

## 2023 Midyear Business Leaders Outlook: Healthcare

Healthcare leaders forge ahead—even as they anticipate a recession.

Leaders of midsize U.S. healthcare companies are more upbeat about the economy than they were in January, according to our 2023 midyear Business Leaders Outlook survey.

About 3 in 5 (62%) executives are optimistic about the national economy, compared with 48% in January. In both instances, healthcare leaders hold more bullish views on the business environment than U.S. businesses generally.

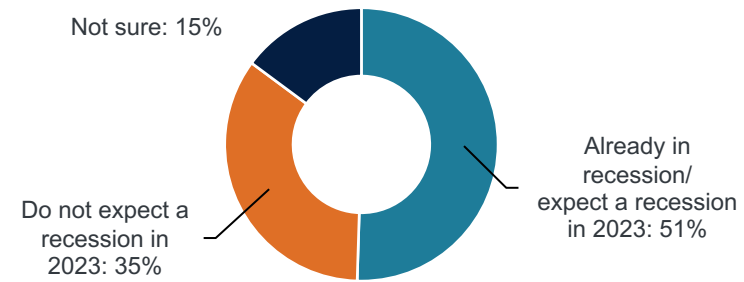
As the U.S. economy's growth has slowed, most healthcare leaders anticipate a recession in 2023. But many of their organizations have resiliency strategies for a potential downturn.

The healthcare sector is also transforming its care models, engaging with patients and beginning technological leaps with artificial intelligence

A majority of respondents said their organizations are using or considering remote patient monitoring (56%) and telehealth (55%). Healthcare leaders are also embracing AI: nearly 7 in 10 leaders said they're using or considering adapting AI tools.

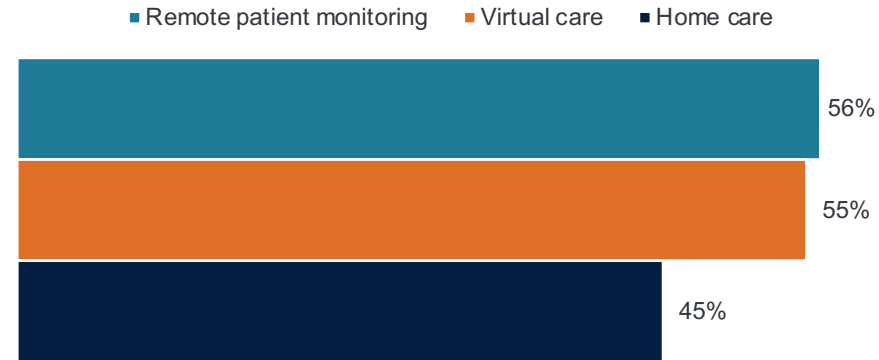
# Executive summary

## RECESSION CONCERNS



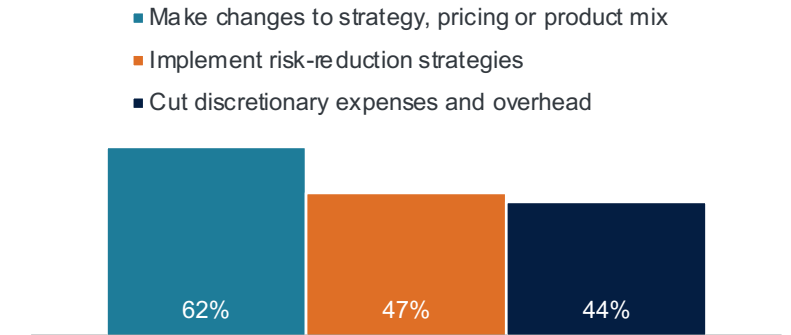
More than half of U.S healthcare business leaders believe a recession is likely this year—or has already started.

## NONTRADITIONAL CARE MODELS



A commanding 93% of leaders are using or considering at least one nontraditional care model. The most common are home care, telehealth and remote patient monitoring.

## RECESSION RESPONSE



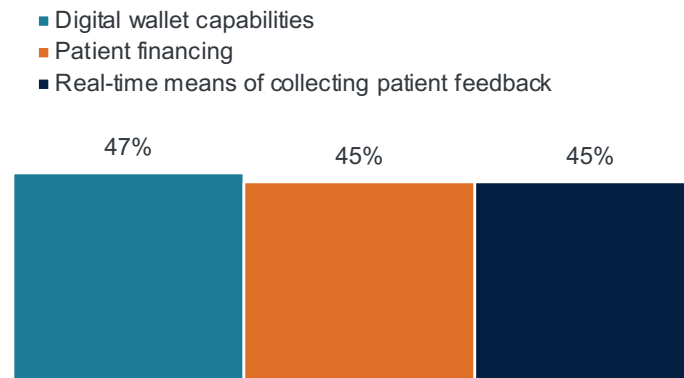
Healthcare leaders are prepared for a potential recession. Most said they'll change their strategy, pricing or product mix.

## WORKFORCE OUTLOOK

86%

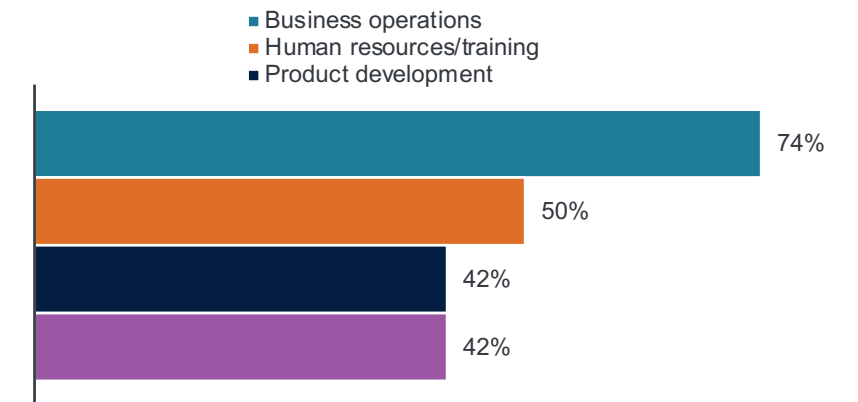
The healthcare sector expects to maintain or grow its workforce over the coming months.

## ENGAGING CONSUMERS



To engage consumers and patients in the current market environment, 47% of healthcare leaders are leaning on digital wallets to make payments more flexible and convenient.

