

# 2025 Finance and Budgeting Survey

Analysis of Findings – October 2025

## Survey Overview and Table of Contents

In Summer 2025 (a week after the One Big Beautiful Bill Act was signed), the Executive Insights Hub surveyed senior finance leaders at large U.S. health systems regarding the budget and investment strategies at their organizations.

This report captures insights on investment priorities, evolving care models, and long-term sustainability from 40 CFOs and VPFs across systems with over \$750M in total annual revenue.

The following sections contain key trends and insights from the survey:

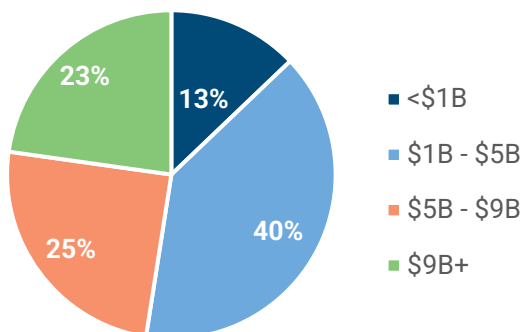
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## Survey Demographics Snapshot

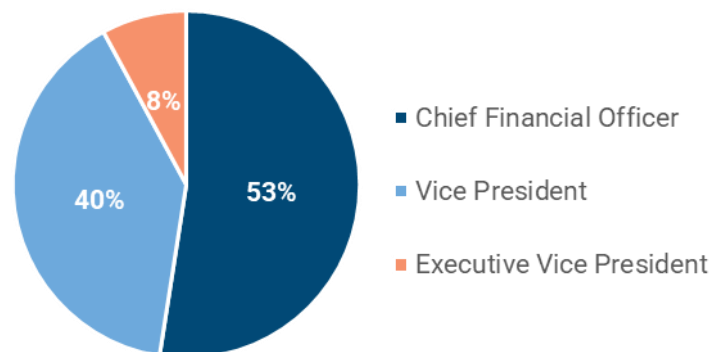
**System Size in Net Patient Revenue:** 40% \$1B-\$5B | 25% \$5B-\$9B | 23% \$9B+ | 13% <\$1B

**Executive Roles:** 53% CFOs | 40% Finance Vice Presidents | 8% Executive Finance Vice Presidents

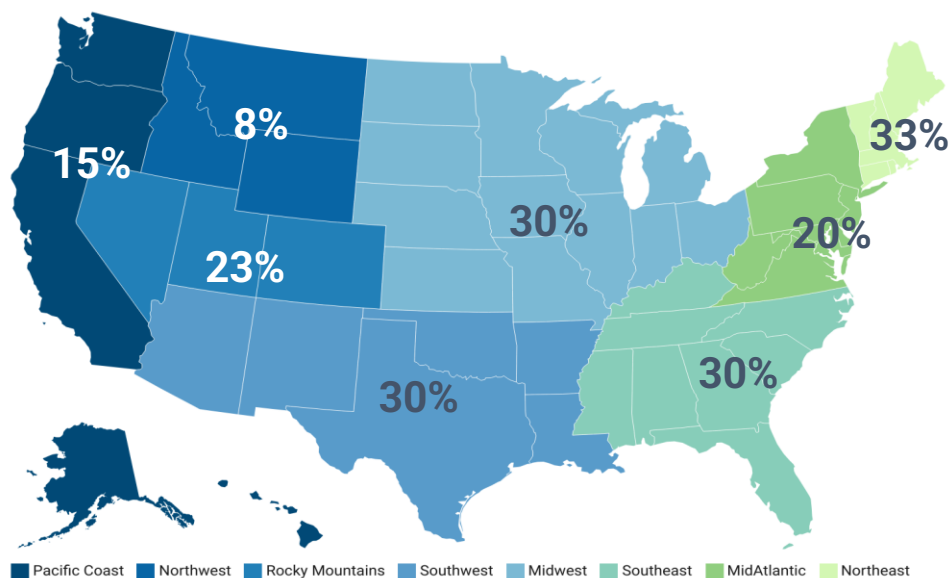
Health System Size (Net Patient Revenue)



Participants by Title



The survey data reflects input from health systems operating across **8 regions**, with the Northeast (33%), Southeast (30%), Midwest (30%), and Southwest (30%) regions well-represented.<sup>1</sup>



1. Regional totals exceed 100% because some systems operate in multiple regions and selected more than one.

## Executive Summary

This survey captures how health system finance leaders are navigating economic and policy volatility, including where budgets are tightening, investments are shifting, and the financial strategies they are prioritizing for 2025 and 2026.

### Key Insights

**01 Finance leaders' budgets tighten – even as they stay surprisingly optimistic about the economy.** Most anticipate only a mild recession (38%) or slow (30%) to moderate (28%) growth, yet cash and spending are constrained: Nearly half report fewer than 150 days cash on hand<sup>1</sup>, and 43% expect operating budgets to shrink (vs. 0% in prior years).

Federal policy risks may tighten the squeeze. Leaders rank Medicaid reform and 340B program changes as most impactful to finances, and most are only “just beginning” or “somewhat prepared” for reform.



*Industry implication:* Health systems will have less flexible budgets in the coming months. Expect tighter financial guardrails that slow decision-making and limit discretionary spend.

**02 Limited dollars are tilting to AI and permanent staff and away from temp labor and corporate overhead.** 96% of leaders plan to increase AI spending, with nearly one in four anticipating significant boosts (up 12% from 2024). Budgets also favor APPs and permanent clinicians, while cuts target travel/contract labor and corporate offices (65% expect reductions).

On revenue expectations, leaders remain optimistic: most business units are expected to meet or exceed targets. Specialty service lines lead, and ambulatory surgery tops overperformance expectations for the first time.



*Industry implication:* With discretionary funds limited, health systems will prioritize spend in a narrower set of areas. Aligning with these priorities can make partnerships easier and to secure.

**03 Finance leaders are doubling down on cost containment and revenue cycle improvements.** Over 90% cite cost containment as a primary focus for economic headwinds, and 88% highlight revenue cycle optimization. By contrast, just 25% emphasize more long-term plays like revenue diversification.

Leaders also stress they cannot simply pass rising costs to patients—making clear cost reduction or measurable revenue lift all the more essential in partnership discussions.



*Industry implication:* Expect heightened scrutiny on ROI. Partners who show quick, tangible cost savings or revenue lift will stand out in a constrained budget environment.

1. S&P defines strong performance as 150+.

# Section 1:

## Economic and Financial Outlook

### Section Preview:

#### 1. Recession Outlook and Financial Health:

- *"Which national economic scenario most closely aligns with your current financial planning assumptions for the next 12 months?"*
- *"What is your organization's current, approximate days cash on hand (i.e., number of days your organization could operating using only its available cash reserves)?"*
- *"How do you anticipate your operating budget to change over the next 12 months?"*

#### 2. Financial Impact of Federal Policy Changes:

- *"Please rank potential federal policy changes by expected financial impact on your organization."*
- *"How prepared is your organization to mitigate this policy's financial risk?"*

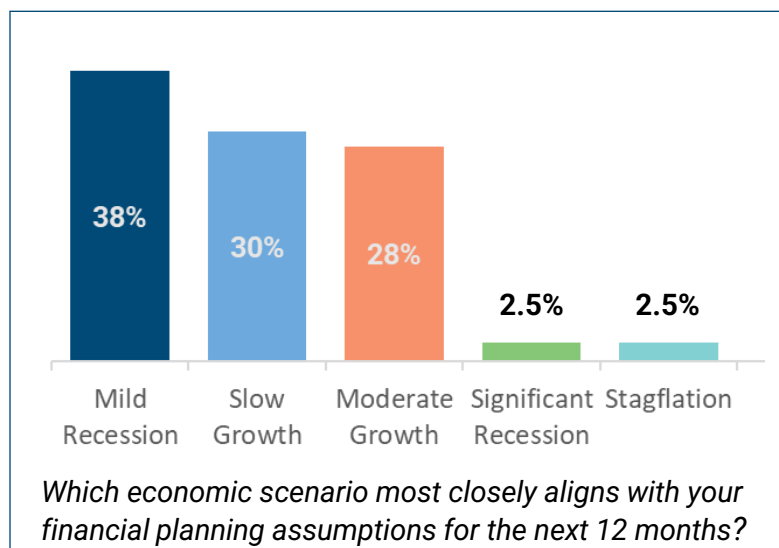
## Recession Outlook and Financial Health

Tightening budgets, despite modest economic expectations

### Outlook for the Next 12 Months

Despite economic and political volatility, finance leaders' outlook is **rosier than some market analysts**:

- **Most anticipate mild recession (38%) or slow growth (30%).**
- **None expect robust expansion**—pointing to a restrained baseline for budgeting decisions.

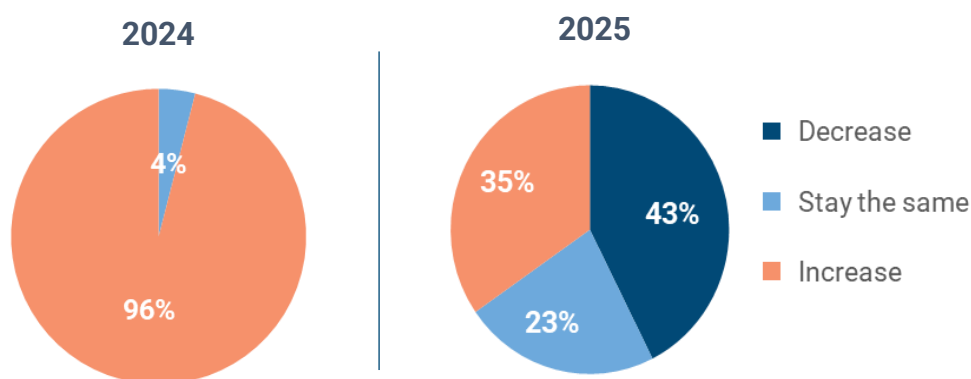


### Metrics Tell a Different Story: Thinning Cash Reserves, Shrinking Budgets

**48%** of finance leaders report **fewer than 150 days cash on hand**<sup>1</sup>

For the first time in THMA's survey history, nearly half (43%) of finance leaders expect budgets to shrink in the next 12 months; another 23% see no growth.

