



Major headwinds predicted for 2025

As we enter the new year, hospital and health system leaders are considering challenges and opportunities that may arise in 2025. *Becker's Hospital Review* recently shared what is on the minds of 74 health system executives. The following are the major headwinds they predict.

1. Continued staff shortages: In 2025, expect a national shortage of:

- 61,700 to 94,700 physicians, as demand spikes in several specialties ([Association of American Medical Colleges](#)); and
- 78,610 full-time registered nurses ([American Association of Colleagues of Nursing](#)).

[Mercer](#) predicts a shortage of about 100,000 critical healthcare workers by 2028. This means the potential for less access to care, slower patient throughput and the need to pay higher wages to stay competitive.

[HANYS' November 2024 Hospitals Fiscal Survey Report](#) highlights the issue in New York, where 97% of hospitals reported a shortage of nurses and 88% reported shortages of non-nursing personnel.

Hospitals and health systems continue to mitigate these shortages by creating pipeline programs, strengthening the workforce, automating administrative tasks where possible, developing hospital-at-home programs and forging partnerships to provide in-person and virtual coverage for patients.

2. Financial pressures: Slow margin growth is expected nationally along with rapidly rising costs, inflation and an increase in payer claims denials. All will contribute to providers' financial challenges.

In New York, three out of four hospitals reported that they do not have the operating margins needed to maintain and improve access to patient care, attract and retain a skilled workforce, invest in technology and research, secure capital funding and modernize their facilities. On average, New York's hospitals projected a median 0.0% operating margin for the year — a slight improvement over recent years — but indicative of our healthcare system's fragility ([HANYS' Hospitals Fiscal Survey Report](#)).

Hospitals and health systems may have to strengthen their expense management and revenue capabilities. To make a difference this year, executives are adding revenue streams, diving deeper into value-based care and entering into new partnerships to implement technology.

3. Trump administration: A new administration brings uncertainty about healthcare policy. Healthcare leaders must plan for various scenarios.

4. Technology integration: Technology is no longer a "nice to have" — it's a "must have." Hospitals with the resources to implement new technology and data analytics will fare better than smaller systems and

independent hospitals already struggling financially. Providers may need to divert funds from other essential areas and/or rely on partners and donors to achieve technology goals.

5. **Medicare Advantage:** In 2024, health systems experienced heightened claims denials and low reimbursement rate increases under Medicare Advantage. This will remain a significant challenge this year as the health plans continue to grow. Healthcare provider executives will have to continue to work with their payer partners to ensure their agreements properly consider future inflation and performance targets.
6. **340B Program:** Pharmaceutical companies are pushing for changes to the 340B Program, so be prepared. Healthcare leaders must prepare for the impact of the Inflation Reduction Act of 2022 on the 340B Program.
7. **Supply chain:** The cost of drugs and medical supplies will remain high, with several supplies remaining on the shortage list. Continue to increase coordination and prepare for shortages.
8. **Cyber threats:** Both the frequency and sophistication of cyberattacks against hospitals and healthcare providers will continue to rise, making it imperative to invest in keeping your organization safe.
9. **Access to care:** Patient demand will continue to grow. Improving and increasing access to care will be one of the top priorities, so hospitals may have to improve existing care models or consider developing alternative ones.
10. **Private equity:** Private equity companies continue to make investments in hospitals, physician groups and other healthcare-related businesses — a concern for some in the nonprofit sector.

To learn more about these headwinds and what health system executives are doing about it, read "[10 Headwinds for health systems in 2025](#)" by Becker's Hospital Review.

Information for this article was obtained from:

- "[10 Headwinds for health systems in 2025](#)," Becker's Hospital Review and [HANYS Hospitals Fiscal Survey Report](#).

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