## ARTIFICIAL INTELLIGENCE ADOPTION

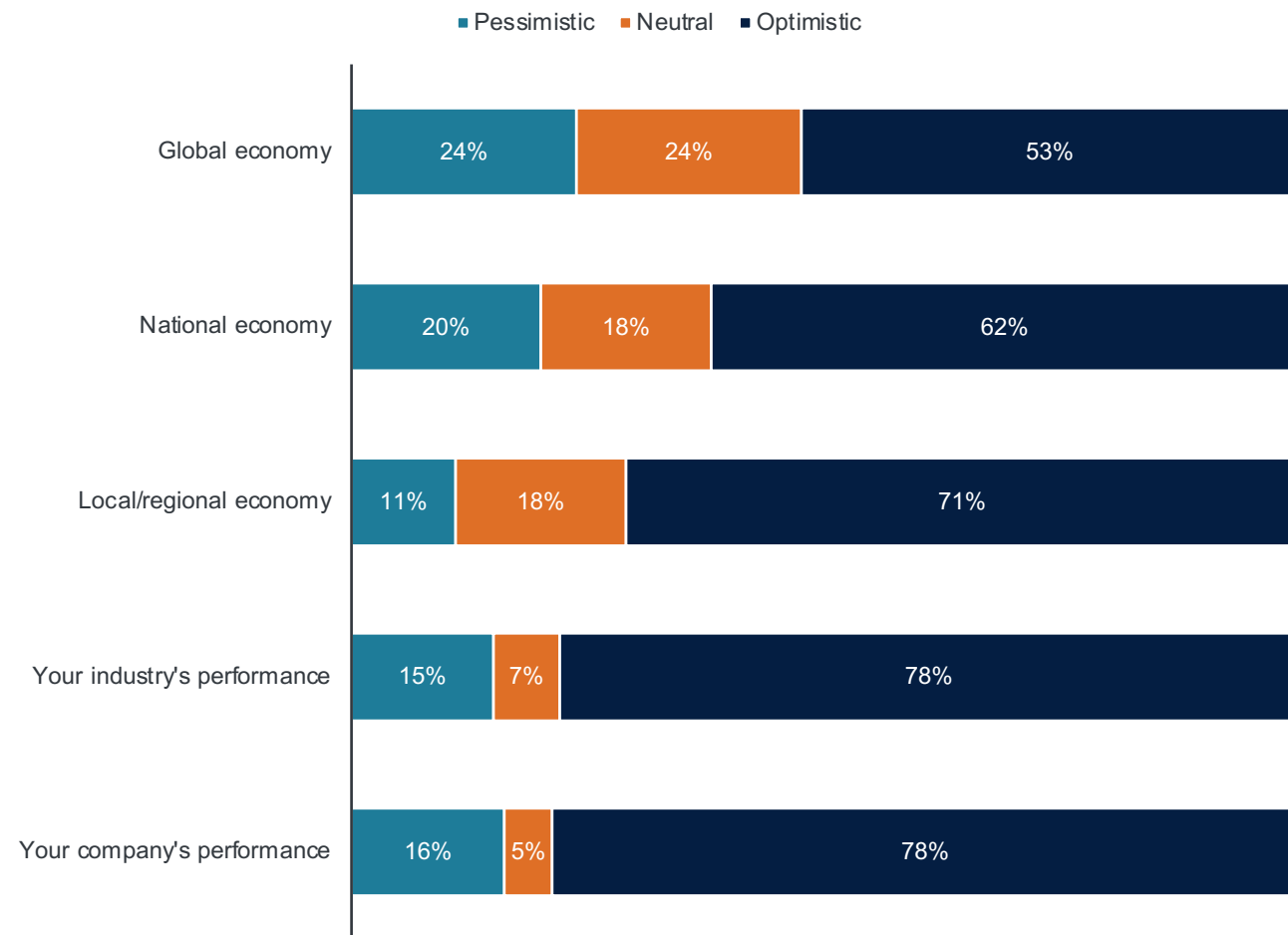


Across the sector, 69% of healthcare leaders said they'll turn to AI to help their organizations, especially in business operations, HR and product development.

