

# BEYOND THE TIPPING POINT: HOSPITAL RESILIENCE REVISITED

U.S. hospitals continue to face uncertainty, but challenges have intensified. Rising costs are the dominant concern, and the effects of talent shortages and an unclear legislative agenda, along with increased partnerships, continue to roil the sector.

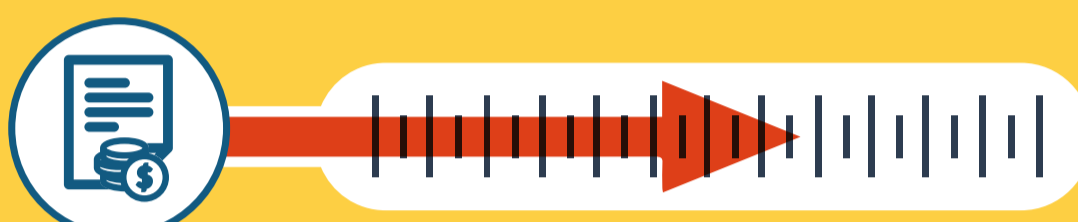


## Containing rising costs

“ With factories of care, you’ve got better collaboration and faster-moving processes and thus reduced costs. That’s an approach being adopted with the added advantage that it’s better for patients. ”

**Chris Steel, PA Consulting Group's Head of the U.S. Healthcare practice**

**Growing healthcare costs** are by far the greatest challenge facing hospitals.



Cost is the leading impediment to more innovative use of data analytics (45%).



**Cost considerations drive strategic choices.** 45% say cost is the main barrier to shifting from fee-for-service to value-based care.



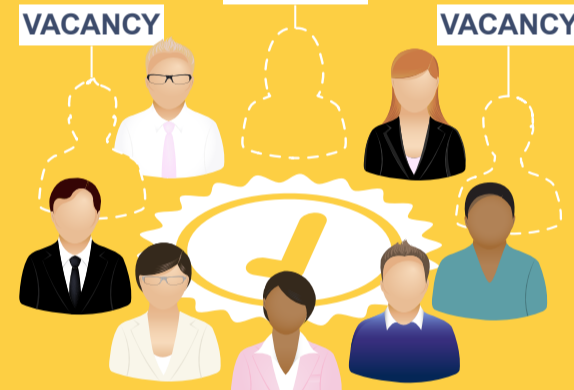
Higher-cost talent management strategies, such as greater remuneration, are less important than previously.

## Overcoming talent shortages

“ Hospitals must find clinical leaders who can lead across the continuum of care and informatics and economics. ”

**Andrew Chastain, Managing Partner and Chair, Healthcare Practice, Witt/Kieffe**

Nearly **92%** expect shortages of specialists, GPs and nurses will affect their ability to deliver high-quality care some time within the next decade.



Hospitals have the most difficulty attracting:

**Specialist nurses**



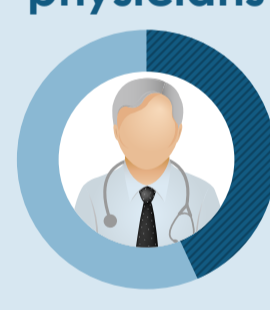
**48%**

**Specialist doctors**



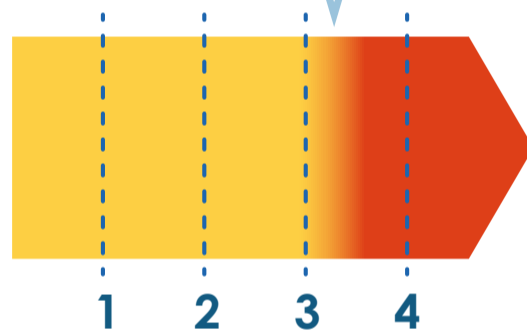
**44%**

**General physicians**



**41%**

Those expecting a shortage see it affecting care, on average, within 3 to 3.5 years.