*How do you anticipate your operating budget to change over the next 12 months?*



**Budgets swung from 96% growth expectations in 2024 to 43% shrinkage in 2025.**

1. S&P defines strong performance as 150+

## Financial Impact of Federal Policy Changes

Medicaid reform poses greatest financial risk; most leaders only beginning prep

- **Medicaid reform and 340B program changes dominate finance leader mindshare.** These federal policy changes were most often ranked as top concerns in terms of financial risk.
- **Site-neutral payment expansion, DSH methodology changes, and ACA subsidy expiration are also on the radar.** Fewer leaders ranked them in their top three, indicating they are not commanding the same level of attention.
- **Despite concerns, leaders cite low preparedness.** Even for the most salient risks (Medicaid and 340B), most leaders report they are “just beginning” to prepare.

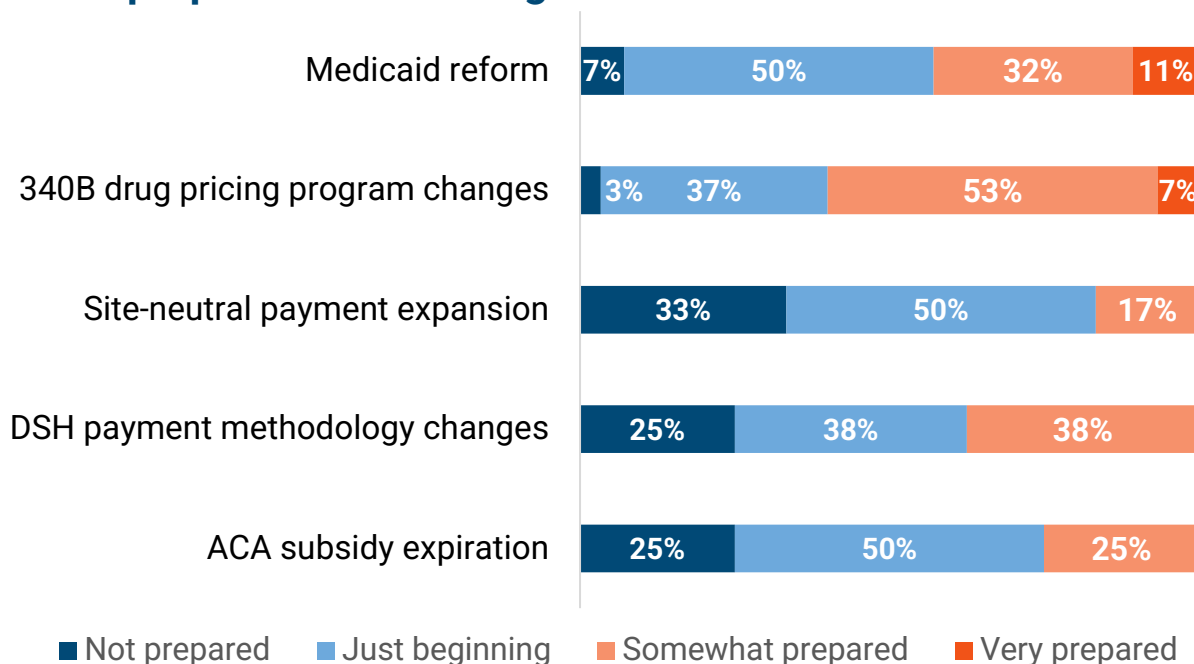
### Federal policy changes ranked by expected financial impact

- #1 Medicaid reform (eligibility/work requirements)**
- #2 340B drug pricing program changes**
- #3 Site-neutral payment expansion**
- #4 DSH payment methodology changes**
- #5 ACA subsidy expiration**

#### Context Matters

*Conducted in the wake of OBBA's signing, our survey reflects policy concerns that closely track with the bill's major provisions.*

### Level of preparedness to mitigate financial risk



# Section 2:

## Health System Finances in a Volatile Climate

### Section Preview:

#### 1. Revenue Target Expectations – by Business Unit

- *"To what extent do you expect the following business units to meet your revenue growth expectations over the next 12 months (i.e., total revenue contribution to your system's goals)?"*

#### 2. Anticipated Spending Changes – Capital Projects, Workforce, Purchased Services, Technology, Supplies and Equipment

- *"What relative spending changes do you anticipate in making across the next 12 months in capital projects (i.e., new construction or capital renovations)?"*
- *"What relative spending changes do you anticipate making across the next 12 months in workforce?"*
- *"What relative spending changes do you anticipate making across the next 12 months in purchased services (i.e., outsourced or contracted services)?"*
- *"What relative spending changes do you anticipate making across the next 12 months in technology (related to patient care, operations, and IT)?"*
- *"What relative spending changes do you anticipate making across the next 12 months in supplies and equipment (i.e., items used for therapeutic or diagnostic purposes essential for patient care)?"*



## Revenue Target Expectations – By Business Unit

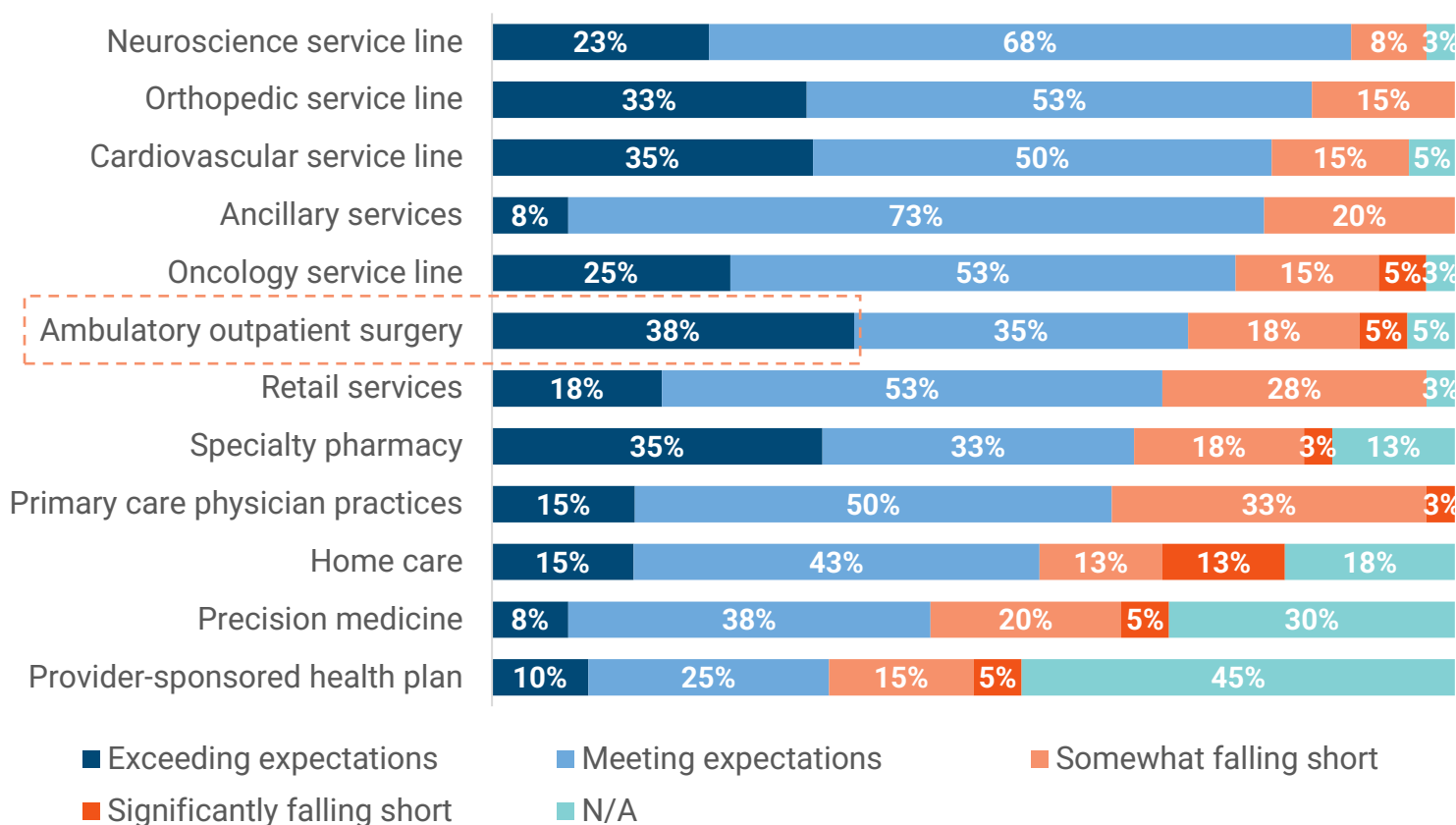
Finance leaders have a rosy view of business units hitting revenue targets