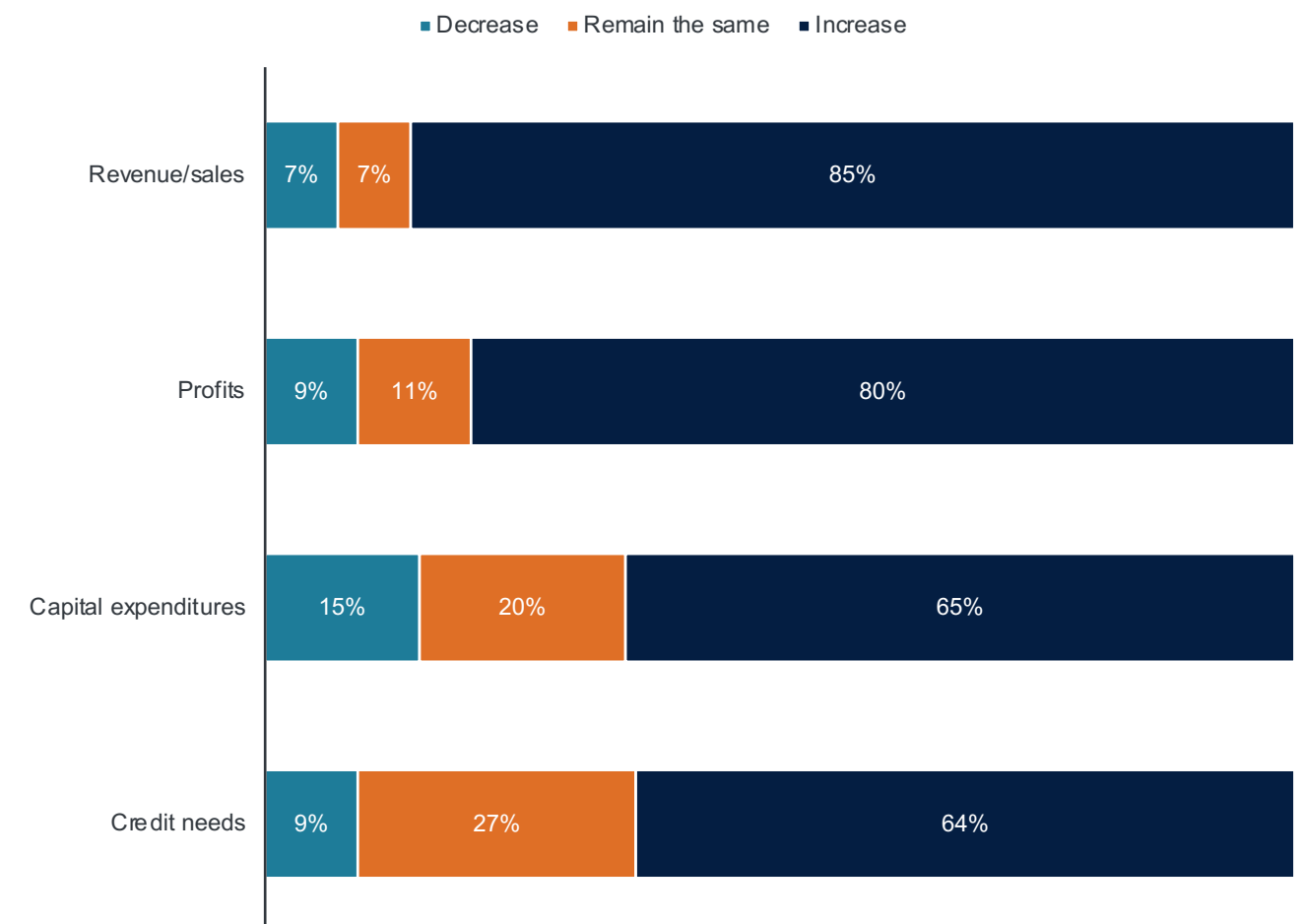
# Economic outlook and expectations

Healthcare leaders remain positive about the national and local economies with 62% optimistic about the U.S. economy compared to 29% of leaders overall. Most healthcare executives also expect to increase their revenue, profit, capital spending and borrowing in the next year.

## ECONOMIC OUTLOOK



## EXPECTATIONS FOR THE YEAR AHEAD

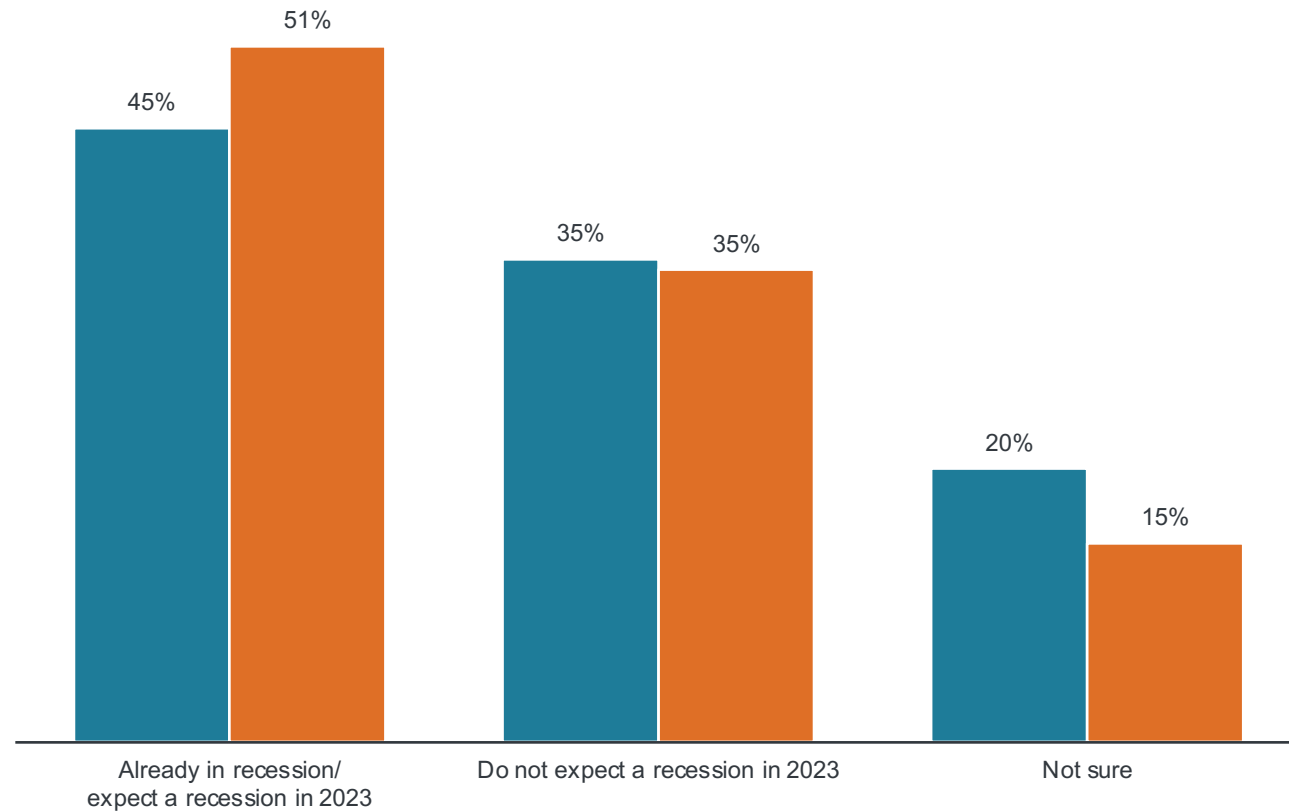


# Recession expectations

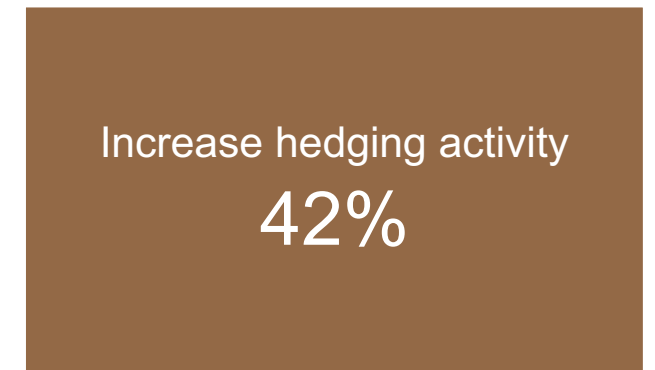
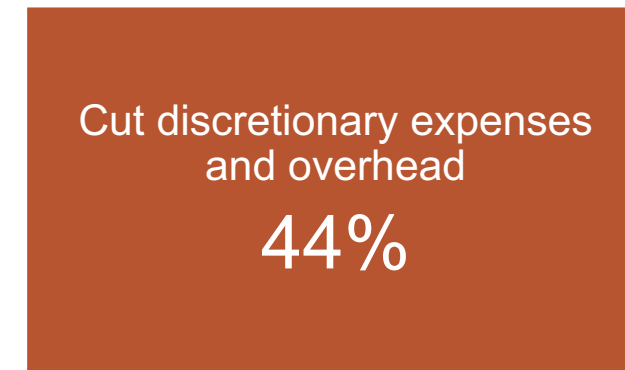
Most healthcare leaders expect a recession in 2023. Many said they'll modify their strategy, pricing or product mix in response or look to trim overhead and identify ways to manage risk.

