



Integrated delivery networks and the next phase of healthcare



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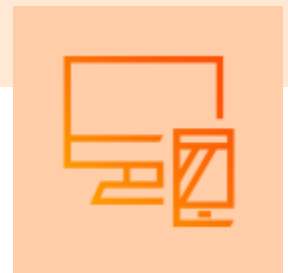
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What is happening in the Middle East?

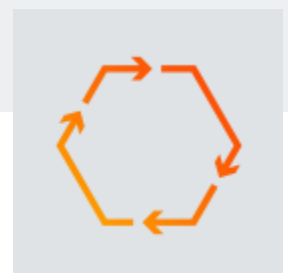
Healthcare in the Middle East is entering a new phase of competition – one defined less by the number of assets providers own and more by how those assets work together. For decades, care delivery was shaped by fragmented hospitals, clinics and pharmacies operating independently and competing for patients, clinicians and capital. While this model helped expand healthcare capacity, it often resulted in limited coordination and a fragmented patient experience across the care journey.

With rising demand and intensifying cost pressure, fragmentation is becoming harder to sustain. Competitive advantage now depends on how well providers connect hospitals, clinics, laboratories, pharmacies, insurers and digital services so patients can move through the system more easily and providers can manage care more effectively across the network. In practice, that means not just adding assets, but improving referral flows, coordination, data-sharing and accountability across the care pathway.



The shift is already visible. In the UAE, for example, a leading healthcare provider brings together public hospitals, clinics and a national insurer within one of the region's largest healthcare platforms, managing more than 25 hospitals and over 100 clinics and diagnostic centres.¹ This reflects the move towards larger and more coordinated healthcare groups, although owning a broad portfolio of assets does not automatically mean they are fully integrated in practice.

For healthcare operators, the strategic question is, therefore, how to connect care, manage patient flow and improve performance across the network. Not every multi-asset healthcare group is an integrated delivery network. Integration requires shared systems, deliberate referral flows, clear accountability and management disciplines that allow the network to operate as one organisation.



Market forces reshaping care delivery

Four factors are pushing operators to link care more closely across their businesses.

Scale still matters, but only when assets are connected

In Saudi Arabia, as major operators continue to expand,² it is raising the competitive pressure on smaller providers. Without scale, it becomes harder to compete on procurement, clinician attraction, insurer negotiations and digital investment. But scale alone is not enough. It creates greater value when hospitals, clinics, pharmacies, diagnostics and digital channels are connected as part of an integrated delivery network. This can improve buying power, retain more referrals in-house, lower operating costs, reduce duplication and support better utilisation across the system.



Patients expect more joined-up care

Patients increasingly expect seamless, end-to-end experiences rather than having to navigate disconnected providers. A leading retail pharmacy chain in Saudi Arabia has evolved into a broader primary care platform reflects this shift towards more accessible and more integrated care models. Supported by a growing network of polyclinics, the organisation has increased visits by 120%, reaching around 1.4 million annually.³

Integrated care models are better aligned with what patients increasingly value – care that is easier to access, easier to navigate and more consistent across settings. That does not guarantee better outcomes on its own, but it can improve continuity, convenience and the overall patient experience.

Healthcare reform is pushing systems to organise care more coherently

Saudi Arabia's Health Sector Transformation Program is consolidating public services into 20 regional clusters structured as accountable care organisations, each responsible for defined populations and measurable outcomes. In the UAE, Abu Dhabi's Primary Healthcare Model places greater emphasis on a family doctor-led approach with coordinated referral pathways to improve continuity and integration of care⁴ moving the system away from isolated episodes of care towards more connected models of delivery.



Investors are showing more interest in scaled healthcare platforms

In capital markets, investors are showing a stronger interest in healthcare platforms with scale, integration potential and clearer routes to operational value. One regional healthcare provider's US\$1bn initial public offering illustrates investor appetite for larger healthcare platforms, particularly where operators can show how their assets work together to improve utilisation, retain patient flows and support more resilient performance.⁵



How operators are responding

Across the region, operators are pursuing three common strategies to build scale and strengthen network performance, although not all of them amount to true integration.