- Finance leaders show broad confidence in revenue performance across business units, with **most expecting to hit or surpass targets**, aligned with their generally optimistic economic outlook (pg. 6).
- Specialty service lines—neuroscience, orthopedics, cardiovascular, and oncology—stand out** as most likely to meet or exceed expectations.
  - This aligns with another THMA study, in which nearly two-thirds of **health system strategic plans targeting revenue growth emphasized service line expansion**.
- Ambulatory outpatient surgery** revenue sentiment is also notable, leading all business units in projected **overperformance**, with **specialty pharmacy close behind**. This marks the first year ASCs top this analysis, signaling stronger alignment around ambulatory care as a revenue driver.<sup>1</sup>



*Q: To what extent do you expect the following business units to meet your revenue growth expectations over the next 12 months (i.e., total revenue contribution to your system's goals)?*

Percentage of finance leaders (n=40)



1. Historical data available in appendix.

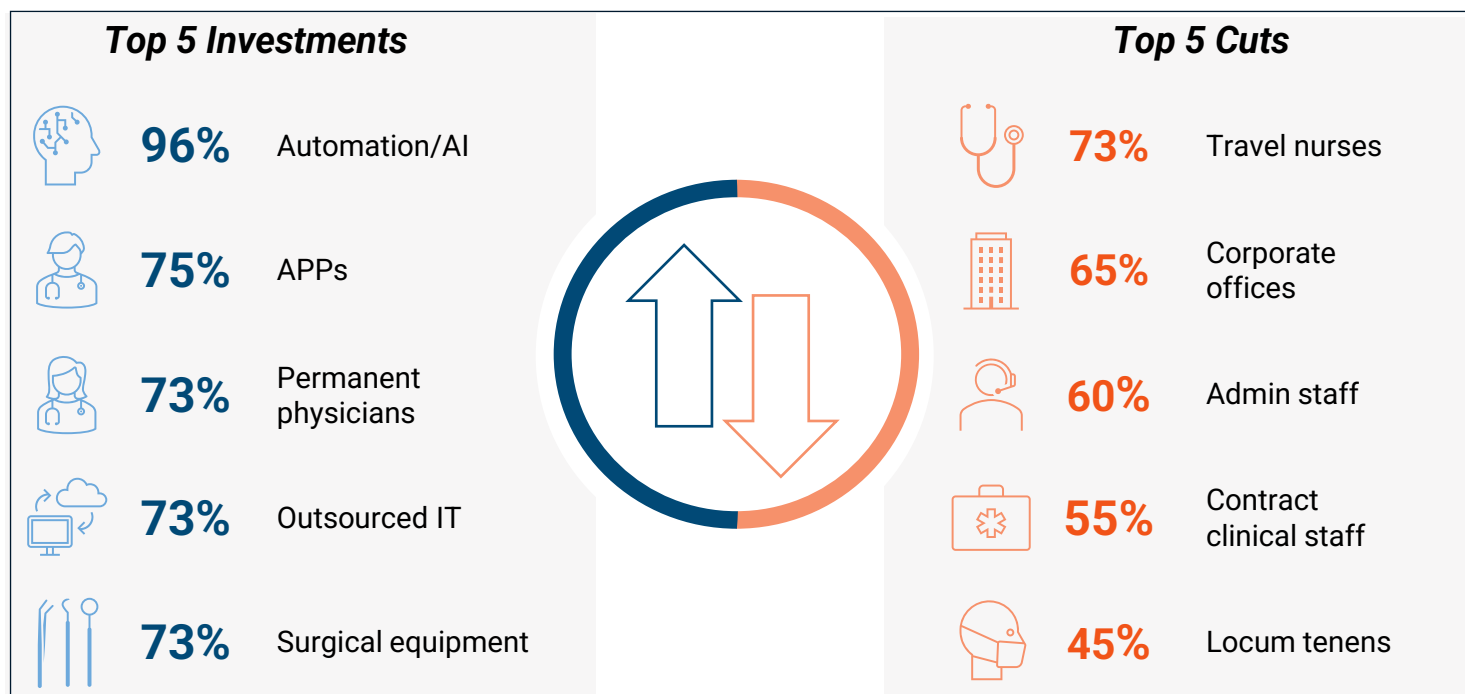
## Summary of Health System Investment Priorities

Investments tilt to AI and permanent staff, while cuts focus on temp labor

Spending is shifting **towards tech and permanent staff**, and **away from temporary labor and corporate overhead**.

- Nearly all finance leaders (96%) plan to spend more on AI — the highest share among all categories.
- 73% anticipate cutting back on travel nurses — the top area of reduced spend.

## Where Leaders Anticipate Spending More — and Where They'll Cut Back



*Focus on where health systems are putting resources to accelerate partnership opportunities.*

## Anticipated Spending Changes – Capital Projects

Scarce capital shifting toward ambulatory capacity and away from corporate offices

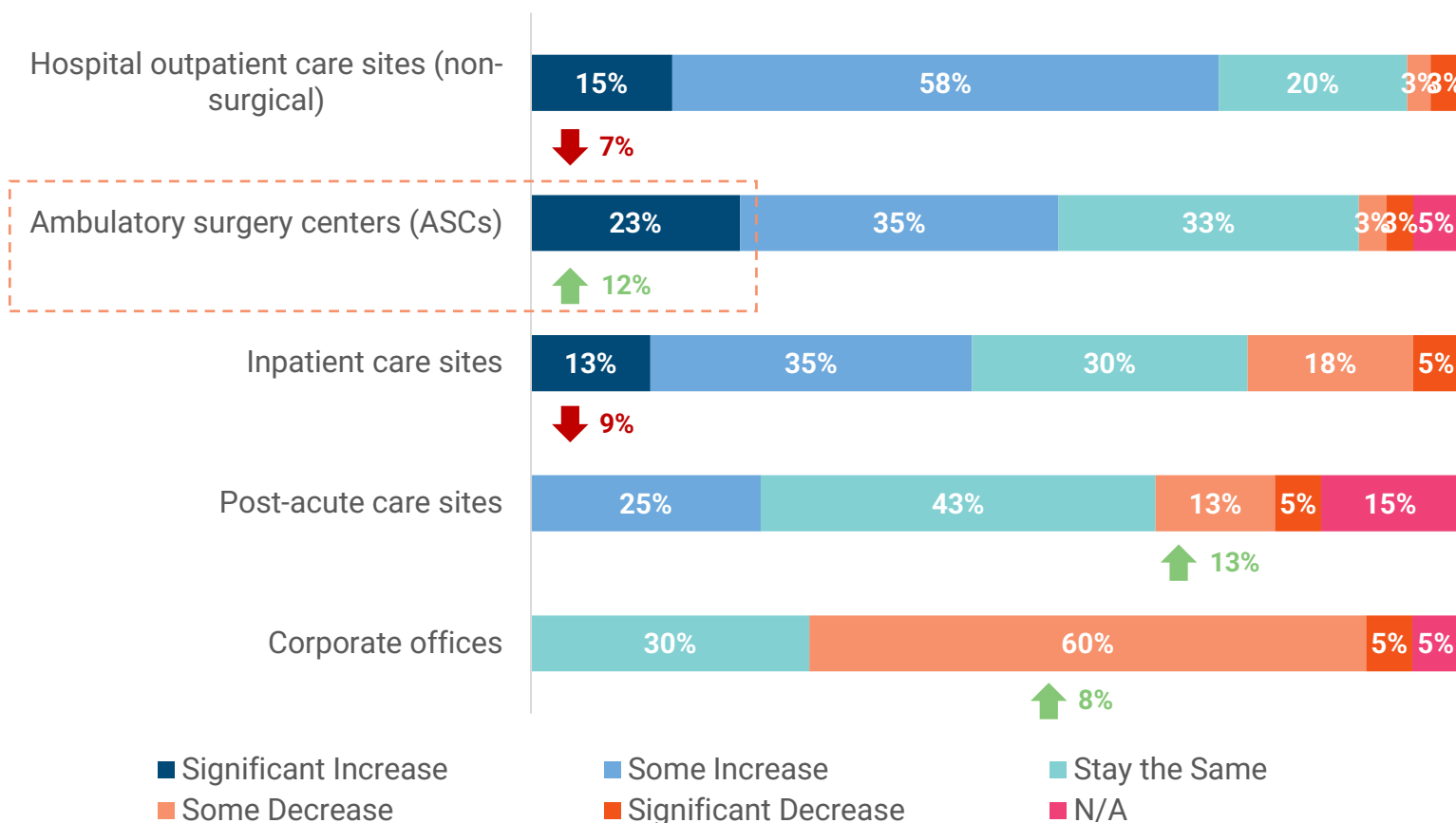
- Capital spending plans **reinforce the broader bet on ambulatory care**:
  - Ambulatory surgery centers (ASCs) **now overtake both inpatient and hospital outpatient sites** as the category with the **largest share of leaders planning significant increases in 2025** (up 12% from 2024).
  - This intent **extends the ambulatory revenue optimism** highlighted on pg. 9 and demonstrates how it is translating directly into capital priorities.
- At the same time, **65% of finance leaders anticipate cuts to corporate office spending**—the greatest across categories (and an increase from 2024)—likely reflecting hybrid work patterns or expanded outsourcing.



Q: What relative spending changes do you anticipate making across the next 12 months in **capital projects** (i.e., new construction or capital renovations)?<sup>1</sup>

1. Arrows on chart reflect notable year-over-year shifts between 2024 and 2025 surveys. Additional historical data available in appendix.