## RECESSION EXPECTATIONS

■ U.S. business leaders ■ Healthcare leaders



## RECESSION RESPONSE

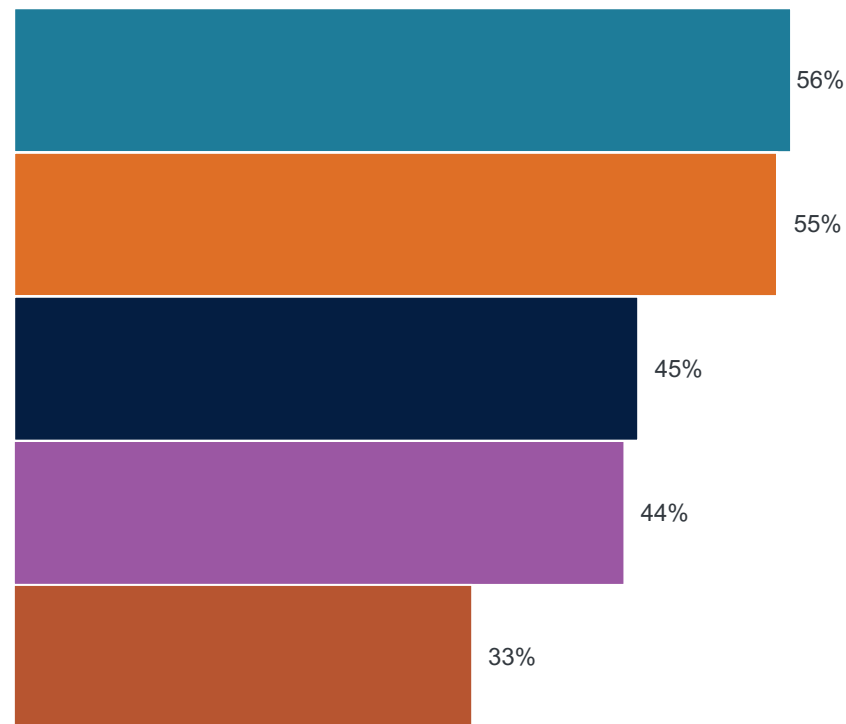


# Healthcare industry opportunities

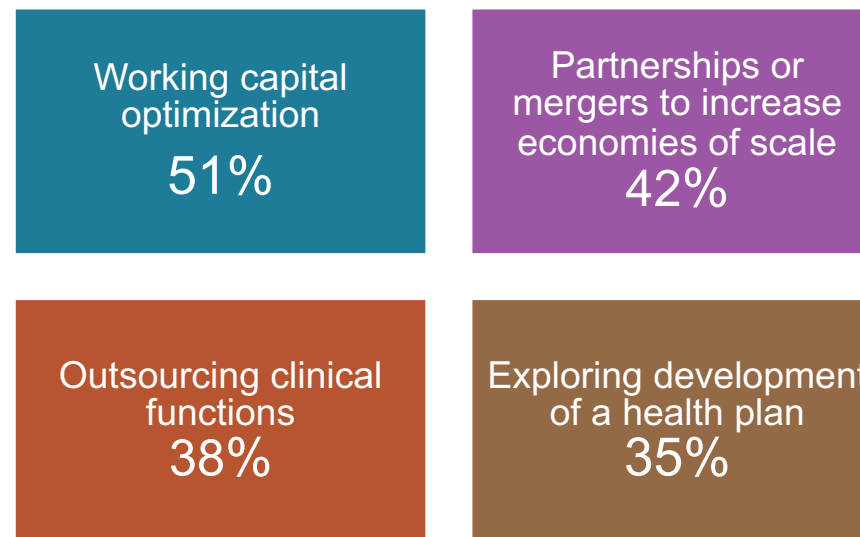
Most healthcare leaders said their organizations use or are considering remote patient monitoring and telehealth. To engage with consumers, companies are offering more flexible, consumer-friendly payment options.

## NONTRADITIONAL CARE MODELS IN CONSIDERATION

- Remote patient monitoring
- Virtual care/telehealth
- Home care
- Shift to value-based, risk-bearing model
- Diversify to nontraditional revenue streams

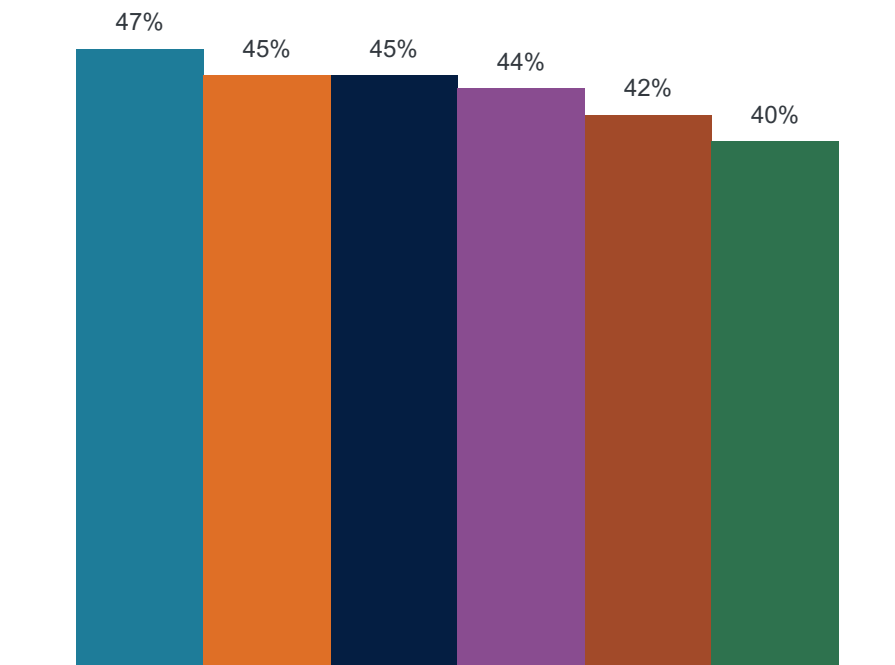


## MAINTAINING MARGIN



## ENGAGING CONSUMERS AND PATIENTS

- Digital wallet capabilities
- Patient financing
- Real-time means of collecting patient feedback
- Cost estimation
- Financial counseling
- Self-serve scheduling and registration



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# Business strategy

To help grow their businesses, more than half of healthcare leaders said they'll prioritize their most profitable products and embrace strategic partnerships and investments.

