

Rising to the Challenge: How Hospital CFOs Are Navigating Federal Uncertainty, Medicaid Pressures, and Technological Change

Amid structural financial threats, hospital CFOs are finding opportunity in reinvention by building community trust, leveraging tech strategically, and shaping policy from the front lines.

This past September, healthcare finance leaders from across the country gathered for the HealthLeaders Fall 2025 CFO Exchange to confront one of the most urgent and complex challenges facing hospitals today: navigating the dual financial pressures of Medicaid restructuring under the One Big Beautiful Bill Act (OBBBA) and tightening federal reimbursement policies.

During a period of unprecedented strain on hospital finances,

particularly for rural and safety-net organizations, the Exchange served as both an idea tester and a strategy lab. CFOs shared candid, actionable insights into how they are building resilience, transforming care delivery, engaging their communities, and adopting new technologies amid deep economic uncertainty.

Rural Hospitals Under Pressure: Diversify or Disappear

One of the clearest themes to emerge from the Exchange was the existential threat facing rural healthcare, and the innovative responses CFOs are implementing to address it.

At a dedicated roundtable on the opening evening of the event, rural finance executives discussed the dire outlook many face, including persistent staffing shortages, shrinking reimbursements, and rising demand for behavioral and chronic care services. Rather than standing still, these leaders are pivoting to diversification strategies to protect access and stabilize revenue.

Some of the key tactics discussed by these CFOs were converting



Melanie Long, (Eisenhower Health), gives insights at the CFO Exchange.

healthleaders
exchange

CFO
EXCHANGE

KEY CFO STRATEGIES FOR SURVIVAL AND GROWTH

CFOs at the Exchange dove into numerous topics and strategies to get them through today's uncertainties and beyond. Some of the top insights included:

- **Owning what you do well.** Double down on profitable or mission-critical services.
- **Partner where you're weak.** Use alliances and joint ventures to maintain care access and stabilize contracts.
- **Leverage technology with intention.** Tie AI and automation to business objectives and measurable outcomes.
- **Engage locally and politically.** Transparency builds trust with staff, communities, and policymakers.
- **Reimagine "systemness."** Even independent hospitals must operate in a network mindset, including referrals, services, and contracts that must align.

Continued on page 4


Susan L. Beat

Treasury Sales Manager, Global Treasury Solutions, Healthcare, Higher Education and Not-For-Profit, Global Commercial Banking


David Garcia

Head of Healthcare, Higher Education and Not-for-Profit Treasury Sales, Global Commercial Banking


Kara Savoian

Senior Relationship Manager, Healthcare, Higher Education and Not-For-Profit, Global Commercial Banking

Healthcare CFOs are navigating a complex and volatile environment shaped by policy uncertainty, workforce shortfalls, technological disruption, and evolving payer dynamics.

Those industrywide challenges framed the discussions at September's HealthLeaders CFO Exchange.

But while sharing concerns about the current environment, the executives gathered in California reiterated what the Bank of America healthcare team has heard from organizations around the country: Across the board, healthcare leaders are focused on balancing innovation with financial resilience, while staying grounded in their mission to serve their patients and communities.

Bracing for upcoming policy changes

Pending federal policy changes are the most significant threat to the financial stability of many healthcare organizations, and that tension loomed over every session. CFOs are bracing for the impact of the One Big Beautiful Bill: a reduction in Medicaid reimbursements, stricter Medicaid eligibility requirements for individuals, a rollback of Affordable Care Act subsidies and other provisions that could result in 10 million to 14 million Americans losing insurance coverage over the next 10 years. Providers expect the legislation to increase uncompensated care and decrease current state-directed support payments, pushing many systems into the red and threatening rural facilities in particular.

"The major driving topic at every session was federal policy issues. There is so much uncertainty; CFOs are preparing for the worst-case scenario," said Bank of America's Kara Savoian, Senior Client Relationship Manager for Global Commercial Banking. From an overall financial and liquidity standpoint, most CFOs said their systems should be fine for the next year or two; they are more concerned about the outlook over the next three to five years.