Percentage of finance leaders (n=40)



# Anticipated Spending Changes – Workforce

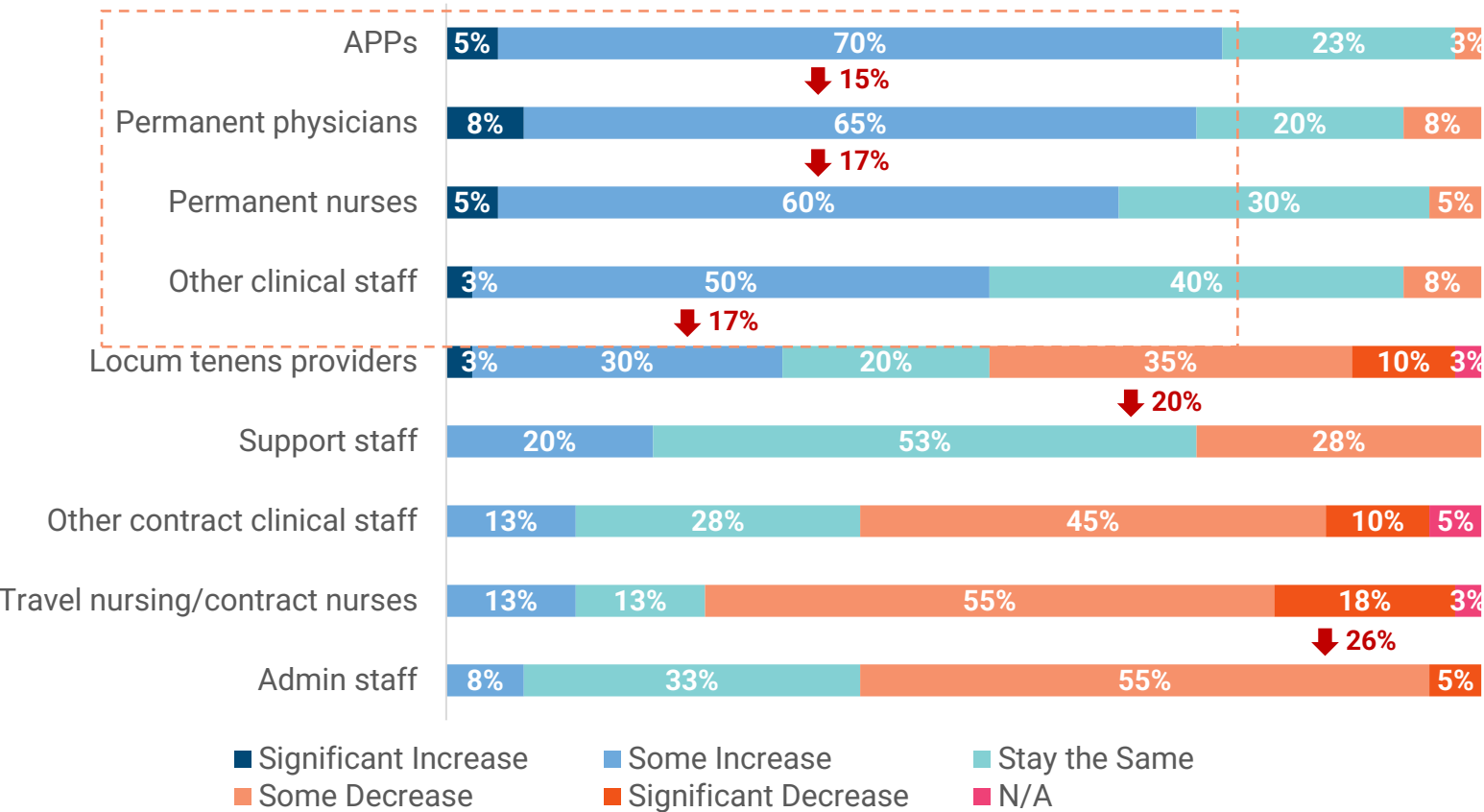
Leaders expect sharp cuts in temporary labor and investment in permanent staff

- Finance leaders expect workforce spending to **tilt toward long-term roles**. APPs, permanent physicians, permanent nurses, and other clinical staff all show strong spending growth expectations.
- By contrast, **temporary labor is set for pullbacks**, with travel nurses, other contract staff, and locum tenens providers showing the greatest decrease percentages, likely reflecting the **unwinding of these pandemic-era solutions**.
  - Spending change **expectations also moderate in 2025**: anticipated spending growth in long-term roles cools, while anticipated cutbacks to temporary labor ease, suggesting the **sharpest workforce adjustments may have already occurred**.
- Finance leader views **align with our [2025 Workforce Shortage Solutions Survey Report](#)**, where clinical leaders emphasized team-based care models and skepticism toward temporary labor.

 Q: What relative spending changes do you anticipate making across the next 12 months in **workforce**?<sup>1</sup>

1. Arrows on chart reflect notable year-over-year shifts between 2024 and 2025 surveys (support staff, other contract clinical staff, admin staff not included in 2024 survey). Additional historical data available in appendix.

Percentage of finance leaders (n=40)



## Anticipated Spending Changes – Purchased Services

Purchased services budgets to focus on outsourced IT, followed by revenue cycle

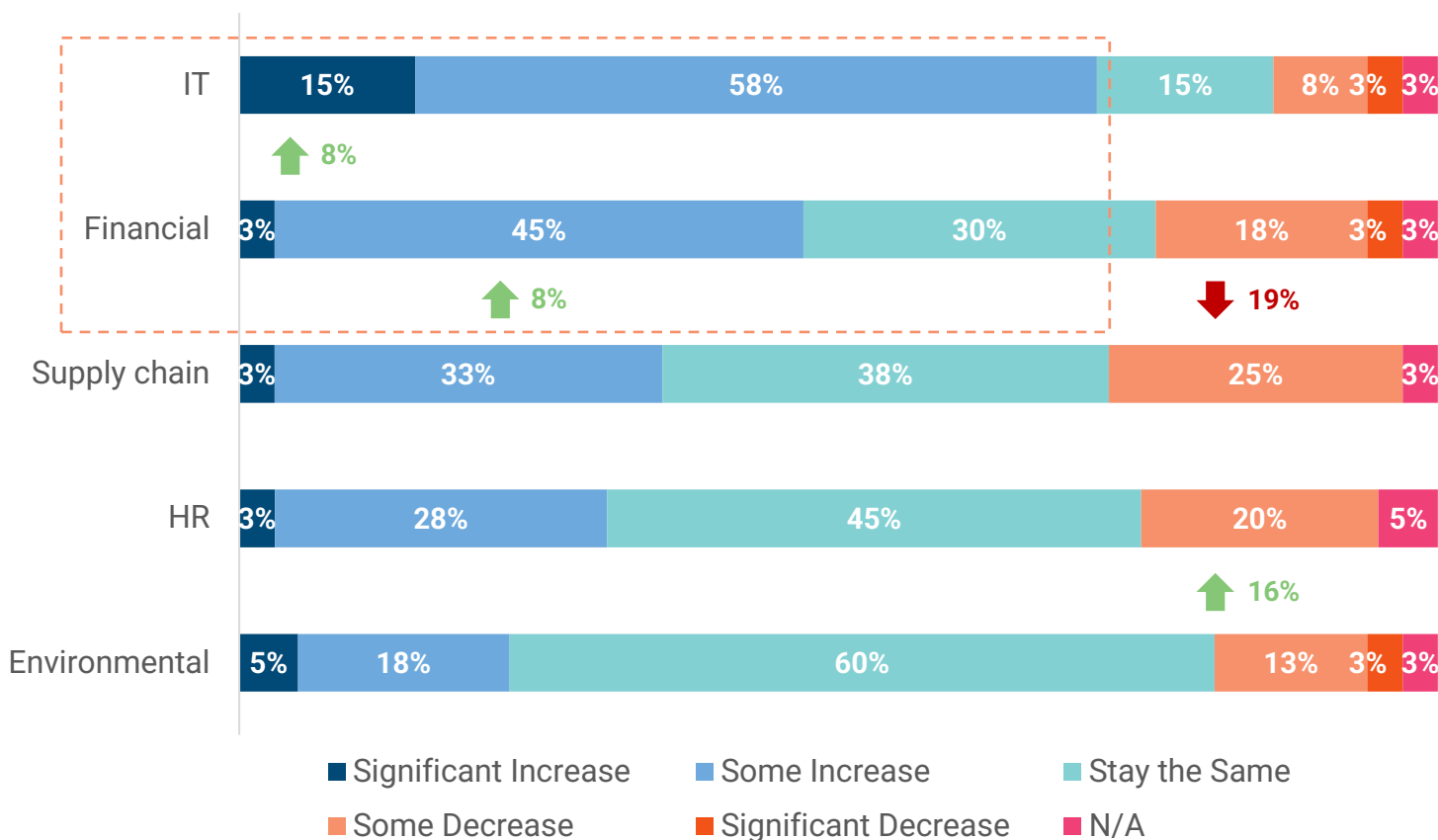
- Finance leaders expect **IT outsourcing to lead purchased services spending** in 2025.
  - IT not only tops overall spending increase intentions but also shows the **highest share of leaders planning significant increases** (up 8% from 2024).
- Financial outsourcing, including **revenue cycle**, follows closely behind. Expectations for some increased spending is **up 8% from 2024**, while the **share anticipating cuts fell by 19%**—likely reflecting pressure from **rising denial rates** and **growing prior-authorization complexities**.
- New this year, we asked about **supply chain outsourcing**. **Over one-third of finance leaders anticipate spending growth**, likely driven by scale advantages from group purchasing organizations (GPOs). That said, **the picture is mixed—about a third also expect to cut spending**, suggesting some systems are insourcing certain supply chain functions instead.
- HR and environmental outsourcing intentions overall look similar to 2024**, with one exception: a **16% jump** in finance leaders anticipating HR outsourcing cuts.