## PLANNED GROWTH STRATEGIES

Prioritization of the most profitable products  
55%

Strategic partnerships and/or investments  
51%

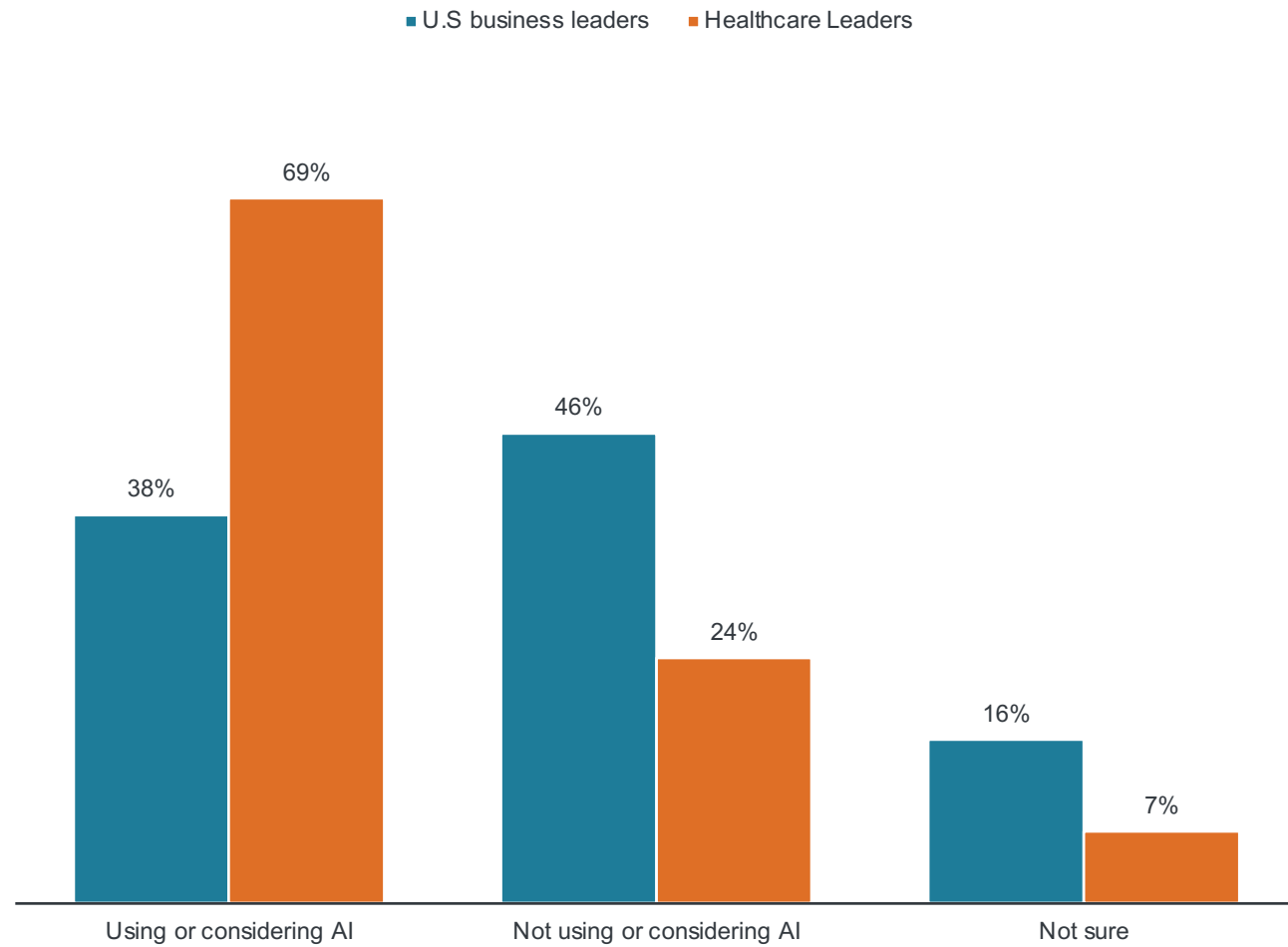
Introduction of new products/services  
49%

