Organizational Transformation & Margin Improvement in Healthcare

Today’s market environment has created some difficult challenges for healthcare organizations with 69% of health system strategic planners reporting operating margins below pre-pandemic performance in 2022¹. While contending with the continued impact of COVID, labor shortages, declining reimbursements, evolving payment models, and increased competition from non-traditional players and the migration to ambulatory and home care settings, healthcare organizations are finding that traditional methods of operational cost reduction and revenue enhancement will not be enough to remain viable.

Healthcare leaders will want to consider bold initiatives that extend across the organization to achieve real improvement. These 6 steps can help identify and execute opportunities that drive margin performance and sustainability:

1. Execute on cost and revenue advantages that differentiate you from the competition and drive margin improvement.

2. Identify balance sheet opportunities to achieve additional financial flexibility.

3. Advance consumer centric strategies that address the unique needs of your market.

4. Adopt digital technologies, automation and data driven analytics that enhance your organization’s competitive advantage and drive growth.

5. Prioritize “collaboration and partnership” business models including outsourcing and managed services to achieve operational efficiencies.

6. Reinvest cost savings in talent development and retention, innovation and performance improvement.

¹“Health care in 2022: An industry under pressure,” Advisory Board, 2022
THE RESOURCES TO SUCCEED

BDO’s healthcare advisory team is well-positioned to support healthcare providers in achieving strategic flexibility and enabling improved and sustainable margins through a breadth of clinical, operational, and technological resources.

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