Q: What relative spending changes do you anticipate making across the next 12 months in **purchased services** (i.e., outsourced or contracted services)?<sup>1</sup>

1. Arrows on chart reflect notable year-over-year shifts between 2024 and 2025 surveys (supply chain not included in 2024 survey). Additional historical data available in appendix.

Percentage of finance leaders (n=40)



## Anticipated Spending Changes – Technology

Unsurprisingly, automation and AI dominate tech spending increases

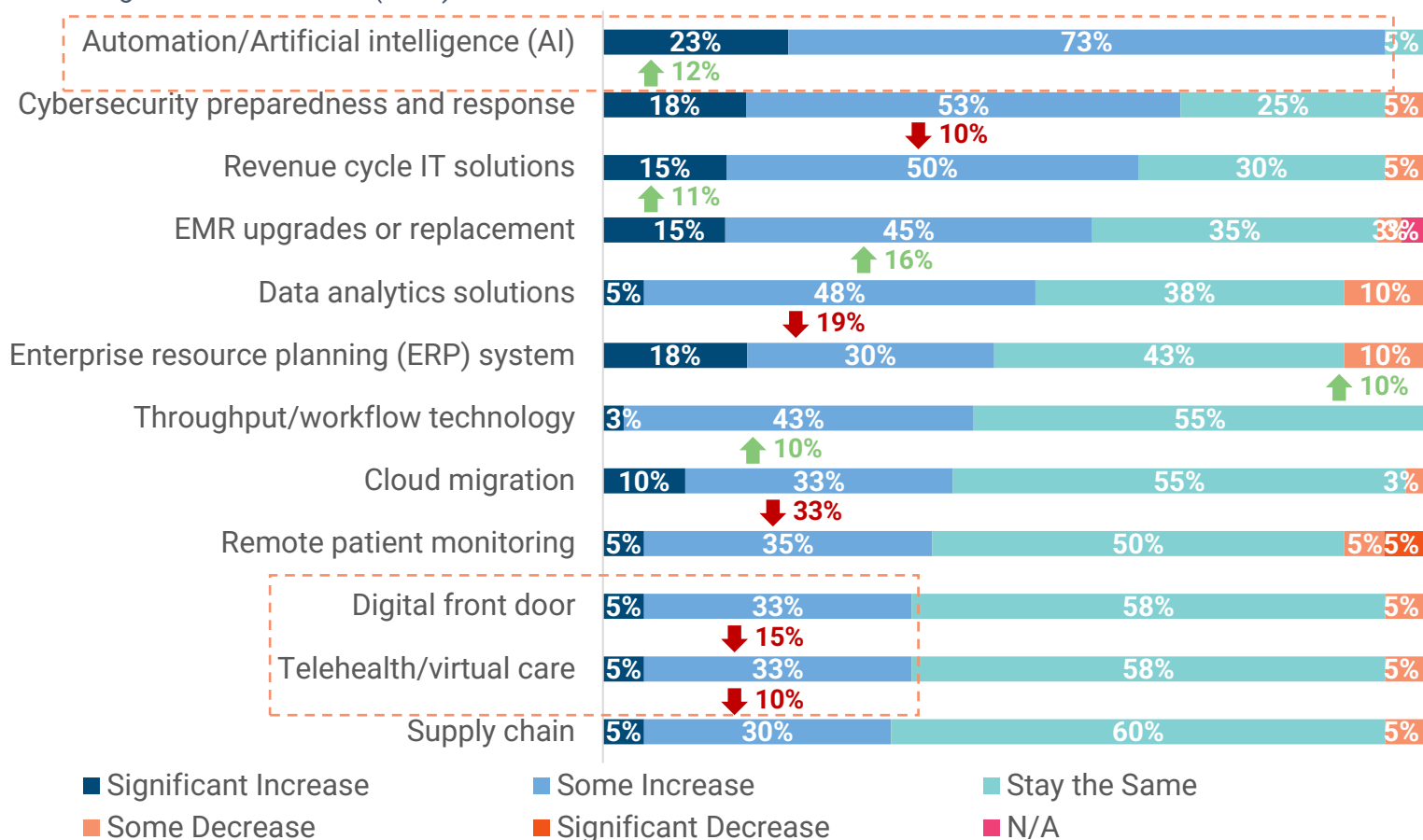
- Finance leaders are **consolidating tech dollars around automation and AI**. Nearly all respondents (**96%**) expect spending increases, with **almost a quarter planning significant boosts** (up 12% from 2024), making this a clear front-runner.
- Cybersecurity, revenue cycle IT, and EMR upgrades all follow. In particular, rising shares in **revenue cycle IT** and **EMR upgrade** spend align with mounting pressures from **rising denials** and **prior authorization complexities**, as well as **new releases from Epic, Oracle** and others.
- By contrast, patient-facing tools such as **digital front door** and **telehealth continue to decline** in anticipated spending. This may reflect a **pivot away from consumer engagement tools that gained traction during the pandemic toward inward-facing technologies** that protect revenue, automate workflows, and drive efficiency in a margin-compressed environment.



Q: What relative spending changes do you anticipate making across the next 12 months in **technology** (related to patient care, operations, and IT)?<sup>1</sup>

1. Arrows on chart reflect notable year-over-year shifts between 2024 and 2025 surveys (remote patient monitoring and supply chain not included in 2024 survey). Additional historical data available in appendix.

Percentage of finance leaders (n=40)



## Anticipated Spending Changes – Supplies and Equipment

### Surgical and imaging equipment lead planned spending increases

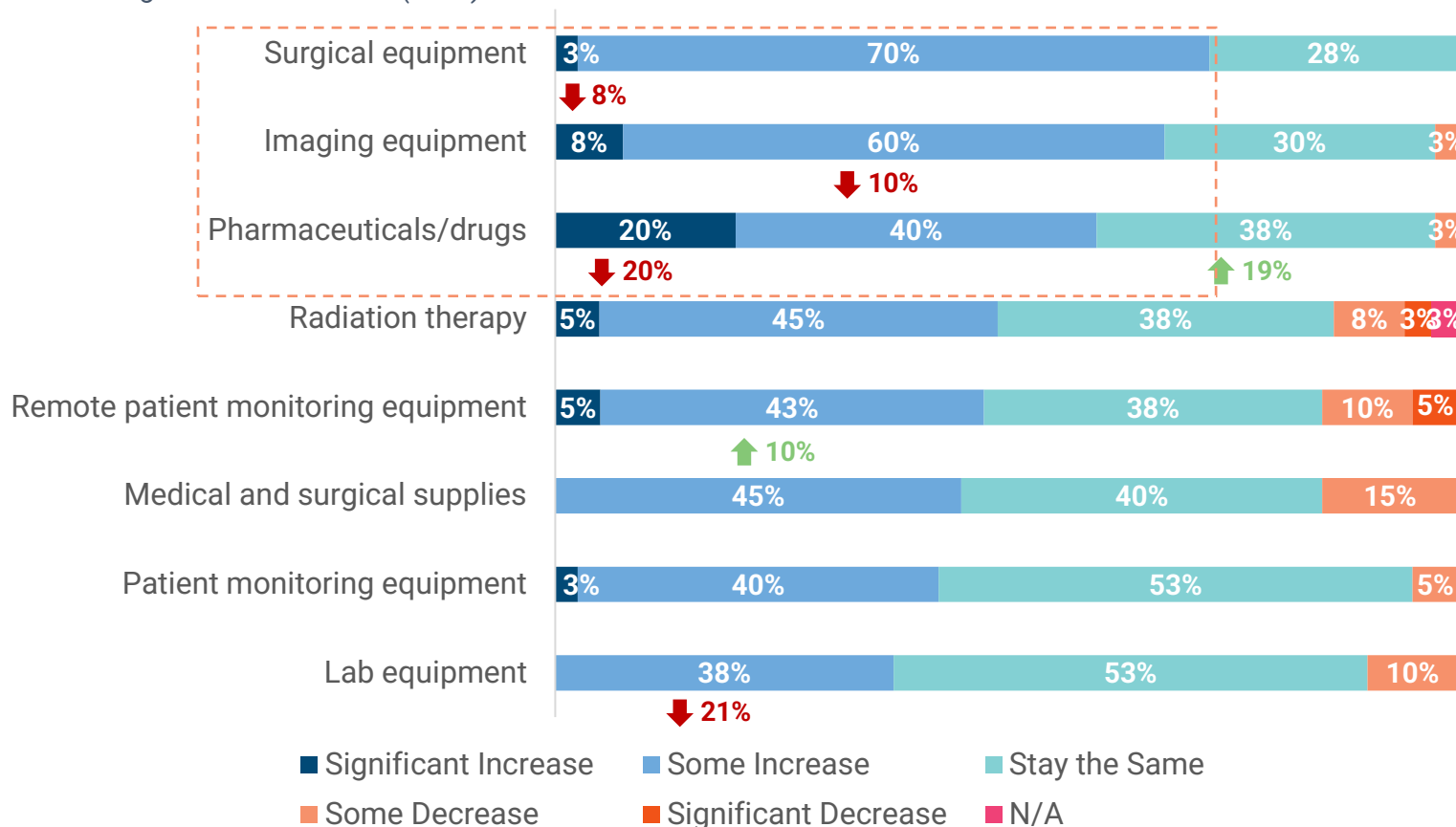
- About **three in four leaders expect higher surgical equipment spend**; **two in three say the same for imaging**—aligned with optimism around service line expansion and ASC growth (pg. 9).
- Pharmaceuticals show the largest share planning significant increases** (20%), but expectations eased—down 20% from 2024.
- Many systems already **upgraded specialty pharmacy capabilities last year**, so 2025 attention may be **shifting to operationalizing these investments rather than net-new growth**.
- Several finance VPs have also anecdotally reported **trimming pharma budgets to account for 340B shortfalls**, particularly tempering specialty pharmacy spend.
- Overall, surgical, imaging, and pharma spend intentions **peaked in 2024 and moderate in 2025**—signaling **last year's bigger moves** and a **more measured stance now**.



