Mindsets

Healthcare Executive Leadership Report

2026

Forvis Mazars is proud to share the latest edition of our Mindsets Healthcare Executive Leadership Report.

In early 2026, we surveyed 200 executives across the U.S. and the continuum of care to understand their challenges, priorities, and future outlook. This report shares our findings, providing valuable perspective to inform your strategy and decision making in the months ahead.

Introduction

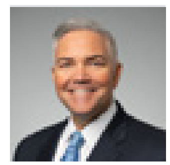
Healthcare executives are optimistic about financial performance in 2026, but their outlook is guarded compared to 2025. Concerns are prevalent about governmental payment reductions and coverage changes resulting from the *One Big Beautiful Bill Act* (OB3), other regulatory developments, and complex relationships with commercial payors.

These headwinds will increase pressure on top lines, while talent and workforce challenges will create obstacles to executing the growth strategies necessary to offset rising input costs. Artificial intelligence (AI) and other emerging technology solutions offer potential to relieve these pressures, as well as new challenges related to governance and implementation. To succeed in this complex environment, executives will need to continue to focus on Achieving Health for their organizations and those they serve.

This year's report highlights five key themes that correspond to the core capabilities for Achieving Health outlined in our Healthcare Market Point of View. Within these themes, you'll see that some trends continue from years past, while others newly emerge or move in new directions based on the realities of the present landscape. As these trends evolve, we aim to help you keep the pulse on your industry peers and find opportunities to strengthen your capabilities to succeed and thrive.

We share these insights as an extension of our commitment to providing an **Unmatched Client Experience**® by delivering value that helps you adapt, grow, innovate, and lead. If you have questions about the report or how we can help your organization, please reach out.

Brad Brotherton
Partner, Healthcare National Sector Leader



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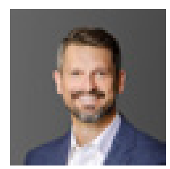


Chris Masone
Principal, Healthcare Consulting Market Segment Leader

Introduction

Key Themes

Aligned Growth

Executives increasingly view executing on aligned growth as essential to long-term sustainability, recognizing that cost-cutting strategies alone are insufficient. While leaders still favor organic growth through expanded access to services and sites of care, many organizations are taking a balanced approach by pursuing inorganic growth via selective transactions.

Financial Discipline

Compared to prior years, executives expect financial performance to be softer in 2026 amid regulatory, inflationary, and payor-related pressures. Especially in the short term, leaders are prioritizing financial discipline and operational efficiency, supported by more resilient revenue cycle operations and performance improvement initiatives. In the longer term, executives expect these efforts to be increasingly enabled by AI.

Regulatory Excellence

Navigating regulatory changes remains a top challenge for healthcare leaders, and many executives are uncertain about the pipeline of reimbursement talent required for the function to play a strategic role. At the same time, growing interest in value-based care is tempered by capability gaps and risk tolerance misalignment. Organizations will need a strategy to address these gaps, as most executives believe engaging in more value-based payment models is important.

Strategic Agility

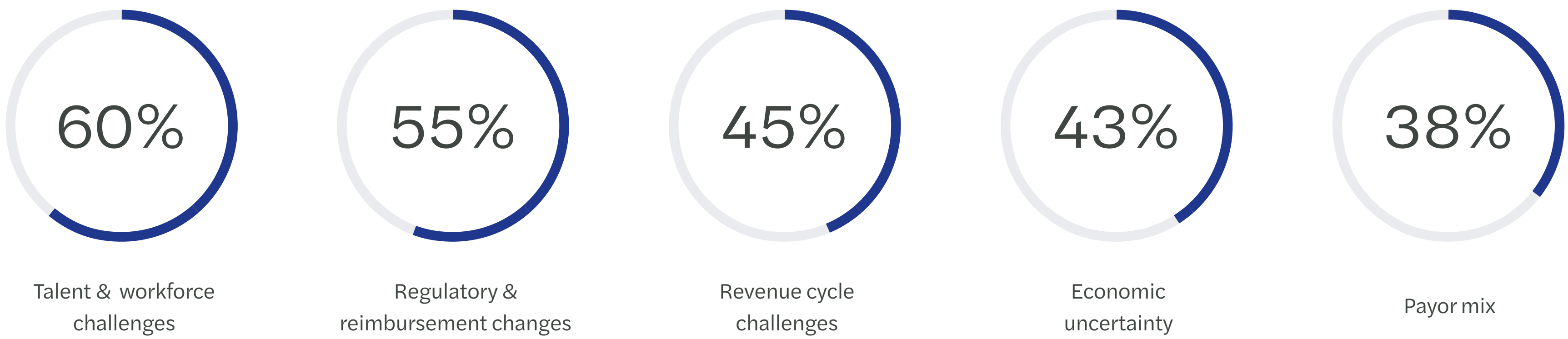
The cadence of strategic planning is increasing across healthcare organizations, but many still struggle to translate those plans into measurable results due to operating model constraints, limited time investment, and weak linkage between strategy and daily decision making. As financial and competitive pressures intensify, leaders will need stronger execution discipline, better alignment between enterprise goals and front-line actions, and operating models that can keep pace with regulatory and market shifts.