CFOs are actively developing strategies to protect the quality of their patient service if and when cutbacks happen. Smaller systems are forming strategic partnerships to enhance purchasing power, share distribution infrastructure, reduce costs and cover regional healthcare needs. "To avoid making difficult decisions about cutting services altogether, providers are looking to partner to try to provide care in their communities," said Bank of America's David Garcia, Treasury Sales Executive for Global Payments Solutions. For their part, larger systems report radical service line redesigns and creating archetypes like ambulatory surgery centers and outpatient clinics to better align with community needs.

Protecting financial security

In this fraught environment, effective cash management is paramount. Bank of America's team typically recommends nine months of cash on hand to weather a potential crisis. CFOs increasingly rely on advanced tools like Bank of America's

CashPro, which utilizes AI to forecast cash needs and deliver real-time visibility into current and projected liquidity—empowering executives to make proactive, informed decisions in an unpredictable environment.

A key part of financial security is improving processes in order to get paid faster and more accurately for services. Healthcare providers are looking to AI to help process claims and respond to denials more quickly. While many organizations are actively exploring and investing in AI across functions, from optimizing revenue cycles to automating clinical workflows, leaders are grappling with the sheer volume of AI opportunities and how to quantify ROI. Many CFOs report that so far, AI has been a cost center rather than a cost saver.

“Systems are evaluating AI and looking for effective ways to work with partners to deploy AI in the revenue cycle—reviewing billing and streamlining the claims process to get paid more quickly,” said Bank of America’s Susan Beat, Treasury Sales Manager for Global Payments Solutions. “For instance, Bank of America’s revenue cycle solutions can play a role in addition to what third-party vendors bring to the table.”

Managing system costs

In addition to the stresses brought by new federal policies, CFOs remain under pressure to manage rising operational costs. Workforce shortages, particularly in nursing and for physicians in rural areas, continue to strain operations. Operators are working to build pipelines of talent by reaching out to college and even high school students—then encouraging them to remain and work as practitioners in their local communities.

Some systems are exploring new revenue streams to bolster the bottom line. That includes concierge services, cosmetic procedures and other out-of-pocket offerings that bypass insurance altogether.

The big-picture takeaway? Amid persistent challenges and anticipated industry disruptions in 2026 and beyond, CFOs are stepping up as strategic leaders. Our Bank of America team sees firsthand how they’re not just reacting to change—they’re driving it. From staying ahead of regulatory shifts to rethinking capital allocation and operational models, CFOs are deeply engaged in navigating their organizations through the rapidly evolving healthcare marketplace.



William Bryant, (CFO of UNC Health), Allison Viramontes, (VP and CFO of Jupiter Medical Center), and Jim Wilson, (CFO of Mayo Clinic Health System) take part in the editorial panel with Marie DeFreitas.

hospital-owned clinics into Federally Qualified Health Centers (FQHCs) to unlock federal funds and ensure access to primary care, and expanding behavioral health services, not only to address urgent community needs but also to tap into new revenue streams. Members also discussed the benefits of forming strategic partnerships for specialty services and leveraging telemedicine to reduce overhead while maintaining access in geographically isolated areas. Engaging state legislators to support Graduate Medical Education (GME) programs and trauma designations in rural areas was also a key concept as it frames healthcare access as a shared state responsibility.

As one rural CFO put it: "This isn't just about keeping hospitals open. It's about keeping communities alive."

Resilience in Uncertainty: Scenario Planning and Strategic Cuts

With CMS reimbursement models in flux and payer contract volatility on the rise, CFOs are preparing their systems for potential financial shocks, both gradual and abrupt.

Several CFOs shared that they're building "doomsday files" that hold collections of data, projections, and industry analyses to help boards and leadership teams realistically assess future financial risks. These files inform scenario planning and are being used to more and more support tough decisions on cost containment and service line restructuring.

