

5 BIGGEST CHALLENGES FOR HEALTHCARE PROVIDERS IN 2024



For years, healthcare providers in the U.S. have faced a similar and constant set of challenges. However, due to increasing concerns for sustainability in the industry, the pressure to overcome these issues has reached a critical level, leading the sector to concentrate resources on developing strategies to counter them.

Despite these challenges, 2024 is still a year full of opportunities to bring about meaningful change in the healthcare industry.

Below is a breakdown of the biggest obstacles facing U.S. healthcare providers and strategies for overcoming them.



TOP FIVE CHALLENGES FOR U.S. HEALTHCARE PROVIDERS—AND HOW TO ADDRESS THEM



1 Increasing frequency of healthcare cyberattacks

From 2022 to 2023, reported ransomware attacks rose nearly 50% ([The HIPAA Journal, 2024](#))—with the ransomware attack against UnitedHealth Group’s Change Healthcare in early 2024 regarded as “the most significant and consequential cyberattack on the US healthcare system in American history” by American Hospital Association (AHA) President and CEO Richard J. Pollack ([AHA, 2024](#)).

Indeed, 94% of the hospitals surveyed by the AHA report experiencing significant financial impact and patient care disruption in the wake of the cyberattack ([AHA, 2024](#)). Damage from this attack impacted physician practices, medical groups, hospitals, and health systems, prompting the U.S. Department of Health and Human Services to coordinate efforts to support the healthcare system’s continuity of care.

The accelerated development of artificial intelligence (AI) and its eager adoption across multiple industries also heralds the valid concern that these technologies may be leveraged to make future attacks even more severe. However, cybersecurity solution providers are already deploying generative AI (genAI) to strengthen their platforms. For instance, genAI enables IT teams to identify emerging threats and preemptively locate potential security flaws.

Therefore, healthcare providers are in the market for trusted cybersecurity partners that meet their particular needs and provide security awareness training for their staff.

2 Workforce shortages in the sector continue to increase

The American Hospital Association estimates that, by 2026, the market will face an estimated gap of up to 3.2 million healthcare workers ([AHA, 2022](#)). Clinician burnout, for instance, is a great contributor to this scenario—instead of reducing workloads and increasing the quality of care, some technologies adopted by providers have created more work for already overburdened teams. For this reason, companies seeking to market IT solutions for healthcare providers must prove the value of their services through successful real-world use cases.

For example, workflow automation can drive efficiency by allowing clinicians to easily access relevant patient information, as well as by enabling teams to admit patients quickly and without data errors.

AI and machine learning (ML) technologies also have numerous applications in healthcare, such as clinical intelligence. This technology interprets spoken information during patient appointments, proactively prompts clinicians to address any information gaps, generates clinician notes in real time, and seamlessly integrates these notes into electronic health record (EHR) or electronic medical record (EMR) systems.



3 Care costs are skyrocketing

Increased care costs are majorly driven by rising medical inflation, wages, medication costs ([PwC, 2023](#)), and technology spend. Combined, these expenses threaten the trajectory of positive operating margins that were achieved in 2023.

However, if properly researched and vetted, technology also presents one of the answers to reducing and controlling costs, making the capital expenditure worth the investment. Data analytics platforms, for example, can deliver significant return on investment (ROI) across clinical, financial, and operational areas of healthcare companies. These solutions help optimize resource allocation, identify operational inefficiencies, build accurate financial forecasts, prevent fraud, and manage revenue cycles more efficiently, among many other uses.

4 Evolving expectations demand an increased focus on patient experience

With the market size of U.S. retail clinics projected to grow from \$2.79 billion in 2023 to \$6.36 billion by 2030 ([Fortune Business Insights, 2023](#)), providers realize the need to improve patient experience to recruit and retain patients, thus ensuring sustainability.

The pandemic led to an increase in the number of first-time users of tools such as telemedicine, which led to a greater demand for convenience and easy access to care and patient information. In this scenario, genAI is becoming a prominent tool among emerging technologies to enhance the patient experience. For example, this technology can clearly explain discharge summaries and treatment plans, as well as create translations, aiding both patients and caregivers while enhancing treatment adherence to deliver better patient outcomes.