Talent Optimization

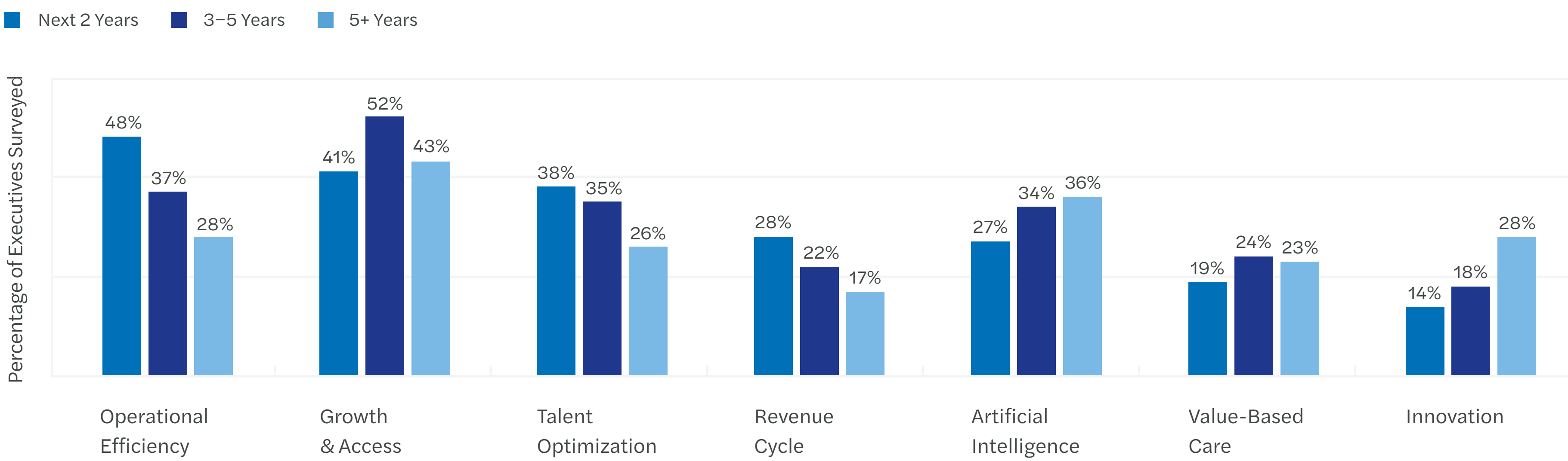
Executives continue to view workforce shortages, rising labor costs, and turnover as significant challenges and limitations on the ability to execute aligned growth strategies. These concerns are driving an urgent focus on improving productivity, redesigning care models, and deploying technology and AI tools that can stretch limited clinical capacity.

> These themes are reflected across executives' top concerns and strategic priorities.