To attract talent, hospitals are focusing on:

**Offering training/advancement opportunities**



**40%**

**Offering signing bonuses**



**39%**

**Offering flexible work conditions**



**40%**

**Ensuring total compensation packages (including benefits) are market-leading**



**34%**

## Managing change

“ The biggest opportunity is for hospitals to think about fundamentally redefining their business models, their go-to-market strategies and the kinds of capabilities they have internally. ”

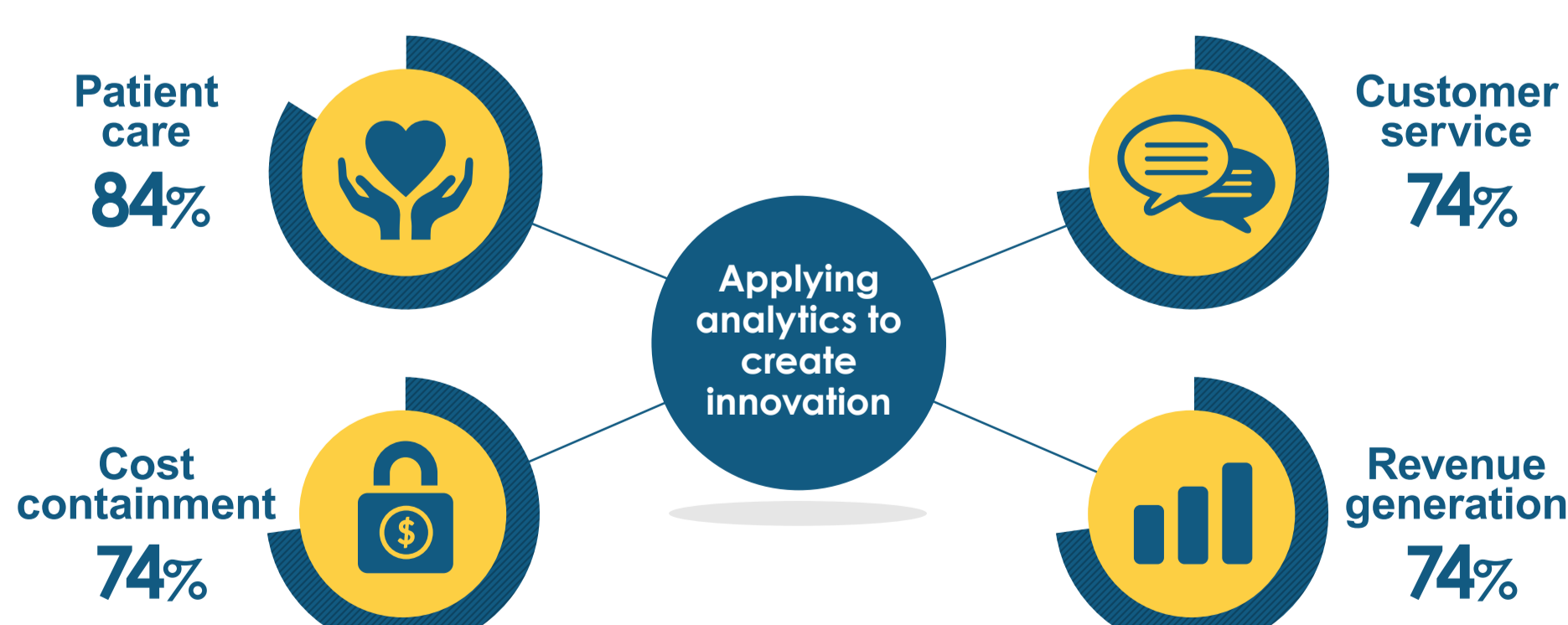
**Rita Numerof, Co-founder and President, Numerof & Associates**

**73%** say business-friendly policies of the new U.S. administration will drive M&A in the sector.



Nearly **20%** expect their hospital to be acquired within the next year.

Applying analytics to create innovation is a top or leading priority at large majorities of hospitals:



The prospect of renewed healthcare reform has **increased organizational morale** at far more hospitals than where it has decreased it.

