full value of their AI investments.**



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Verato®, the identity intelligence company, solves the problem that drives everything else—Knowing Who Is Who™. Proven in healthcare. Trusted everywhere.

Verato MDM Cloud™ delivers unprecedented identity intelligence by combining industry-leading identity accuracy with enterprise-wide data mastering to unify, enrich, and manage identities across systems of insight, engagement, and record —unlocking more accurate, actionable data insights.

With complete, accurate, and trusted identity intelligence, Verato improves business results by powering exceptional consumer experiences and patient outcomes, fueling business growth, accelerating AI readiness, boosting productivity, and reducing costs across every business process that consumes identity. For more information, visit verato.com.