Most concerning market dynamics



Top strategic priorities*



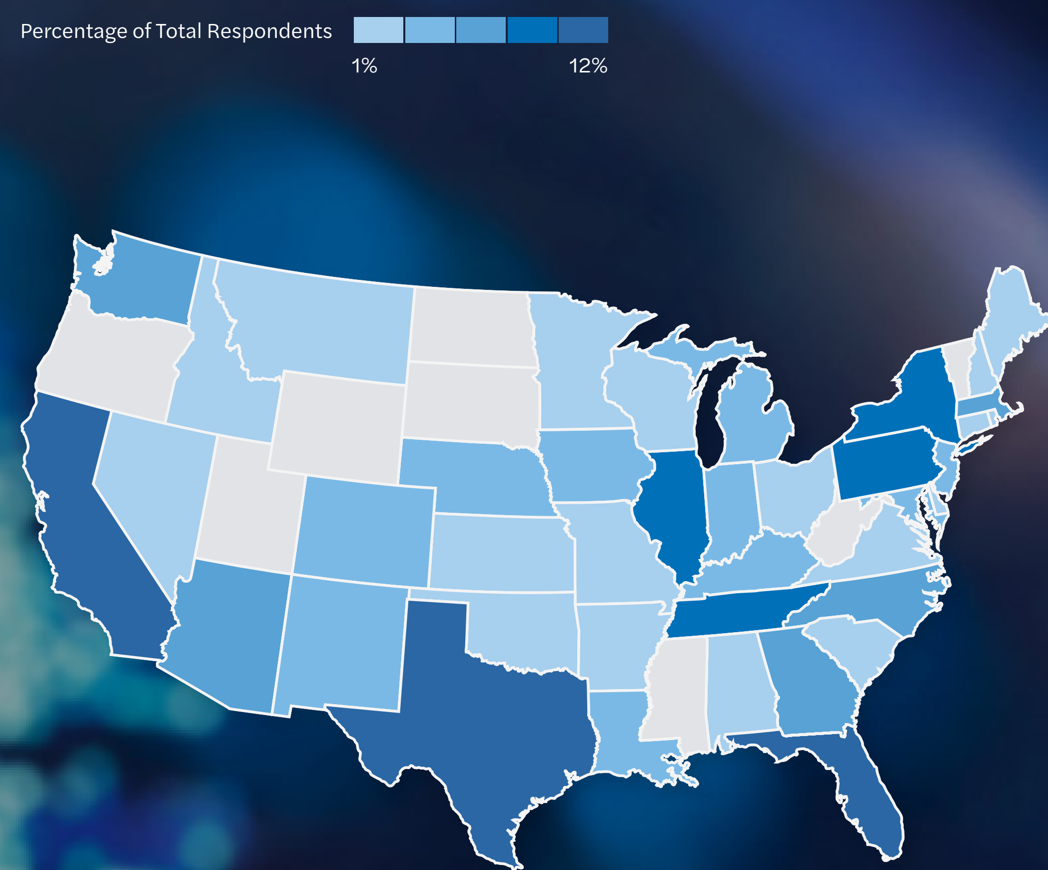
*Includes items that ranked in the top five priorities for at least one of the represented time periods.

Introduction

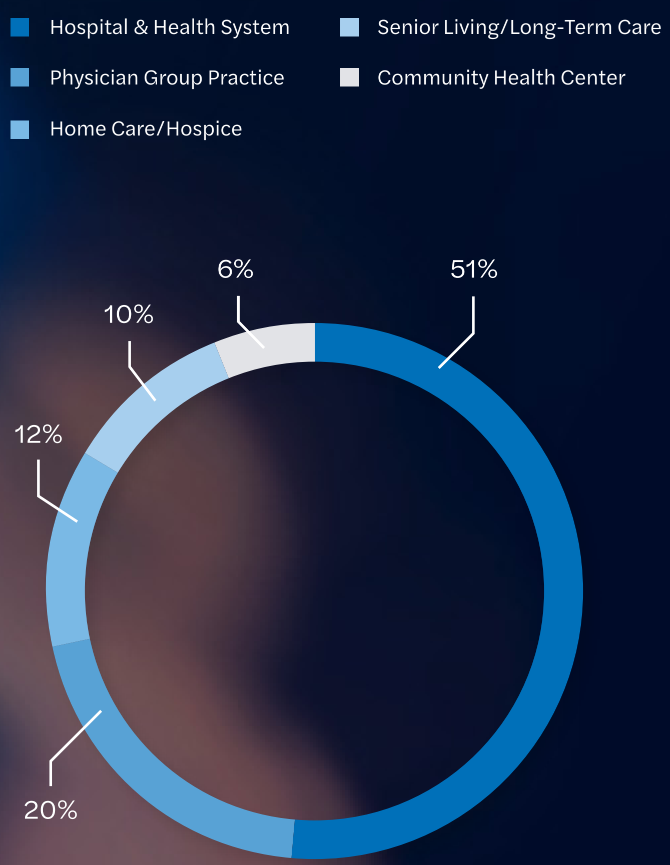
Demographics

The 200 executives surveyed for the 2026 report represent a cross section of the healthcare industry that includes nonprofit, for-profit, and private equity-backed hospitals and health systems; physician group practices; senior living and long-term care providers; community health centers; and home care and hospice providers. Organizations of varying sizes and geographic regions were included to achieve a balance of responses.