Linking services more closely

For many operators, the first step is to connect adjacent services more deliberately across the care pathway. Bringing together hospitals, clinics, laboratories and pharmacies can reduce duplication, improve procurement efficiency and strengthen referral capture across the network. This is often the simplest place to start, because it links services that already sit close together in the patient journey. The real test is whether those assets share systems, support effective referrals and operate with common management disciplines.



Expanding scale across markets

Operators are also expanding across borders to reduce reliance on one market and strengthen their position with suppliers and partners. A Dubai-listed investment company focused on healthcare has built a cross-GCC healthcare platform through acquisitions in Saudi Arabia and the UAE, including rehabilitation and long-term care assets. Geographic expansion can broaden access to demand, extend clinical capabilities and increase resilience across markets. But expansion only creates value when the business operates as an integrated network rather than a collection of standalone assets. Regional presence alone should not be mistaken for true integration.



Broadening the healthcare platform

Some groups are also expanding into related parts of healthcare, so they are less reliant on one line of business. This can support growth, diversify earnings and strengthen strategic positioning across the wider healthcare landscape. But diversification should not be confused with integration. Acquiring assets may broaden a platform, but it does not automatically create a functioning network. That only happens if the different parts of the business share systems, work to common goals and are managed as one organisation.



What matters in practice

As integrated care models become more common across the region, scale will create value only when operators translate it into better coordination, stronger patient flow and more consistent performance. Owning more hospitals, clinics, laboratories or pharmacies is not enough. Those assets need to be connected by shared systems, clear accountability and management disciplines that allow the network to operate as one organisation.



Four priorities stand out:

01

Build around strong anchor assets

Integration works best when it starts from a strong core, such as a leading hospital group, clinic network or diagnostics platform. Anchor assets provide the patient volumes, clinical reputation and operational foundation needed to connect broader services across the network. Without that centre of gravity, integration can become fragmented and difficult to manage.



02

Use shared systems to connect the network

Owning multiple assets is not enough on its own. The network also needs shared systems, data and processes. That includes interoperable records, more coordinated scheduling, clearer referral pathways and better visibility across the patient journey. The integrated digital network of a UAE-based healthcare provider, connecting more than 100 facilities nationwide, shows how shared systems can improve coordination and make better use of capacity across a healthcare.⁶



03

Manage the network actively

Integrated healthcare networks require more than financial oversight. They need clear accountability structures and active operational management and coordinated decision making. This includes referral routing, clinical coordination, service line development and resource allocation across the network.