5 Ongoing lack of interoperability

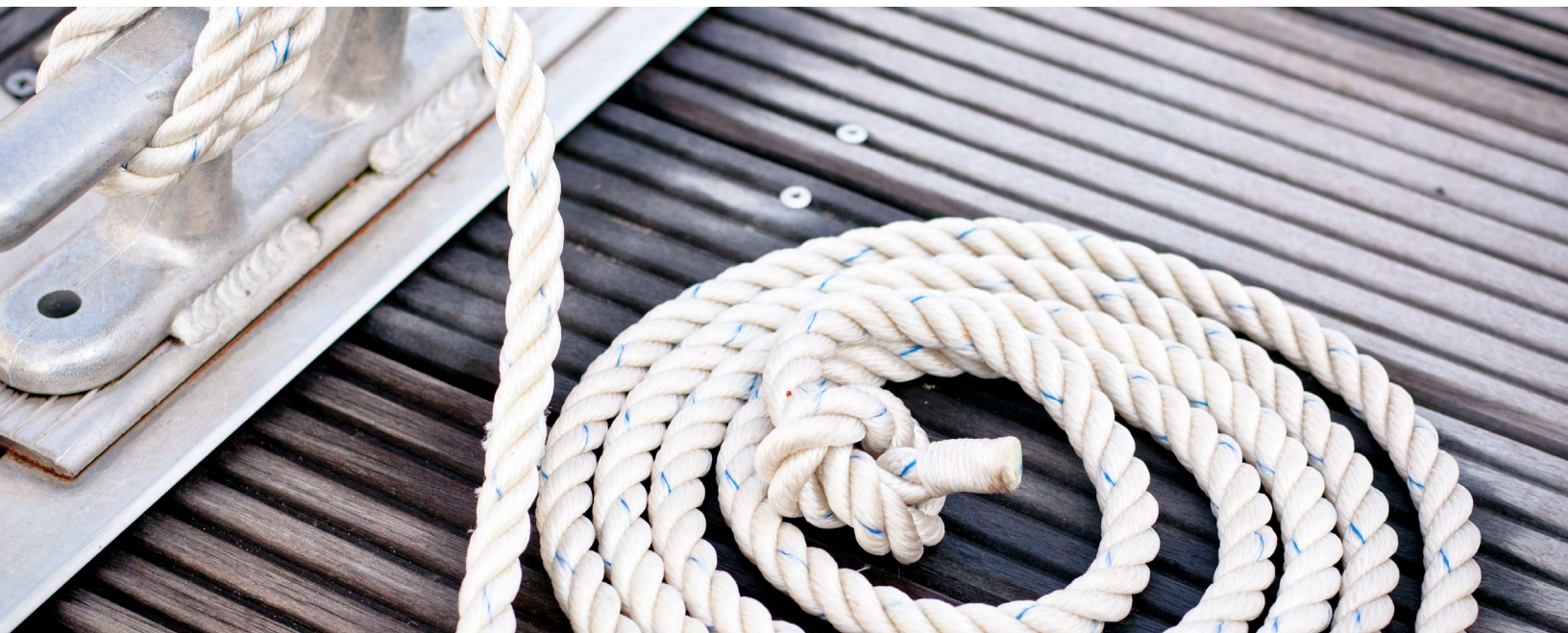
Multiple efforts to safely share patient data between practitioners continue to be hindered by a myriad of factors. Some contributors to this hindrance are the rigorous competition paired with abundant mergers and acquisitions in the healthcare market (both for healthcare providers and technology vendors), the simultaneous usage of disparate systems, and the growing need for regulatory compliance.

This issue is being addressed by different groups: the Office of the National Coordinator (ONC) for Health Information Technology, for instance, has been actively involved in four major interoperability initiatives to drive healthcare information exchange, and other industry groups have collaborated to develop protocol standards.

These standards include Fast Healthcare Interoperability Resources (FHIR), Digital Imaging and Communications in Medicine (DICOM), and Health Level 7 (HL7). The Centers for Medicare & Medicaid Services (CMS) also released its CMS Interoperability and Prior Authorization Final Rule in January 2024, seeking to improve “health information exchange to achieve appropriate and necessary access to health records for patients, healthcare providers, and payers” ([CMS, 2024](#)).

Interoperability solution providers, on the other hand, are leveraging emerging technologies such as genAI to increase the quality of data, as well as to transmit it in a more timely and efficient manner. These advancements support better patient outcomes, positively enhancing the patient experience and satisfaction, and ultimately leading to better brand perception and increased revenue opportunities.

Furthermore, alongside the adoption of new tech and the formation of valuable partnerships, healthcare providers currently strive to build an organizational culture that supports transformational change, engaging in-house champions for change management and earning both end-user adoption and stakeholder buy-in.



KEY TAKEAWAYS



- Curb increasingly aggressive cyberattacks in the sector with cutting-edge cybersecurity systems that leverage AI to detect incoming threats and fix potential security flaws.
- Combat workforce shortages with efficient tech that reduces workloads and automates time-consuming tasks, such as AI-driven clinical intelligence tools.
- Keep rising care costs in check via smart resource allocation and by addressing operational inefficiencies, which can be achieved with the support of data analytics platforms.
- Ensure patient recruitment and retention by delivering a remarkable patient experience, via innovative technology and an organizational culture shift toward a patient-centric, empathetic standard of care.
- Leverage up-to-date protocols for exchanging healthcare information, such as FHIR, DICOM, HL7, and the CMS Interoperability and Prior Authorization Final Rule.

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