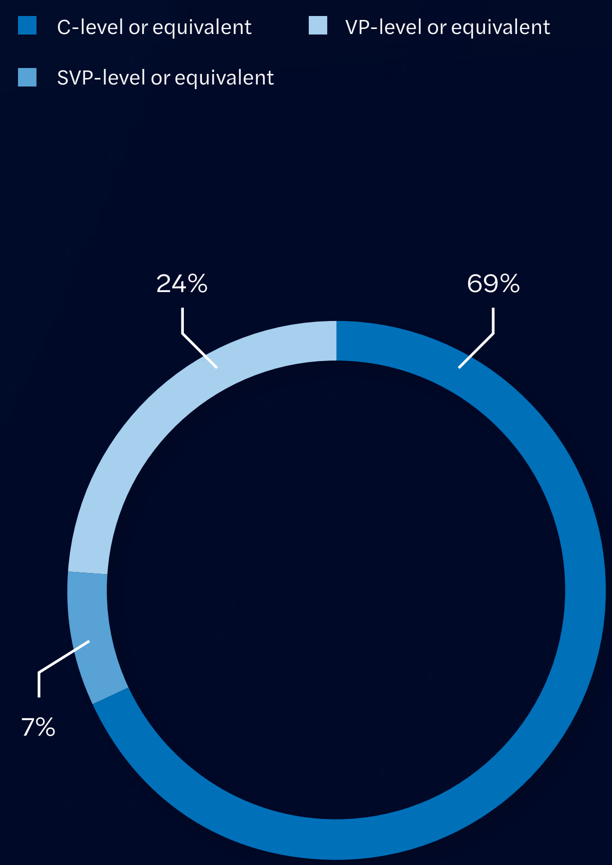
Mindsets 2026 Respondents by State



Which of the following best describes your organization along the healthcare continuum?



What best describes your title?



*Percentages may not add to 100% due to rounding

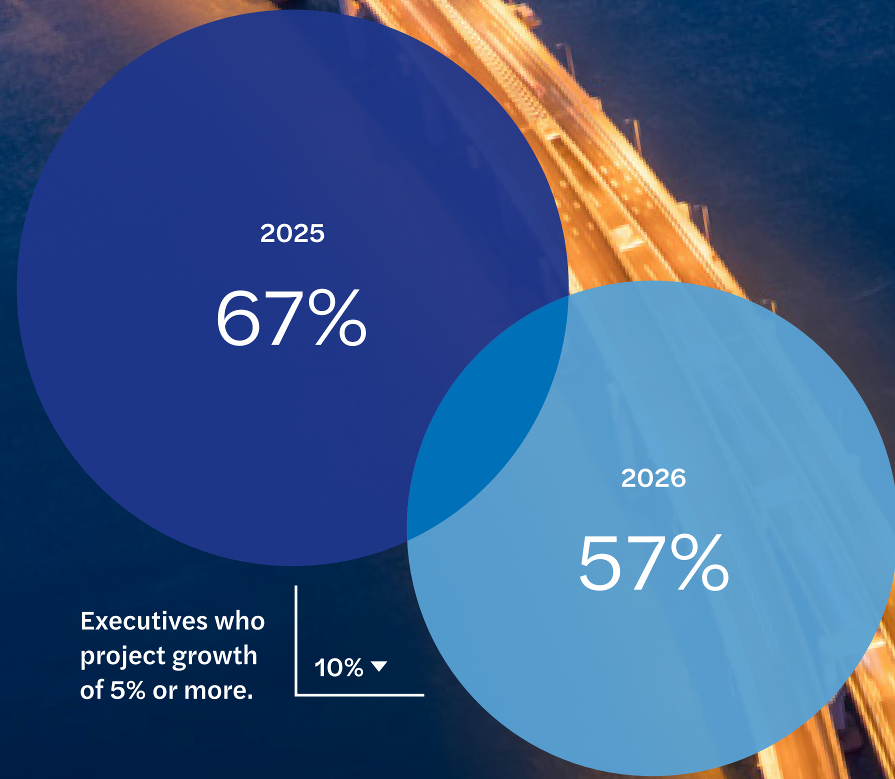
Aligned Growth
Key Themes

Achieving aligned growth is both more important and more challenging in 2026, as capital investments are constrained by an operating environment where input costs for care delivery continue to rise faster than per-unit revenue. Leaders recognize that cost cutting alone is insufficient to achieve long-term financial sustainability, particularly as reimbursement pressure intensifies from both governmental and commercial payors.

Consistent with last year, 60% of executives expect their organization's growth over the next two years will be primarily organically driven. However, executives also report that talent and workforce challenges are their top concern and most significant barrier to achieving aligned growth. Organizations that fail to attract, retain, and efficiently deploy clinical talent will struggle to deliver on growth strategies. In contrast, organizations that succeed in achieving margin accretive growth will be better positioned to reinvest in their workforce, digital tools, and infrastructure to support efficiency, access, and further growth.

> Access to talent and staffing is the most significant growth barrier for 40% of executives. Lack of suitable partners is the top barrier for 24%.

While organic growth remains the primary anticipated revenue driver for many executives, 40% expect to achieve their growth targets primarily through inorganic strategies, such as mergers, partnerships, or affiliations, suggesting a balanced and diversified approach. Most executives continue to expect consolidation to accelerate in their markets, with transactions remaining the preferred method over affiliations.



