



Children's Hospitals Seek Unique Solutions Amid Latest Challenges

LEADERS TREND TOWARD A BLEND OF STANDARD AND EMERGING INITIATIVES TO THRIVE

BY MICHAEL POU

Children's hospitals and health systems are struggling with capacity and margin issues more severe than usual. Patient volume is up, but so are costs, and staffing problems go well beyond typical nurse shortages to include ancillary staff and technicians.

Outside of the current workforce challenges, Huron's research finds that these trends are consistent with the broader healthcare market.

Top Trends in Healthcare Reflect Children's Systems Concerns

A Huron [survey of 300 healthcare executives](#) finds that diminished revenue and higher costs coincide with the pressure to innovate in the areas of cost, care, and growth.



Care delivery and access transformation, including virtual care



Health equity in the community



Ambulatory expansion



Revenue growth



Health system capacity



New economic models, including strategic partnerships



Technology infrastructure

Four Trends Gaining Ground in Children's Health Systems

How are children's hospitals responding to disruption? Leaders are deploying a balance of **standard and emerging initiatives** that include:

Investment in talent and engagement: Children's health systems will likely continue to leverage agency labor in the short term to alleviate staff shortages and workload. However, more strategic levers to retain and attract permanent talent are needed and [investing in culture](#) is nonnegotiable.

Optimization of technology ROI: Digital, technology, and analytics investments command leaders' attention as they look to partnerships that will help them convert new and existing technology from a barrier to a trusted enabler of transformation. In addition to optimizing the electronic health record (EHR), the market will likely see focus and investment increasing for enterprise resource planning (ERP) and customer relationship management (CRM) platforms to enhance operational efficiency and patient interactions.

Growth + service line optimization: Leaders are leaning on [internal and external data](#) to closely analyze the value of their service lines and inform growth strategies. Typical activities include understanding variability between locations of care and referral patterns related to network leakage and retaining existing patients. Additionally, organizations are using data to understand care patterns to help providers better predict when to proactively set their next visit based on their patient's unique clinical trends.

Innovation in cost reduction: Efficiency is the cornerstone of surviving healthcare transformation with 10% to 15% cost removal becoming the necessary standard. Leaders are getting more creative with how they organize their capabilities to go beyond typical cost strategies of labor and supplies and rethink how they operate. Expect to see more innovation in [revenue cycle optimization](#), including [rethinking total ownership](#) for full or even partial services, leaning on staff augmentation to address existing staff shortages, and assessing automation for repetitive, low-risk functions.

Next Steps

How can your organization plan for what's next? Contact us to help benchmark your initiatives and identify what opportunities exist within your organization.



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