Q: What relative spending changes do you anticipate making across the next 12 months in **supplies and equipment** (i.e., items used for therapeutic or diagnostic purposes essential for patient care)?<sup>1</sup>

1. Arrows on chart reflect notable year-over-year shifts between 2024 and 2025 surveys. Additional historical data available in appendix.

Percentage of finance leaders (n=40)



# Section 3:

## Partner Playbook for 2025 Budget Realities

### Section Preview:

#### 1. How Leaders Are Preparing For Economic Headwinds:

- *"Which of the following proactive financial measures has your organization identified as most important to preparing for potential economic headwinds?"*

#### 2. What Leaders Wish Industry Partners Better Understood:

- *"What is one thing you wish industry partners (e.g., medical suppliers, technology companies, etc.) understood about your organization that you think many misunderstand?"*



## How Leaders Are Preparing for Economic Headwinds

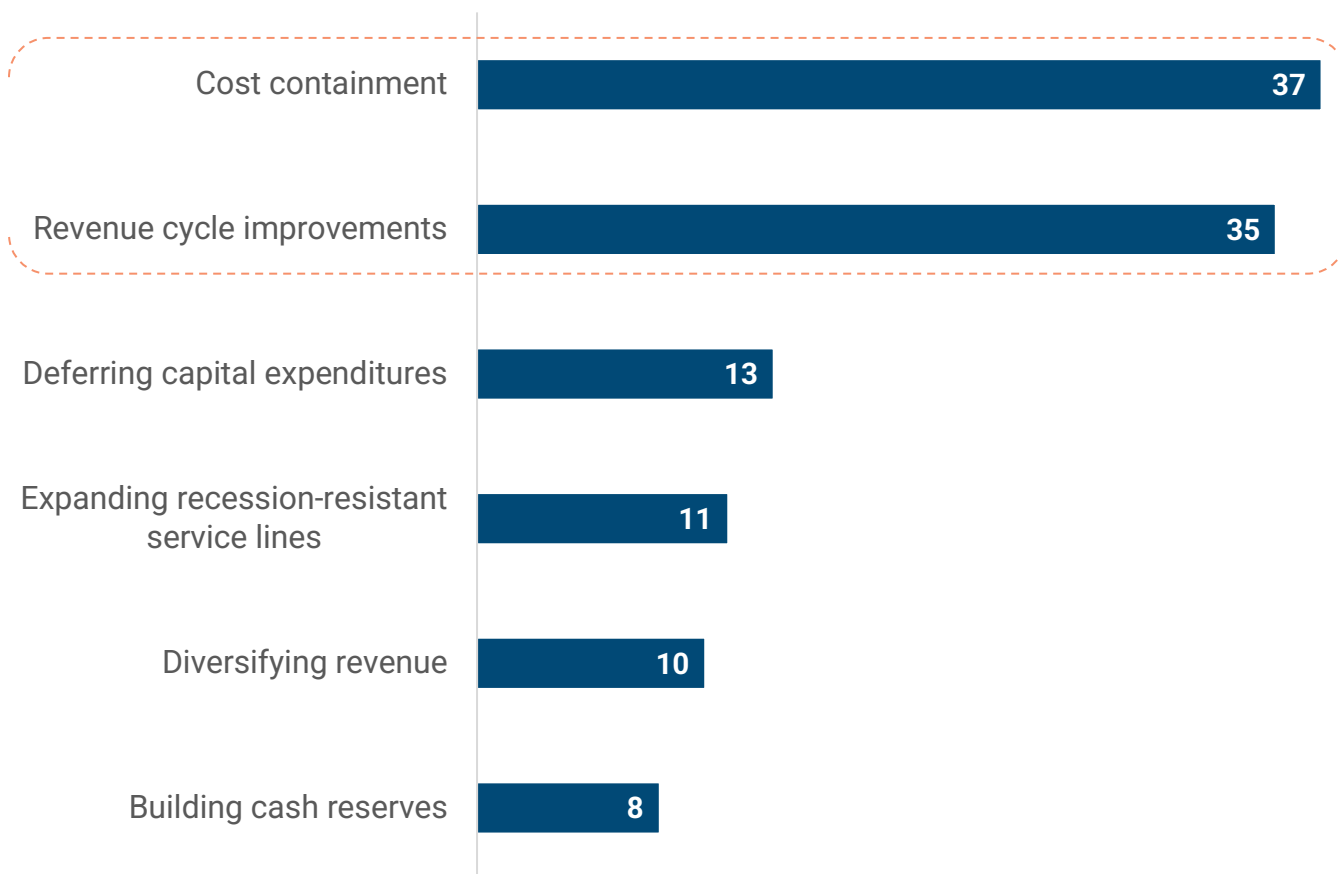
Cost containment and revenue cycle improvements lead as mitigation strategies

- Finance leaders are preparing for economic headwinds with **near-term levers that show fast payback**:
  - Cost containment and revenue cycle improvements dominate respondent selections** (93% and 88%, respectively). Longer-horizon plays are being deprioritized, like diversifying revenue (10%).



*Q: Which of the following proactive financial measures has your organization identified as most important to preparing for potential economic headwinds?*

Percentage of finance leaders (N=40)



**Industry partners should lead with proof of cost relief and cash acceleration. Quantify cuts in cost per case, service spend, utilization, or premium labor hours or show revenue lift via prior authorization automation or coding accuracy—anchored in KPIs like lower initial denials.**

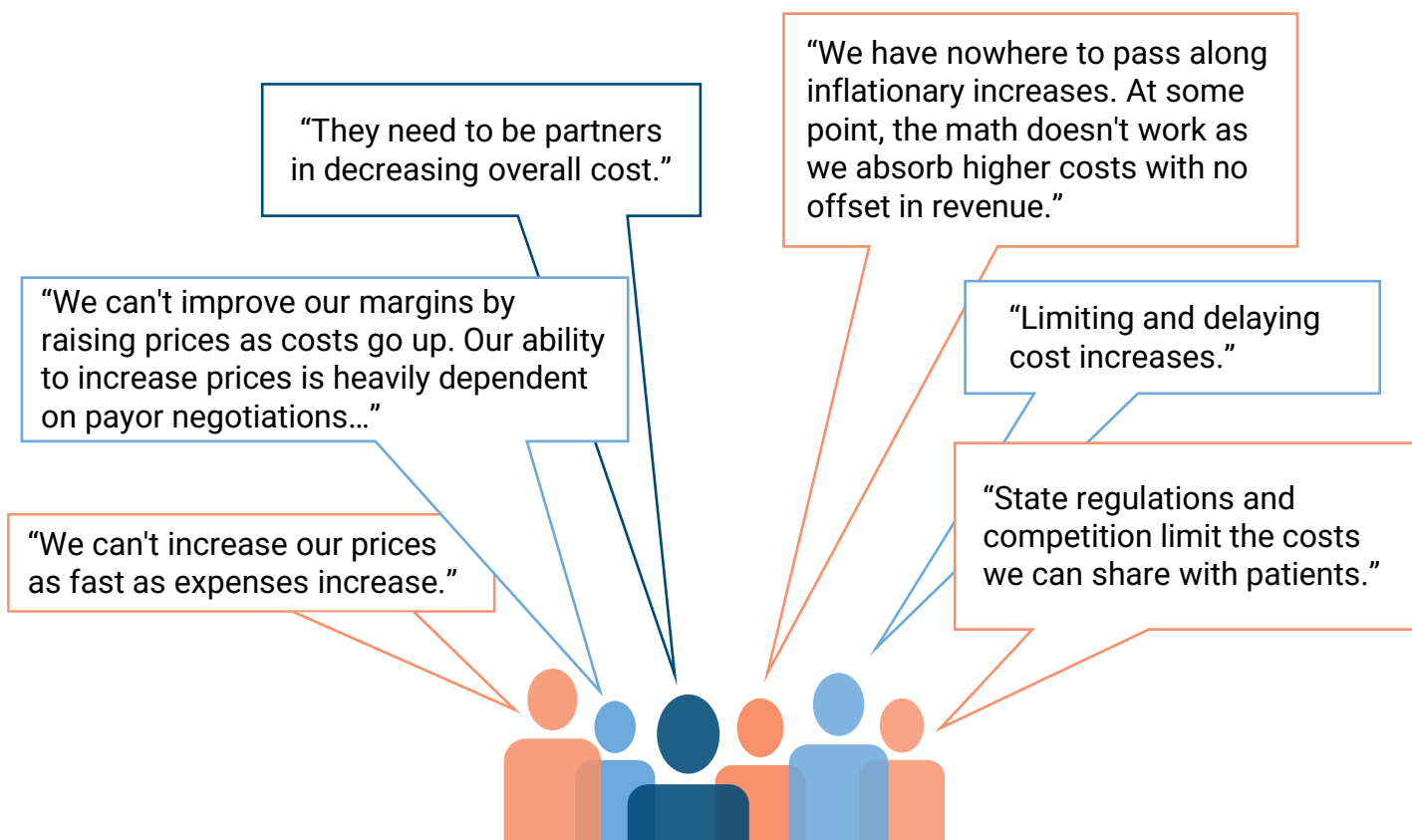
## What Finance Leaders Want Industry Partners to Understand<sup>1</sup>

### The pressures partners often miss

- **Margins are razor-thin** – Many systems operate with <5% margins, leaving little buffer for rising costs.
- **Prices can't just rise with costs** – Reimbursement rates, regulation, and competition limit price increases.
- **Cash flow is a constant battle** – Payers delay payments for months while vendors demand 30-day terms.
- **Government payers dominate** – Over half of patients are Medicare/Medicaid, often at a loss.