Executives cite financial sustainability as the leading driver of these transactions, but challenging market conditions mean that financially stable organizations will likely become more selective in choosing potential partners. In fact, 24% of executives report that a lack of suitable integration partners is their biggest barrier to growth, potentially signaling a more challenging environment for distressed organizations seeking partners and increasing pressure to initiate exploratory conversations before weakened balance sheets constrain strategic options.

Aligned Growth

Key Themes

Highest capital investment priorities, next 3–5 years:

1. IT systems & digital health platforms
2. Upgrading medical equipment & technology
3. Expansion of outpatient care facilities
4. Infrastructure improvements
5. Safety & compliance upgrades
6. Expansion of inpatient care facilities

Spotlight on the Physician Enterprise

For many organizations, the ability to successfully execute an organic aligned growth strategy hinges on a high-performing physician enterprise. Executives' key focus areas for a physician enterprise strategy reflect operational levers that are closely tied to growth. Together, these focus areas underscore the importance of translating strategic intent into front-line capacity and financial performance.

An opportunity to unlock growth lies in the effective deployment of advanced practice providers (APPs). More than half of executives indicate significant room for improvement in this area, including by aligning financial incentives and cultural dynamics to better support team-based care. Addressing these challenges can help expand access and improve practice economics by connecting patients with appropriate providers based on clinical complexity.

Clinically integrated networks (CINs) are another mechanism to strengthen both incentive alignment and performance management across employed and affiliated physicians. Nearly half of executives say their organization participates in a CIN, and more than 30% plan to build or join a new CIN within the next three years. Of those that participate, the majority report benefits including contracting support for participating network physicians and data and analytics capabilities related to outcomes and costs. Participation may also be a defensive strategy in a competitive landscape, as many executives report the presence of private equity-backed CINs in their markets, as well as participation of aligned physicians in CINs other than their own.

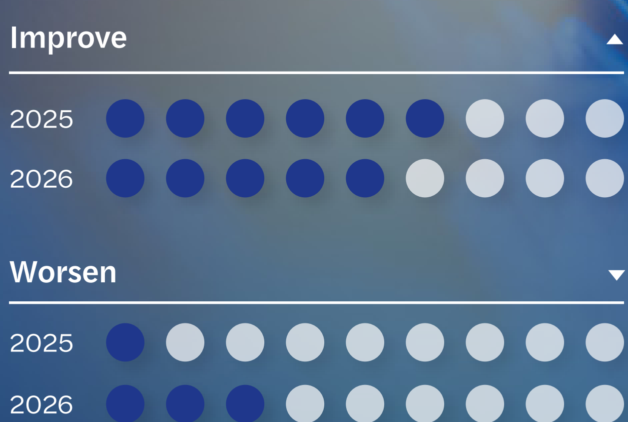
Key Physician Enterprise Strategy Focus Areas

- Growing volume
- Improving alignment of provider incentives to organizational success factors
- Deploying a team-based care model

Financial Discipline
Key Themes

Compared to 2025, a smaller percentage of executives in 2026 expect their organization's financial performance to improve over the next two years, and a larger portion expect it to worsen. These shifting sentiments reflect mounting headwinds from OB3 and other regulatory changes, input price inflation, and a complex managed care environment. Taken together, these dynamics suggest that executives' tempered optimism may yet underestimate the financial challenges facing healthcare providers and the urgency of acting to improve financial discipline and operational efficiency.

How will financial performance change over the next two years?



Executives rank their top challenges to financial sustainability as high labor expense, shifting payor mix and decreasing reimbursement, and revenue cycle challenges. Revenue cycle in particular emerged as a growing concern in 2026, with only 45% of executives rating their revenue cycle function as strong or very strong, down from 50% in 2025. Pain points include denials management, patient collections, and eligibility verification, reflecting challenging payor dynamics and concerns about rising underinsurance and uninsurance resulting from legislative changes and the expiration of enhanced exchange subsidies.

> When asked about top challenges to financial sustainability, 63% of executives noted payor mix and decreasing reimbursement, while 44% noted revenue cycle.

As they aim to improve revenue cycle performance, executives indicate opportunities in a variety of areas. These include deploying additional AI and technology solutions, upskilling staff, developing more effective denials scorecards, and building a strong revenue integrity program integrated with physician education.

On the managed care front, executives report persistent contracting challenges with Medicare Advantage (MA) plans. While 28% of executives say MA plans have used publicly available price transparency data to put downward pressure on negotiated rates, only 22% report success using the data to negotiate increased rates. Working with external advisors who have sophisticated data capabilities and managed care contracting experience may help providers level the playing field in these negotiations.