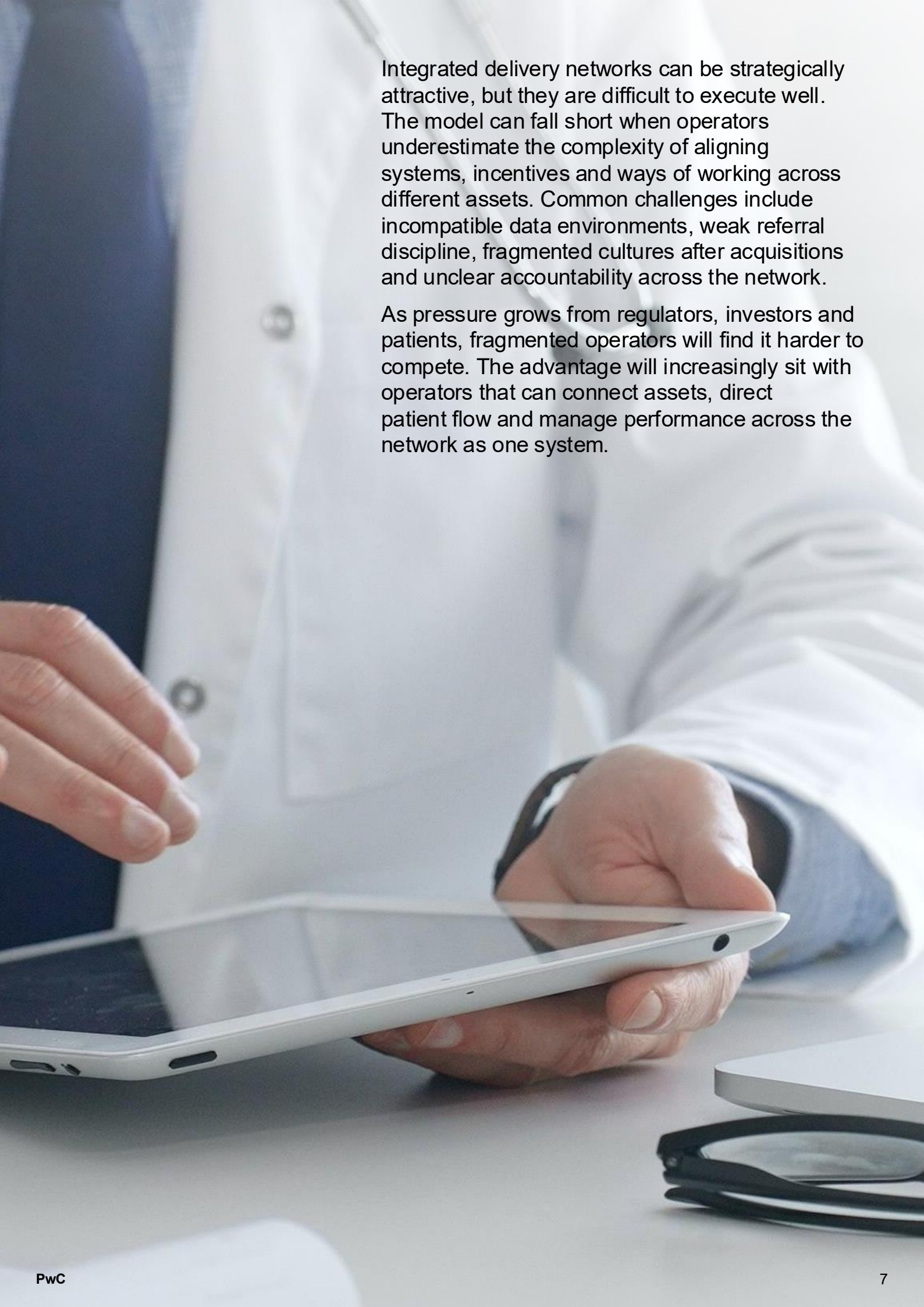


04

Use partnerships to extend capabilities

Partnerships can help integrated networks extend their clinical, digital and innovation capabilities beyond what internal investment can achieve alone. Governments, pharmaceutical innovators and technology providers can bring specialist expertise, access and technology that strengthen the delivery model. The priority is to ensure partnerships support the network's core care pathways, rather than adding complexity around the edges.



A person wearing a white lab coat and a dark tie is holding a white tablet computer. The person's hands are visible, and the tablet is held horizontally. The background is a blurred office or clinical setting. The text is overlaid on the right side of the image.

Integrated delivery networks can be strategically attractive, but they are difficult to execute well. The model can fall short when operators underestimate the complexity of aligning systems, incentives and ways of working across different assets. Common challenges include incompatible data environments, weak referral discipline, fragmented cultures after acquisitions and unclear accountability across the network.

As pressure grows from regulators, investors and patients, fragmented operators will find it harder to compete. The advantage will increasingly sit with operators that can connect assets, direct patient flow and manage performance across the network as one system.

References:

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² <https://argaamplus.s3.amazonaws.com/7e493c3b-baa9-412d-95e8-159140e216ac.pdf>

³ <https://investors.nahdi.sa/wp-content/uploads/2025/03/Nahdi-Annual-Report-English-2024-compressed-sm.pdf>

⁴ <https://www.doh.gov.ae/en/programs-initiatives/Primary-Care>

⁵ <https://www.thenationalnews.com/business/markets/2023/12/12/pure-health-ipo-company-raises-986m-in-oversubscribed-offering/>

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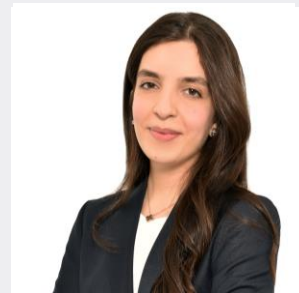
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