Q: What is one thing you wish industry partners understood about your organization?



Build fluency in health system finance with the latest addition to our Healthcare Bootcamp Series: [Module 300 – Leading Health System Economics.](#)

1. Full compilation of quotes provided in appendix.

# Appendix

## Historical Data: Revenue Target Expectations by Business Unit<sup>1</sup>

To what extent do you expect the following business units to meet your revenue growth expectations over the next 12 months (i.e., total revenue contribution to your system's goals)? (N=40)

### Exceeding expectations

Business Unit	2025	2024	2023
Neuroscience service line	23%	19%	18%
Orthopedic service line	33%	19%	9%
Cardiovascular service line	35%	15%	9%
Ancillary services	8%	22%	18%
Oncology service line	25%	37%	18%
Ambulatory outpatient surgery	38%	37%	32%
Retail services	18%	22%	18%
Specialty pharmacy	35%	41%	50%
Primary care physician practices	15%	11%	18%
Home care	15%	7%	18%
Precision medicine	8%	7%	0%
Provider-sponsored health plan	10%	N/A	23%

### Meeting expectations

2025	2024	2023
68%	67%	55%
53%	59%	45%
50%	48%	59%
73%	56%	55%
53%	33%	64%
35%	44%	50%
53%	48%	27%
33%	22%	36%
50%	48%	45%
43%	41%	23%
38%	19%	32%
25%	N/A	9%

### Somewhat falling short

Business Unit	2025	2024	2023
Neuroscience service line	8%	7%	23%
Orthopedic service line	15%	19%	41%
Cardiovascular service line	15%	37%	27%
Ancillary services	20%	15%	23%
Oncology service line	15%	22%	14%
Ambulatory outpatient surgery	18%	7%	9%
Retail services	28%	19%	23%
Specialty pharmacy	18%	7%	5%
Primary care physician practices	33%	33%	32%
Home care	13%	22%	27%
Precision medicine	20%	11%	9%
Provider-sponsored health plan	15%	N/A	14%

### Significantly falling short

2025	2024	2023
0%	0%	5%
0%	0%	5%
0%	0%	5%
0%	0%	0%
5%	0%	5%
5%	4%	0%
0%	4%	9%
3%	7%	5%
3%	7%	5%
13%	11%	14%
5%	4%	5%
5%	N/A	5%

1. Excludes percentage who selected "N/A".

## Historical Data: Anticipated Spending Changes in Capital Projects<sup>1</sup>

What relative spending changes do you anticipate making across the next 12 months in capital projects (i.e., new construction or capital renovations)? (N=40)

### Significant Increase

Category	2025	2024	2023
Hospital outpatient care sites (non-surg)	15%	22%	0%
Ambulatory surgery centers (ASCs)	23%	15%	27%
Inpatient care sites	13%	22%	18%
Post-acute care sites (e.g., SNF, hospice)	0%	4%	0%
Corporate offices	0%	0%	0%

### Some Increase

2025	2024	2023
58%	59%	36%
35%	63%	36%
35%	52%	45%
25%	15%	36%
0%	0%	9%

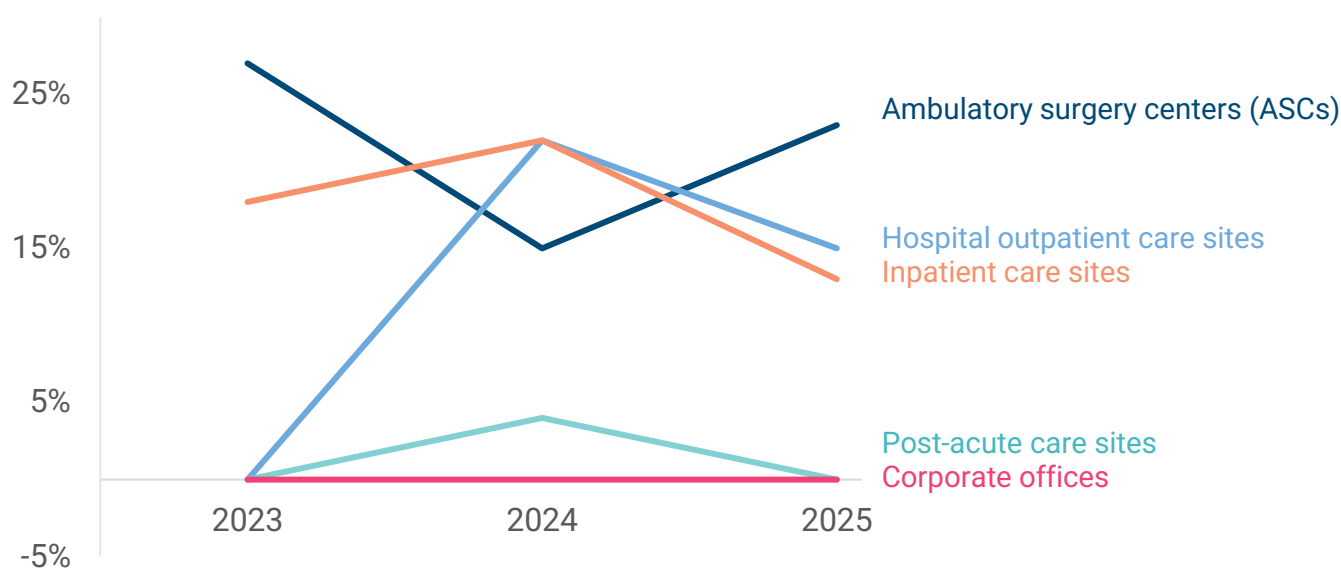
### Some Decrease

Category	2025	2024	2023
Hospital outpatient care sites (non-surg)	3%	0%	0%
Ambulatory surgery centers (ASCs)	3%	0%	0%
Inpatient care sites	18%	15%	18%
Post-acute care sites (e.g., SNF, hospice)	13%	0%	0%
Corporate offices	60%	52%	27%

### Significant Decrease

2025	2024	2023
5%	0%	9%
3%	0%	0%
5%	0%	18%
5%	0%	9%
5%	0%	27%

### Expected significant increases in capital spending



1. Excludes percentage who selected "Stay the Same" or "N/A".

## Historical Data: Anticipated Spending Changes in Workforce<sup>1</sup>

What relative spending changes do you anticipate making across the next 12 months in workforce?  
(N=40)

### Significant Increase

Category	2025	2024	2023
APPs	5%	11%	55%
Permanent physicians	8%	7%	18%
Permanent nurses	5%	22%	27%
Other clinical staff	3%	11%	45%
Locum tenens providers	3%	4%	0%
Support staff	0%	N/A	N/A
Other contract clinical staff	0%	N/A	N/A
Travel nursing/contract nurses	0%	0%	9%
Admin staff	0%	N/A	N/A

### Some Increase

2025	2024	2023
70%	85%	36%
65%	82%	73%
60%	67%	64%
50%	67%	18%
30%	15%	36%
20%	N/A	N/A
13%	N/A	N/A
13%	0%	9%
8%	N/A	N/A

### Some Decrease

Category	2025	2024	2023
APPs	3%	0%	0%
Permanent physicians	8%	7%	0%
Permanent nurses	5%	0%	0%
Other clinical staff	8%	0%	0%
Locum tenens providers	35%	55%	18%
Support staff	28%	N/A	N/A
Other contract clinical staff	45%	N/A	N/A
Travel nursing/contract nurses	55%	44%	36%
Admin staff	55%	N/A	N/A

### Significant Decrease

2025	2024	2023
0%	0%	0%
0%	0%	0%
0%	0%	0%
0%	0%	0%
10%	19%	18%
0%	N/A	N/A
10%	N/A	N/A
18%	44%	45%
5%	N/A	N/A

1. Excludes percentage who selected "Stay the Same" or "N/A".

## Historical Data: Anticipated Spending Changes in Purchased Services<sup>1</sup>

What relative spending changes do you anticipate making across the next 12 months in purchased services (i.e., outsourced or contracted services)? (N=40)

### Significant Increase

Category	2025	2024	2023
IT	15%	7%	9%
Financial (e.g., revenue cycle)	3%	0%	0%
Supply chain (e.g., contract management)	3%	N/A	N/A
HR (e.g., payroll, benefits)	3%	4%	9%
Environmental	5%	0%	0%

