



2025 Reimagining the Healthcare Board Agenda

6

Essential strategies for navigating unprecedented disruption and uncertainty



In 2025, healthcare boards can expect their oversight and governance processes to be rigorously tested as the sector faces unprecedented disruption and uncertainty. The new administration's policy positions—on healthcare reform, insurance, immigration, and regulation—may significantly impact the economic,

geopolitical, business, and risk landscape. Additionally, ongoing conflicts in Ukraine and the Middle East, heightened trade and geopolitical tensions, recession and inflation risks, and domestic polarization will add to the complexity. Risks related to cybersecurity, climate change, and the integration of artificial intelligence (AI) in healthcare can pose challenges as well.

In this volatile operating environment, expect continued scrutiny of board oversight of risks to the organization's operations, financials, and strategic direction. The pressure on management, boards, and governance will remain substantial.

Drawing on insights from our conversations with healthcare directors and leaders, in the following pages, we highlight six key issues to keep in mind as boards consider and carry out their 2025 agendas.

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1

Geopolitical and Economic Shifts

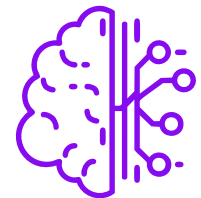
The board should closely monitor how management is preparing for changes in healthcare policy, trade agreements, private or public reimbursements, and regulatory environments. They should model and assess the impact of new policy initiatives, such as healthcare reform, drug pricing, and access to care.



2

Generative AI (GenAI) Strategy

Understanding the company's GenAI strategy and related risks is critical. The board should ensure that the governance structure around AI deployment and use is robust, assess the quality and accuracy of AI outputs, and verify that the organization is making the right investments in IT infrastructure to support data quality. They should also stay informed of the evolving AI legislation, consider reputational risks like bias and privacy issues, and understand ethical and operational implications to effectively align with patient safety and quality of care.



3

Data Governance and Cybersecurity

Given the sensitive nature of healthcare data, the board should ensure that data governance and cybersecurity frameworks are robust and up-to-date, appreciating the severe legal and reputational consequences. They should periodically review management's cybersecurity risk assessments, supply chain and third-party risks, and insist on a cybersecurity scorecard.



4

Financial Health

In the dynamic and ever-evolving healthcare ecosystem, organizations are confronting unprecedented challenges. With many health systems facing margin constraints, the importance of strategic financial management has reached an all-time high. The board should continuously scrutinize financial performance, working capital improvements, and non-labor cost efficiencies to effectively navigate margin constraints and achieve long-term financial sustainability.



5

CEO Succession and Talent Development

The board should identify leaders with the skills to navigate the complex and rapidly evolving healthcare landscape, including the ability to manage geopolitical and economic shifts, new technologies like AI, and environmental and social issues. They should develop a robust pipeline of internal and external candidates and maintain a strong focus on talent development throughout the organization.



6

Board Composition and Risk Oversight

The board should revisit its composition and risk oversight responsibilities to help ensure alignment with the company's strategic needs, including expertise in healthcare regulation, technology, and patient care. This will help the board effectively manage the unique risks and opportunities in the healthcare sector.



How KPMG can help

In today's volatile business environment, the importance of robust board oversight cannot be overstated. KPMG LLP is ready to help healthcare boards navigate the challenges ahead by providing strategic guidance in:

Monitoring Geopolitical and Economic Trends: Stay ahead of global shifts that impact your operations and strategy.

Developing a Generative AI Strategy: Implement AI with strong governance and compliance to drive innovation and ethics.

Enhancing Data Governance and Cybersecurity: Protect your critical assets with the latest frameworks.

Improving Financial Health: Embed strategic financial planning and governance in your core activities.

CEO Succession Planning: Identify and develop future leaders to help ensure a smooth transition.

Reassessing Board Composition: Align your board's expertise with your strategic objectives.

Trust KPMG to help empower your board with the tools and insights needed to thrive in an uncertain world.

Contact us



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