HEALTHCARE INDUSTRY GROUP

# Beyond the Balance Sheet

## Why Growing Health Systems Need a New Financial Operating Model

Growth without infrastructure isn't scale – it's exposure.

US Health Systems are growing through M&A, network expansion and broader service lines. But CFOs and finance leaders are consistently sharing one theme: the financial infrastructure has not kept pace with their organization's growth.

**This is not a headcount problem but rather a capability problem.** Across the market, three areas are demanding health systems' immediate attention:

### Scaling Skills and Technology, Not Just Size

As systems grow, the instinct is often to add people, but the real need is **more advanced technical skills, modernized systems** and **analytics capabilities** that can keep up with a more complex, multi-entity organization. A finance function built for a single hospital doesn't automatically work for a ten-hospital system. The infrastructure must evolve in sophistication, not just headcount.

### Turning Corporate Services Into a Value Driver

Corporate services functions are too often viewed only as a cost to be managed rather than a lever to be pulled. That mindset is changing and cost containment of corporate services is no longer the only goal. With **greater discipline, more sophisticated operating models** and **the right talent,** corporate services can shift from a cost-consuming center into a genuine driver of enterprise value that's responsive to the scale and pace of a growing system rather than constantly playing catch-up to it.

### Making Capital Planning a Living Discipline

Capital plans are only as good as the follow-through behind them. Health systems need **real-time visibility** into where capital plans are tracking, exceeding expectations, or failing to materialize as projected. Without that discipline, capital planning becomes a once-a-year exercise rather than an ongoing management tool, and opportunities to course-correct in between may be missed.

## Where This Leaves Health System Leaders

These challenges are interconnected. Financial infrastructure, corporate services and capital discipline all must mature together for growth to be sustainable. **Without that alignment, growth remains fragile.**

A&M works alongside leading health systems and academic medical centers to identify gaps and build durable platforms that growth requires. We uncover opportunities hiding in plain sight, design solutions tailored to each organization's environment and drive the changes needed to position health systems for sustainable, long-term growth.

**The systems that get this right won't just be bigger. They will be built to last.**

## AUTHOR


**Aaron Eichorn**
**Managing Director**
*A&M Healthcare Industry Group*
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