### Some Increase

2025	2024	2023
58%	59%	18%
45%	37%	36%
33%	N/A	N/A
28%	29%	36%
18%	18%	36%

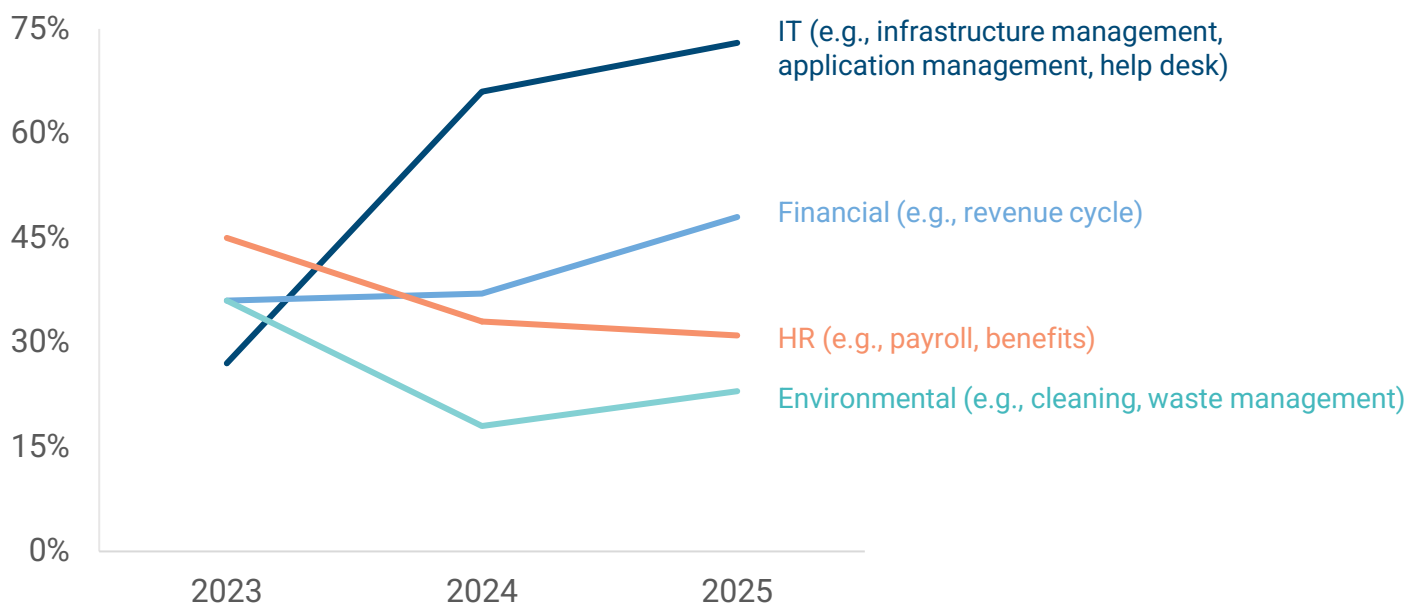
### Some Decrease

Category	2025	2024	2023
IT	8%	11%	18%
Financial (e.g., revenue cycle)	18%	37%	0%
Supply chain (e.g., contract management)	25%	N/A	N/A
HR (e.g., payroll, benefits)	20%	4%	9%
Environmental	13%	15%	18%

### Significant Decrease

2025	2024	2023
3%	0%	9%
3%	0%	0%
0%	N/A	N/A
0%	0%	0%
3%	0%	0%

### Expected increases (some and significant) in purchased services spending



1. Excludes percentage who selected "Stay the Same" or "N/A".

## Historical Data: Anticipated Spending Changes in Technology<sup>1</sup>

What relative spending changes do you anticipate making across the next 12 months in technology (related to patient care, operations, and IT)? (N=40)

### Significant Increase

Category	2025	2024	2023
Automation/Artificial Intelligence (AI)	23%	11%	9%
Cybersecurity preparedness and response	18%	19%	18%
Revenue cycle IT solutions	15%	4%	9%
EMR upgrades or replacement	15%	15%	9%
Data analytics solutions	5%	7%	0%
Enterprise resource planning (ERP) system	18%	26%	27%
Throughput/workforce technology	3%	0%	9%
Cloud migration	10%	7%	9%
Remote patient monitoring	5%	N/A	N/A
Digital front door	5%	4%	9%
Telehealth/virtual care	5%	4%	0%
Supply chain	5%	N/A	N/A

### Some Increase

2025	2024	2023
73%	81%	55%
53%	63%	82%
50%	63%	45%
45%	29%	27%
48%	67%	82%
30%	30%	73%
43%	33%	45%
33%	63%	73%
35%	N/A	N/A
33%	48%	73%
33%	44%	73%
30%	N/A	N/A

### Some Decrease

Category	2025	2024	2023
Automation/Artificial Intelligence (AI)	0%	0%	0%
Cybersecurity preparedness and response	5%	0%	0%
Revenue cycle IT solutions	5%	7%	18%
EMR upgrades or replacement	3%	0%	9%
Data analytics solutions	10%	0%	0%
Enterprise resource planning (ERP) system	10%	0%	0%
Throughput/workforce technology	0%	4%	0%
Cloud migration	3%	0%	0%
Remote patient monitoring	5%	N/A	N/A
Digital front door	5%	0%	0%
Telehealth/virtual care	5%	4%	0%
Supply chain	5%	N/A	N/A

### Significant Decrease

2025	2024	2023
0%	0%	0%
0%	0%	0%
0%	0%	0%
0%	0%	0%
0%	0%	0%
0%	4%	0%
0%	0%	0%
0%	0%	0%
5%	N/A	N/A
0%	0%	0%
0%	0%	0%
0%	N/A	N/A

1. Excludes percentage who selected "Stay the Same" or "N/A".



## Historical Data: Anticipated Spending Changes in Equipment<sup>1</sup>

What relative spending changes do you anticipate making across the next 12 months in supplies and equipment (i.e., items used for therapeutic or diagnostic purposes essential for patient care)? (N=40)

### Significant Increase

Category	2025	2024	2023
Surgical equipment (e.g., robotics)	3%	11%	0%
Imaging equipment (e.g., CT, MRI)	8%	11%	9%
Pharmaceuticals/drugs	20%	40%	9%
Radiation therapy (e.g., LINACS)	5%	7%	9%
Remote patient monitoring equipment	5%	7%	0%
Medical and surgical supplies	0%	0%	0%
Patient monitoring equipment	3%	4%	0%
Lab equipment (e.g., genetic testing)	0%	0%	10%

### Some Increase

2025	2024	2023
70%	70%	45%
60%	70%	36%
40%	40%	55%
45%	37%	27%
43%	33%	100%
45%	37%	27%
40%	33%	55%
38%	59%	30%

### Some Decrease

Category	2025	2024	2023
Surgical equipment (e.g., robotics)	0%	4%	18%
Imaging equipment (e.g., CT, MRI)	3%	0%	9%
Pharmaceuticals/drugs	3%	0%	0%
Radiation therapy (e.g., LINACS)	8%	4%	0%
Remote patient monitoring equipment	10%	11%	0%
Medical and surgical supplies	15%	15%	27%
Patient monitoring equipment	5%	11%	9%
Lab equipment (e.g., genetic testing)	10%	4%	0%

### Significant Decrease

2025	2024	2023
0%	0%	9%
0%	0%	9%
0%	0%	9%
3%	0%	9%
5%	0%	0%
0%	0%	9%
0%	0%	9%
0%	0%	10%

1. Excludes percentage who selected "Stay the Same" or "N/A".

## What Finance Leaders Want Industry Partners to Understand

### Full set of quotes



Q: What is one thing you wish industry partners understood about your organization?

Theme	Representative Quotes
Margins are razor-thin	<ul style="list-style-type: none"> <li>• “That our margins are normally less than five percent and while the numbers sound big, the margin is extremely small.”</li> <li>• “Our low margins.”</li> <li>• “The extraordinarily slim nature of our margins.”</li> <li>• “Not all hospitals have significant positive margins.”</li> <li>• “Low margins coupled with high capex requirements.”</li> <li>• “We’re able to generate enough revenue, or have enough funds, to pay for the increase in supplies and capital equipment.”</li> </ul>
Prices can’t just rise with costs	<ul style="list-style-type: none"> <li>• “We can’t increase our prices as fast as expenses increase.”</li> <li>• “We can’t improve our margins by raising prices as costs go up. Our ability to increase prices is heavily dependent on payor negotiations...”</li> <li>• “We have nowhere to pass along inflationary increases. At some point, the math doesn’t work as we absorb higher costs with no offset in revenue.”</li> <li>• “We aren’t keeping up with true inflationary pressure and rejecting rate increases across the board.”</li> <li>• “State regulations and competition limit the increase costs we can share with patients.”</li> <li>• “Limiting and delaying cost increases.”</li> </ul>
Cash flow is a constant battle	<ul style="list-style-type: none"> <li>• “Complexity of our payment system.”</li> <li>• “Complexities and nuances of healthcare revenue cycle and impacts on cash flow.”</li> <li>• “Suppliers want to be paid in 30 days, but insurance companies don’t pay us for 45–60 days or longer. It creates a constant catch up in cashflow management.”</li> <li>• “That revenue is tight. High-deductible plans are criminal. Denials are killing healthcare.”</li> <li>• “Cash flow implications are king.”</li> </ul>
Government payers dominate	<ul style="list-style-type: none"> <li>• “While most industry partners recognize that the healthcare sector faces financial constraints, they often underestimate the extent of losses incurred from Medicare and Medicaid services. Medicare and Medicaid frequently account for a significant portion of the patient base, often exceeding half of the patients served by health systems.”</li> <li>• “Our partners are well aware of our particular reliance on Medicaid and other governmental payors.”</li> <li>• “We operate under significant financial constraints related to government rules and volatility.”</li> </ul>

For questions, comments, or inquiries please contact the *Executive Insights Hub* at [academyiq@hmacademy.com](mailto:academyiq@hmacademy.com)

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