Expansion into new distribution channels  
40%

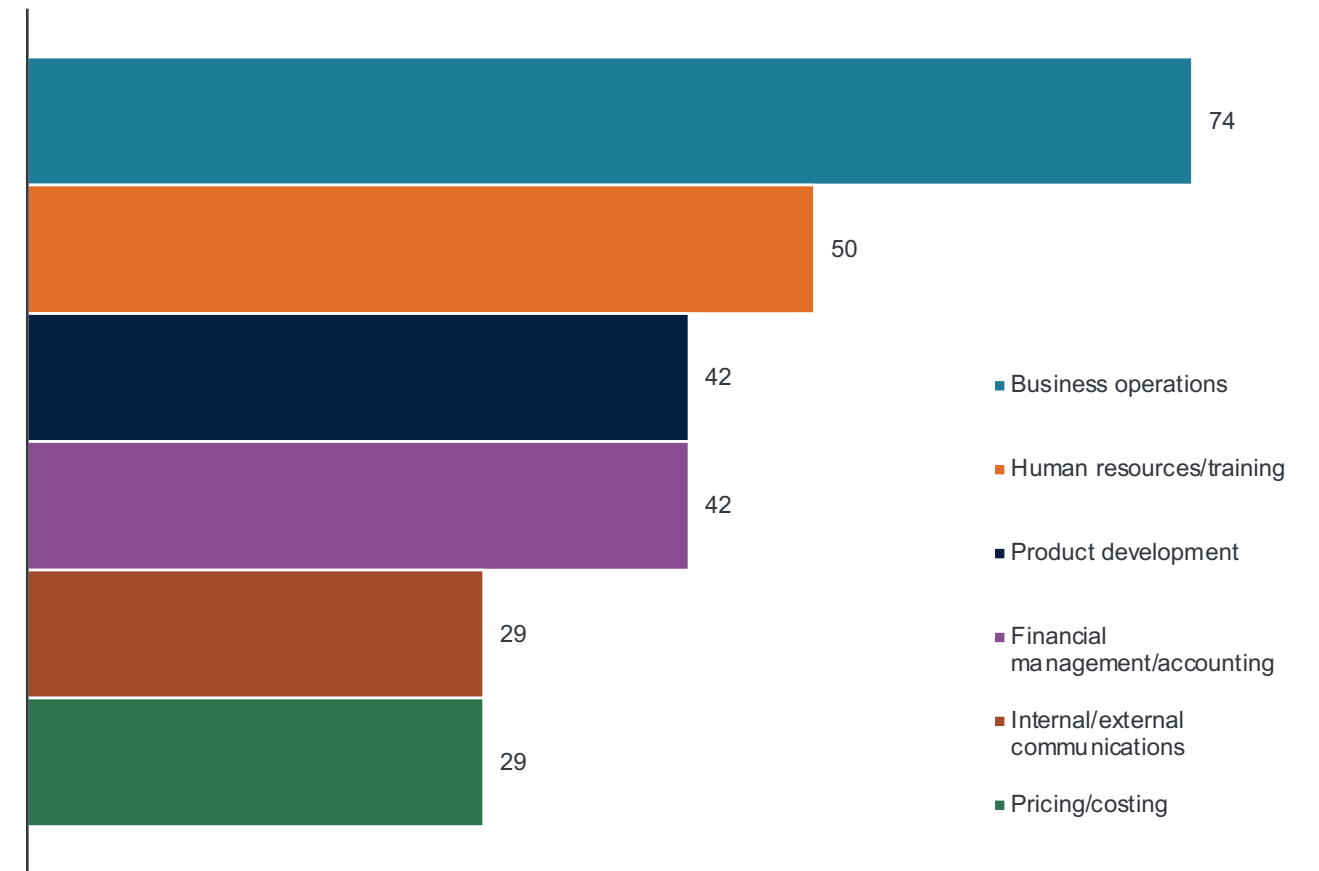
# Artificial intelligence (AI) adoption

Well above the U.S. average, nearly 3 in 4 healthcare executives said they're using or considering AI-identified applications for business operations, human resources, product development and finance/accounting.

## USING OR CONSIDERING AI TOOLS



## TOP AI BUSINESS APPLICATIONS<sup>1</sup>



1. Among 38 respondents who are currently using or considering using AI, or who are not sure.

# Business challenges

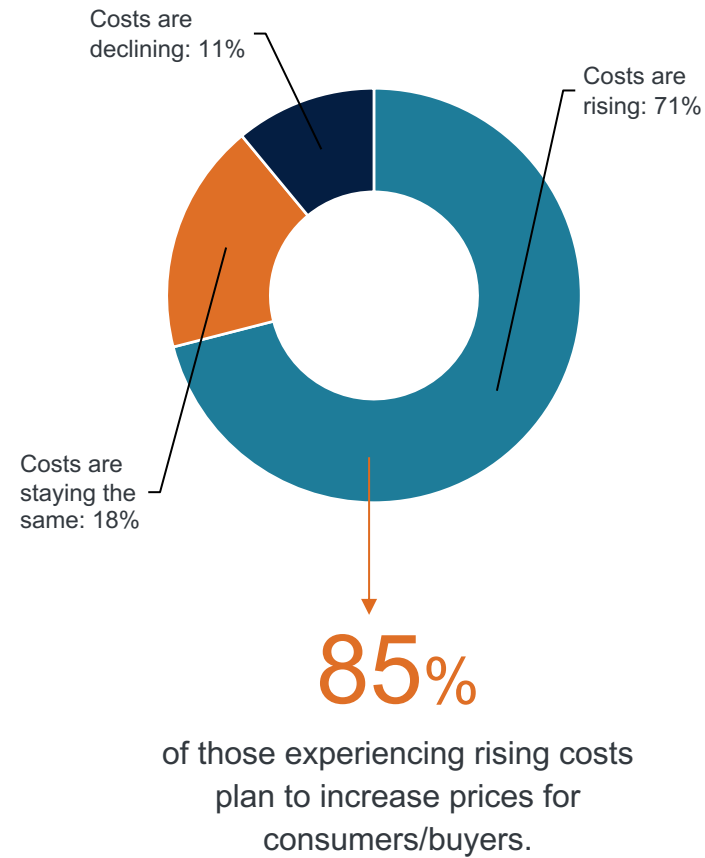
More than 7 in 10 healthcare leaders said their costs rose over the prior six months. Most of those affected companies expected to pass those increased costs onto their consumers.

