

# 10 High-Impact Initiatives for 2025

**Meredith Inniger**, Principal

**John Harris**, Managing Director

Hospital and health system leaders face uncertainty and an array of operational, financial, and regulatory challenges as we move into 2025.

- Uncertainty of the near and long-term impact of the election on federal and state policy issues, notably anti-trust, reimbursement rates and potential supply chain disruption
- Worsening payer mix due to expected tightening of Medicaid eligibility and reduction of subsidies, as well as baby boomers entering Medicare and Medicare Advantage growth
- The overall financial position of hospitals remains weak, particularly rural providers, constraining investment in new initiatives
- Clinical workforce shortages and burnout continue
- More competition from increasingly larger entities as M&A continues, including multi-state mergers, Payviders and investor-backed entities
- Continued negative public image of hospitals and the healthcare industry.



To address these and other challenges, Veralon has identified 10 high-impact initiatives for 2025 to strengthen performance and advance your organization's position.

**Address physician and workforce burnout.** As burnout afflicts physicians, health systems have begun to experience physician unionization in 2024 ([including](#) 300 PCPs at Mass General Brigham in Boston). Innovative strategies to reduce burnout include AI-assisted clinical documentation and patient-facing modules to decrease the burden on clinicians and enable staff to practice at the top of their license.

**Update your organization's strategic plan.** Ensure your strategic plan aligns with the complexities of the potential future environment after the election, which could include payer mix erosion, increased competition resulting from loosening of antitrust regulation, and supply chain disruption, to name a few. Perform scenario analyses and update your goals and initiatives to be prepared for change. [Here](#) is a quick tool to determine how much updating your plan may need.

**Integrate and align system structures and operations.** As health systems have grown, many still operate as a confederation more than a coordinated, cohesive system. Aligning and right-sizing clinical, operational, and administrative functions can be culturally challenging, and integrating AI can add to the change, but opportunities for improvement cannot be left on the table. Capitalize on enhancements to retain patients within the network. Adjust performance metrics and incentives to emphasize system performance, rather than individual business unit results.

**Elevate your physician enterprise.** Enhancing alignment and engagement with physicians is more important than ever, and a dedicated strategy is critical. This multi-faceted approach should include enhancing employed network performance, offering innovative relationship options for independents, and developing (or partnering to provide) a comprehensive practice management and population health platform. These changes may require redesigning physician compensation models, governance, and organizational culture.

**Focus on access.** As shortages of clinicians extend wait times, access to care is critical to retain market share and meet community needs. To enhance access, ensure your organization has an welcoming digital front door (utilizing AI where possible), offers virtual provider options to extend clinician availability, and continues to right size its ambulatory footprint, offering primary and specialty services aligned with community needs. Health systems can also explore partnership with a PCP manager or aggregator to grow the physician base.

**Emphasize patient experience and community relations.** To counteract the negative public image hospitals are facing, establish a strong foundation of service and connection to the community. Especially as systems become regional, it is critical to nurture local community relationships.

**Embrace the journey to value.** Establish a strong plan for government payers so your organization can achieve a margin through value-based contracts. Eliminate avoidable and high-cost care, freeing-up clinical capacity for better-reimbursed services. Focus commercial value-based contracting on opportunities that expand market share and enhance patient access. Consider partnering with a value-based care enabler that contributes new expertise, speeds transformation, and may provide a source of capital.

**Engrain a culture of performance improvement.** After major cost-cutting efforts of 2022-2024, costs can creep back in many ways. Avoid back-sliding on hard-won operational savings by continuous performance improvement. Use AI-empowered tools to streamline operations in areas like revenue cycle management, supply chain, vendor contract management, and patient throughput.

**Avoid a cybersecurity crisis.** Proactively invest in cybersecurity. Thoughtfully prepare an emergency response plan. Educate the board, leadership, and staff at all levels. Be prepared.

**Increase governance effectiveness.** Today's dynamic healthcare environment required boards to make timely and informed decisions that foster a positive public image. It is critical to proactively manage board composition to have the right perspective and expertise in the room. Invest in education, particularly for new board members, on timely industry topics so they get up to speed quickly and are ready to partner with management to make the right decisions.

For additional insight on approaches to implement these high impact initiatives for 2025 contact Veralon at (877) 676-3600 or [info@veralon.com](mailto:info@veralon.com). ●