Financial Discipline

Key Themes

Some organizations are taking more drastic measures related to their managed care arrangements—34% of hospital and physician executives say they terminated at least one MA contract in the last 12 months, and 33% are considering doing so in the next 12 months. However, their responses also indicate an opportunity to pursue a more integrated approach to MA contracting that focuses on aligning incentives with physician compensation, practice operations, data flows, and long-term strategy.

Enterprise performance improvement initiatives are another critical lever for achieving financial discipline. Executives report modest cost reduction goals for both the previous and current fiscal years, with nearly 80% identifying a target of 5% or less. Even so, many are falling short—over 40% of executives say their organization achieved less than 20% of its target for the most recent cycle, with the most cited obstacle being insufficient labor, time, and resources. Organizations will need to place greater emphasis on efficiency initiatives and disciplined execution to better capture identified savings.

Executives see significant potential to leverage AI for both revenue cycle improvement and cost savings. For example, executives report investing in AI solutions for scheduling, scribing, and coding, which can help improve standardization of front-end processes and accuracy of data capture. A large majority believe the industry will feel the true impact of AI within the next five years, and a growing number list AI as a top strategic priority within that time frame. However, current progress toward AI data governance and capability maturity is mixed. Progress may be constrained in part by limited investment, as 77% of executives say their organization has invested less than $1 million on AI solutions.

90%

of executives believe the industry will feel the true impact of AI within the next five years.

Spotlight on Community Health Centers

Financial discipline is a key focus for CHCs, with over half of these executives reporting their organization has not yet fully returned to pre-pandemic productivity levels. Rather than focusing on large-scale transformation, CHCs are pursuing specific, pragmatic sustainability strategies centered on strengthening the revenue cycle through improvements in scheduling, MA contracting, and denials management. Organizations are increasingly turning to automation and digital enablement to accelerate and scale these gains without adding staff.

Regulatory Excellence
Key Themes

Regulatory restructuring remains a defining strategic issue for healthcare leaders in 2026, with 55% of executives identifying it as a top challenge. This sustained level of concern comes as provider organizations continue to evaluate the financial implications of OB3, await federal rulemaking that will shape the impact of its provisions, and closely monitor state legislative sessions for indicators of how state Medicaid programs and financing structures may shift in response to reduced federal support for safety-net programs.

> Over 43% of executives expect the effects of OB3 to reduce their organization's operating margins by 3% or more, with 46% citing state-directed payment changes as their single greatest concern related to the bill.

Despite this heightened concern, only 55% of executives view reimbursement as a strategic function—a sharp decline from 72% in 2025. This is notable given that 40% of leaders say new reimbursement regulations are disruptive to their organization. These findings highlight a critical opportunity for reimbursement teams to evolve beyond a traditional compliance orientation and become enterprisewide strategic partners.

Regulatory Excellence

Key Themes

Top barriers to increasing VBC adoption:

1. Willingness to take downside risk
2. Health plan's ability to operationalize
3. Lack of clarity on direction of value-based care
4. Provider network alignment
5. Cannibalization of existing revenue/service lines

The most frequently cited capability gaps hindering this evolution include the ability to work collaboratively across functions to solve problems and identify opportunities, the capacity to strategically forecast the financial impacts of regulatory changes, and data manipulation and analytics capabilities. In addition, only 27% of executives report confidence in their organization's future reimbursement talent pipeline.

Some organizations are turning to external advisors to help augment internal capabilities, but their utilization is somewhat limited among the executives surveyed. More than two-thirds say that 25% or less of their organization's strategic reimbursement work is performed externally, and only 25% expect that amount to increase in the next five years. Among those who do expect to expand use of external support, 71% cite the growing complexity of the regulatory and reimbursement environment as the driving factor.

One illustration of this complex environment is the continuing evolution of value-based care (VBC), including CMS' shift toward mandatory two-sided risk. Although 57% of executives view VBC as strategically important and 65% believe their organization has the capabilities necessary to execute its VBC strategy, many organizations are still early in the transition.