## WORKFORCE CHANGES

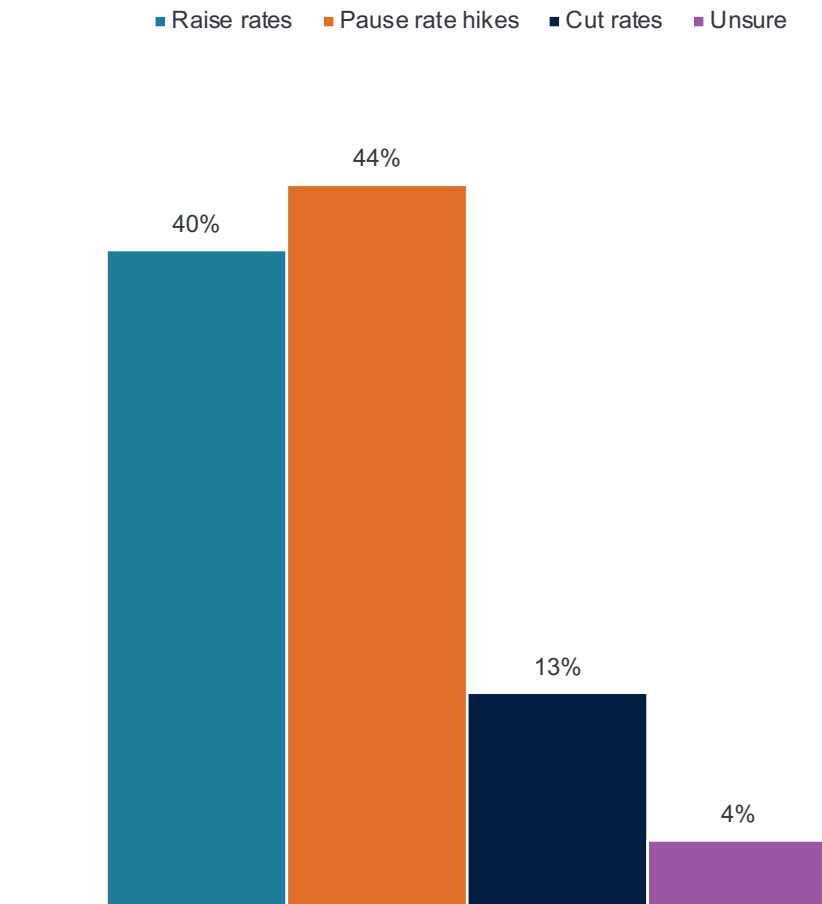
86%

plan to add or maintain headcount

## CHANGES IN COSTS OF BUSINESS OVER PAST 6 MONTHS



## HOW LEADERS THINK THE FED SHOULD RESPOND TO THE CURRENT ECONOMIC LANDSCAPE

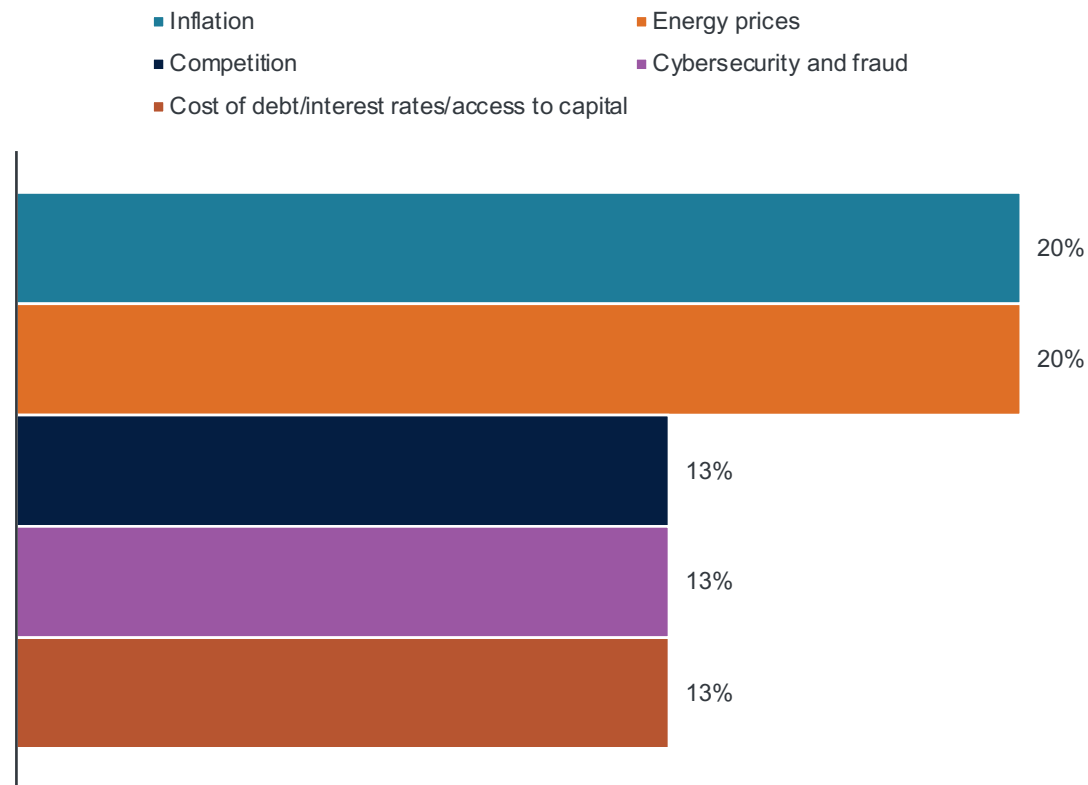




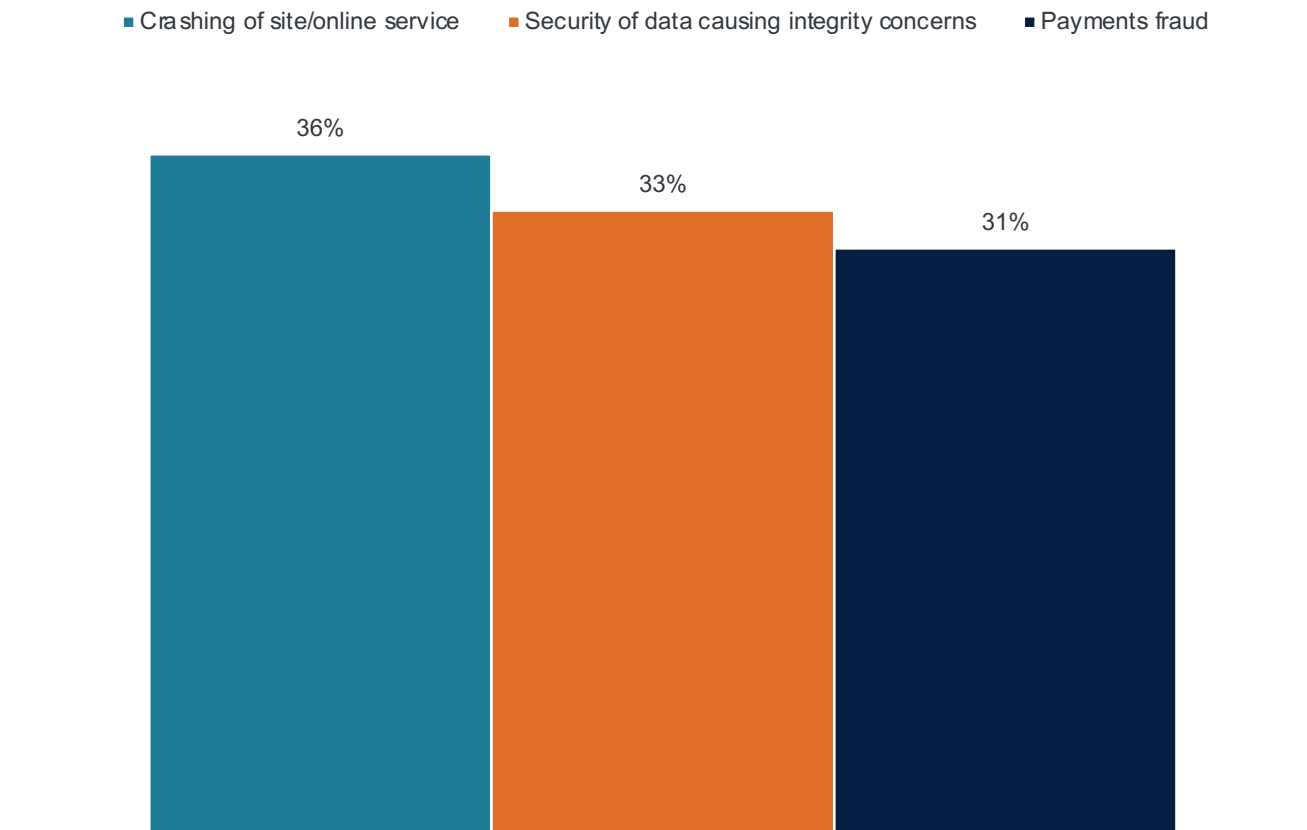
# External threats

Inflation (20%) and rising energy prices (20%) were the most commonly cited external threats. The results found that 73% of healthcare companies were targeted by fraud or a cyberattack.