CFOs are exploring strategies such as reevaluating trauma designations to better align cost with reimbursement potential, as well as consolidating service lines and scaling back underperforming specialties while investing in core offerings. Group purchasing organization (GPO) collaborations are also gaining momentum to reduce supply chain costs and improve procurement efficiency.

Despite these tough calls, CFOs repeatedly emphasized that financial resilience is not just about cutting, it's about planning, communicating, and staying aligned with the mission.

Site Neutrality & Medicaid Squeeze: Deep Revenue Risk

Few topics elicited as much concern as the looming threat of site-neutral payment policies, especially in non-Medicaid expansion states.

Allison Viramontes, CFO at Jupiter Medical Center (Florida), shared projections of a \$40–60 million revenue hit from proposed site-neutrality policies. She also raised important questions about the true ROI of AI investments in an era where every dollar must be justified.

These policies represent not just a fiscal threat for CFOs, but a philosophical shift in how hospital care is valued and reimbursed. The takeaway was clear: CFOs must act before cuts take effect, not after.

Technology as a Tool, Not a Savior

While artificial intelligence and automation were fairly popular topics, CFOs approached tech investments with caution and strategy. The focus was not on the novelty of these tools, but on operational effectiveness and ROI.

AI's value, CFOs agreed, lies in its ability to accelerate decisions and reduce administrative burden, not replace human insight. Several systems are already deploying tools like Microsoft Copilot and Power BI to streamline revenue forecasting and compliance reporting, assist in grant writing and labor planning and automate revenue cycle workflows to free up clinical staff.

But tech without governance is a risk. CFOs discussed embedding accountability and usage metrics into their tech rollouts and stressed the importance of vendor contracts that clarify data use and define success.

One CFO cautiously noted: "Don't get swept up in AI hype without a business case."

Strategic Labor & Succession Planning

Labor costs remain a persistent pain point. CFOs explored creative strategies to protect high-value clinical time and build



Eileen Haubl (Providence Saint Joseph Orange) gives feedback while attending the Chief Financial Officer Exchange.

internal capacity by offloading repetitive clinical tasks via automation and robotics (e.g., surgical prep, supply chain logistics). New technology is also being implemented to reduce nurse workload, such as bedsore prevention systems.

Additionally, finance leaders are being embedded into succession planning, creating in-house coaching programs to reduce reliance on expensive contract labor.

These measures aren't just about efficiency, they're more focused on sustaining morale and long-term system viability.

Changing the Narrative: From Cost Center to Community Anchor

CFOs acknowledged a deepening disconnect between public perception and financial reality. Too often, hospitals are cast as part of the affordability problem, written off as "the bad guys" in the public healthcare narrative, despite being critical economic anchors.

One CFO observed: "Hospitals are often the largest employers in town, but the community doesn't know what we do until we're gone."

To shift the narrative CFOs are proactively engaging local stakeholders like employees, patients, school districts, and small businesses, to build trust and understanding in their



Gaston Bushiri (VP of Finance of OhioHealth) engages in discussion at the Exchange.

communities. Other finance leaders are also investing in local workforce pipelines, offering high school internships, housing stipends, and scholarships tied to long-term employment.

Philanthropy is also gaining attention as a tool to fill critical funding gaps, which CFOs are realizing can be supported by better storytelling and impact data.

The CFO as Strategic Navigator

The HealthLeaders CFO Exchange made one thing abundantly clear: the challenges facing hospitals today are structural, not cyclical, and the pressure is intensifying. But within that pressure lies the possibility of transformation.

Healthcare CFOs are no longer just stewards of financial sustainability, they are architects of the future health system, balancing mission and margin, technology and humanity, short-term survival and long-term resilience.

Proudly sponsored by:



Whatever you need to thrive and grow, Bank of America Healthcare Banking™ is by your side with the resources, solutions and vision to see you through. Drawing on more than 30 years of experience serving hospitals, healthcare facilities and institutions, we deliver smart solutions that make it easier to do business, and the expertise to help you take on what's next.

business.bofa.com/healthcare