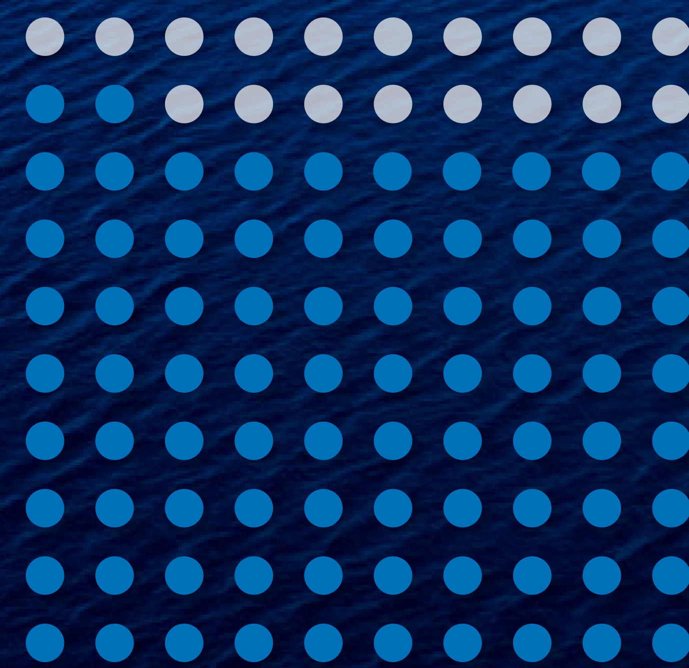
According to the executives surveyed, the top barrier to increasing VBC adoption is willingness to take on downside risk. Only 41% of executives believe their organization's VBC aspirations align with its operational risk tolerance, and just over half believe their organization has an adequate physician network to take on downside risk for a portion of the premium dollar. In addition to supporting organic growth, strengthening the physician enterprise can better position these organizations for success in VBC arrangements.

Strategic Agility
Key Themes

The cadence of strategic planning is accelerating across the sector—82% of executives report completing an enterprise strategic plan at least every two to three years, an increase from 75% in both 2024 and 2025. This uptick likely reflects leaders' concerns about financial performance and is a response to an increasingly challenging regulatory landscape and rapidly evolving market dynamics, in which payment changes, technology shifts, and competitive pressure necessitate more frequent recalibration.

However, this increased frequency has not fully translated into stronger results. In 2026, 40% of executives say their organization met less than half of the stated objectives in its most recent strategic plan, or are unsure of their organization's success rate. These results are roughly consistent with 2025, and the persistent gap between objectives and outcomes suggests multifactorial causes ranging from operating model frictions and resource constraints to insufficient linkage between strategy and day-to-day management.

For example, only 47% of executives—unchanged from last year—report that their organization's operating model supports strategy development and disciplined execution, and 39% report gaps in relevance between the strategic plan and routine decision-making processes. Limited time investment is another potential constraint to success, as 40% of executives report spending 10 hours or less per month on strategic planning. While leaders must balance many responsibilities, building focused time each week for activities related to the strategic plan—including reconciling enterprise-level objectives with tactical initiatives and operational key performance indicators—can help transform strategic planning from an aspirational to an executable exercise.



82%

of executives report completing an enterprise strategic plan at least every two to three years.

Strategic Agility
Key Themes

Less than half of executives say their operating model supports strategy development and execution, and 39% indicate gaps in relevance between strategic planning and routine decision making.

Spotlight on Senior Living & Post-Acute Care

Strategic agility is a core competency for senior living organizations as a rapidly aging population continues to drive unprecedented demand and unsustainable cost growth. Consumers expect highly personalized services and will want to stay in their homes, despite having a smaller support system than previous generations. In response to these demands, emerging home-based care technologies are reshaping where and how care is delivered. Together, these forces create opportunities for providers that adopt and execute a diversified, technology-enabled, consumer-oriented care model, positioning them to meet rising expectations while navigating continued financial pressures and increasing regulatory complexity.

- Overwhelming demand for services
- Consumers’ desire for customized services
- Home health service options/providers

Talent Optimization

Key Themes

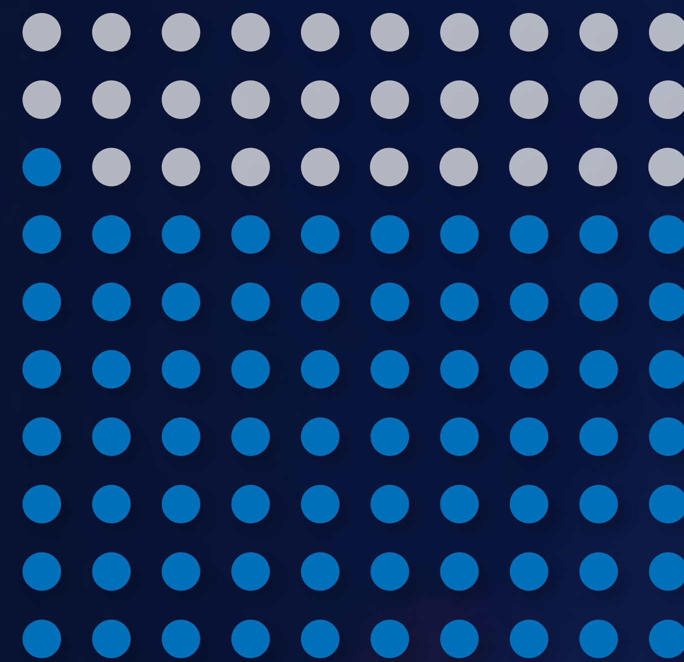
Talent and workforce challenges are the most frequently noted concern among executives in 2026, representing a persistent year-to-year theme. Executives also rank workforce optimization among their top three priorities over the next five years, signaling that labor availability and affordability are structural—not cyclical—issues that organizations will need to address with both near- and long-term strategies.