TOP EXTERNAL BUSINESS THREATS



CYBERATTACKS IN THE LAST 6 MONTHS



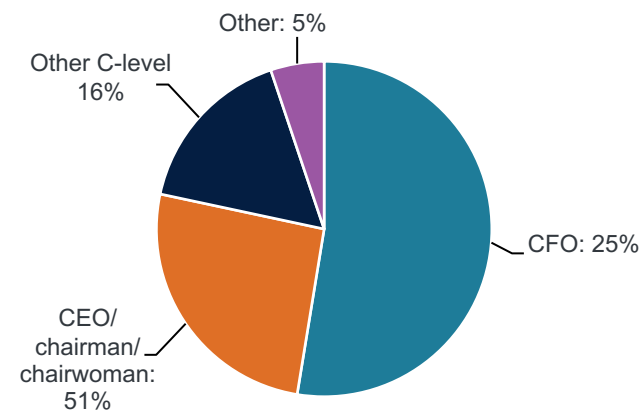
## About the survey

Started in 2011, the annual and midyear Business Leaders Outlook survey series provides snapshots of the challenges and opportunities facing executives of midsize companies in the United States.

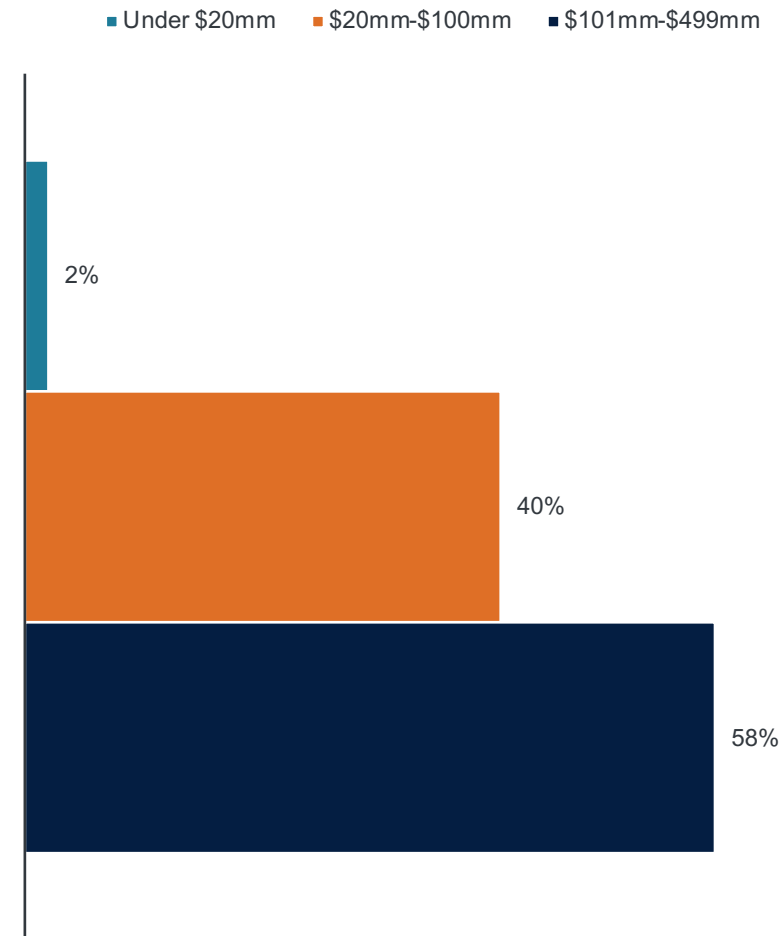
This year, 55 respondents completed the midyear online survey between June 14 and July 5, 2023. Results are within statistical parameters for validity; the error rate is plus or minus 13.5% at the 95% confidence interval.

# Who took the survey: Healthcare leaders

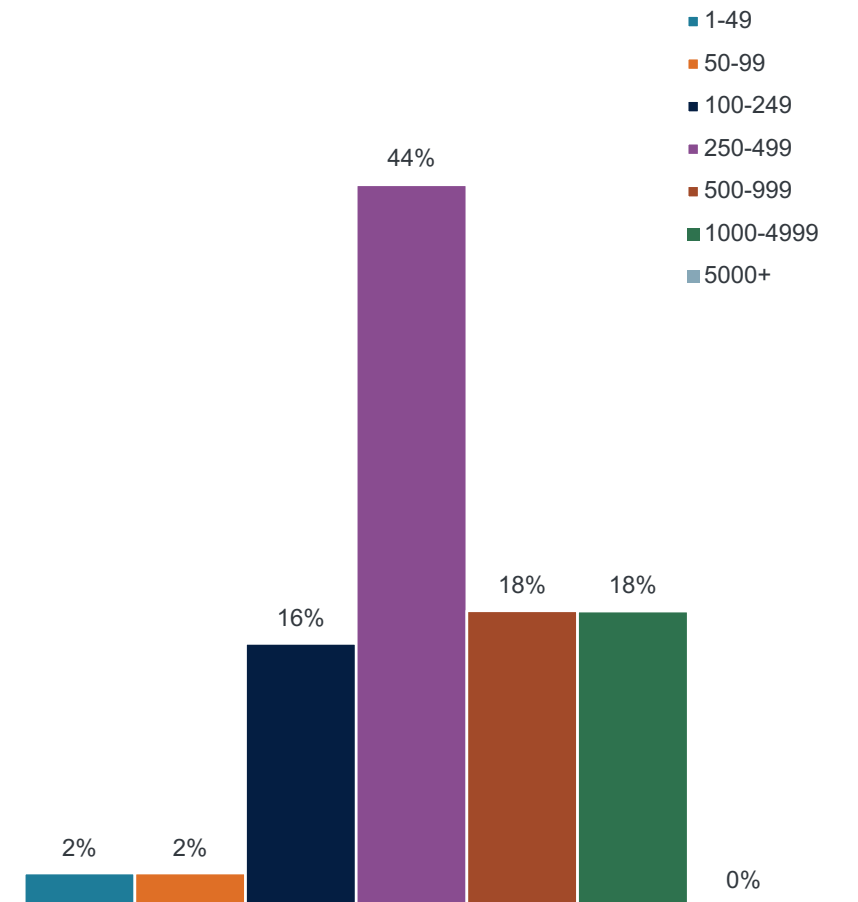
BY TITLE



BY ANNUAL REVENUE



BY NUMBER OF EMPLOYEES



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