Areas of particular concern for executives include the ability to offer competitive wages and benefits, scarcity of clinical talent, and turnover. These concerns reflect a practical reality: organic growth strategies are difficult to execute without adequate clinical talent at sustainable wages relative to payment rates for targeted services.

Faced with challenges related to the availability and affordability of clinical labor, organizations will need to revisit productivity programs and workforce alignment.

> In 2026, only half of executives believe their organization's staffing levels meet operational efficiency needs, and only 47% say efforts to improve productivity are effective.

A larger number—68%—believe their clinical workforce is aligned with their care delivery model, but many organizations have significant room for improvement. Strategies to more effectively leverage existing clinical labor include standardizing workflows, matching skill mix to demand, improving and expanding APP utilization, moving care to the most appropriate and cost-effective settings, and elevating front-line problem solving.



71%

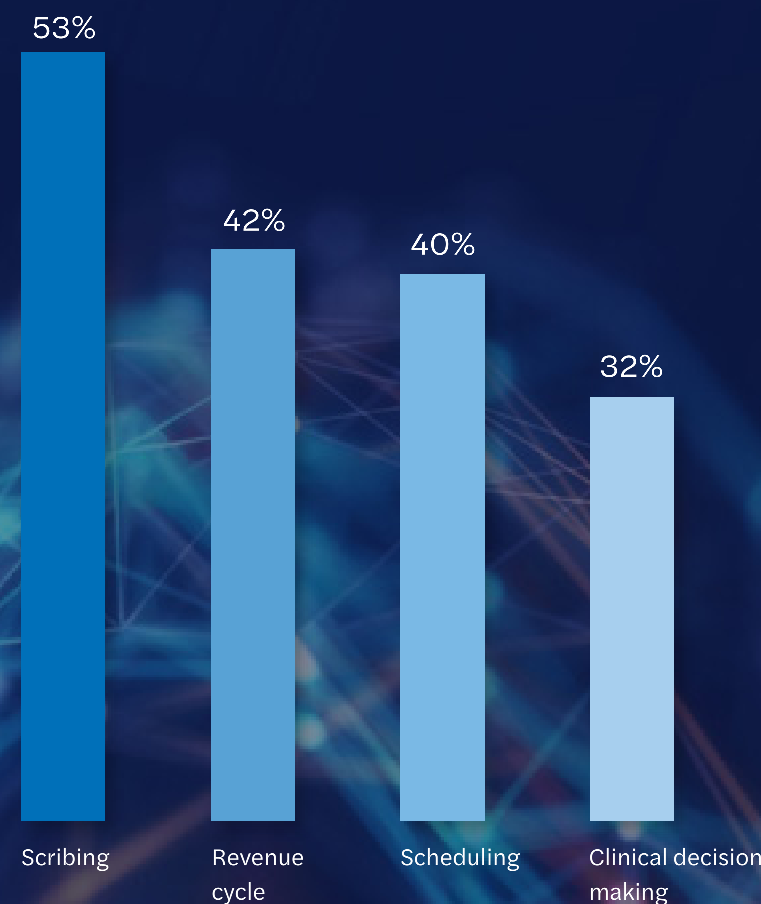
of executives cite the ability to offer competitive wages and benefits as their greatest short-term workforce challenge.

Talent Optimization

Key Themes

In addition to structural changes, executives are increasingly turning to AI and technology solutions to improve efficiency and offload administrative tasks, helping reduce burnout and freeing up time for direct patient care. Executives note scribing, scheduling, clinical decision making, and diagnostics as some of the most common areas where their organizations are investing in AI to support their clinical workforce. As previously noted, organizations will need to focus on data governance and change management to deploy these solutions safely and effectively.

Areas where organizations are investing in AI:



Survey Methodology

A team of professionals in the Healthcare Practice at Forvis Mazars developed and curated the survey questions based on extensive experience with healthcare organizations and client feedback during a wide range of engagements and interactions.

We engaged the Gerson Lehrman Group (GLG) to collect the responses in December 2025 and January 2026. Participants were selected from GLG's database through demographic screening questions regarding their role and organization.

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