



Healthcare Leadership Event

Virtual Seminar



May 10, 2022

Industry Perspective

Moderator: Jeff Walla

Presenters: Connie Ouellette | Lisa Trundy-Whitten | Rob Culburt, BDO

Learning objectives

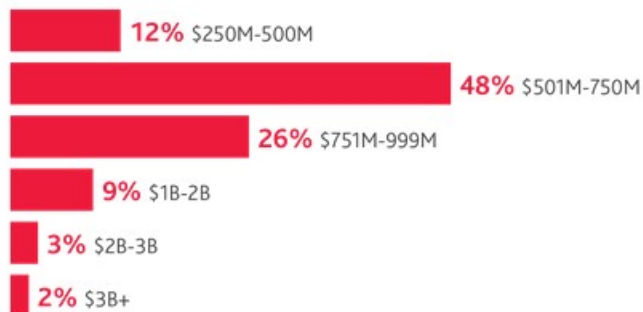


- Share highlights from a recent survey of healthcare CFOs by The BDO Center for Healthcare Excellence and Innovation
- Get a pulse on how surveyed CFOs are seeing the future
- Reflect on what BerryDunn is seeing within its clients and the region

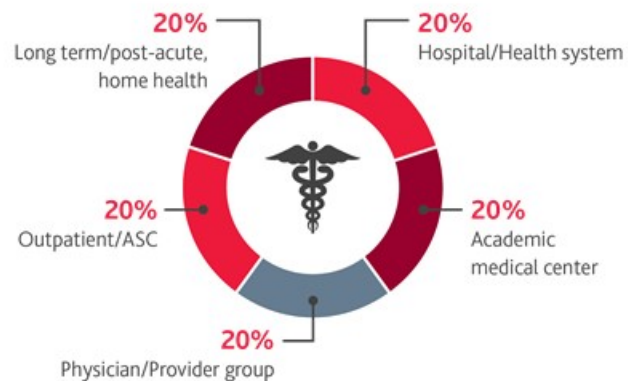
Methodology

The 2022 BDO Healthcare CFO Outlook Survey polled 100 healthcare industry CFOs with revenues ranging from \$250 million to \$3 billion in October 2021. The survey was conducted by Rabin Research Company, an independent marketing research firm, using Op4G's panel of executives.

REVENUE



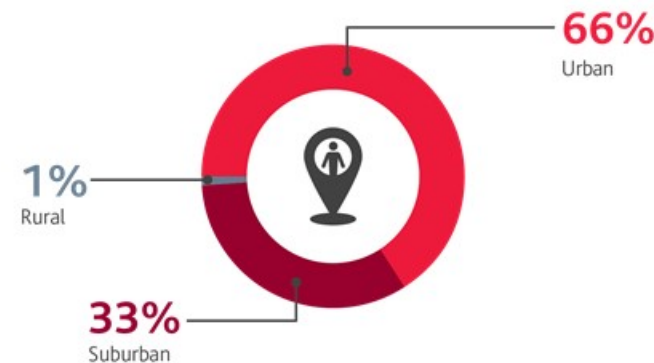
TYPE OF HEALTHCARE ORGANIZATION



OWNERSHIP



PATIENT POPULATION



Healthcare CFOs' Upcoming Plans and Challenges in the Year Ahead

Sustained Strain on the Healthcare System



Healthcare needs a financial checkup amid workforce and supply chain struggles.

Big Bets to Build the Future of Care



Healthcare is transforming and partnering to build the future of care.

Regulation and Reporting for What's Next



From the Provider Relief Fund to pricing to ESG, reporting requirements are changing.

Polling Question #1

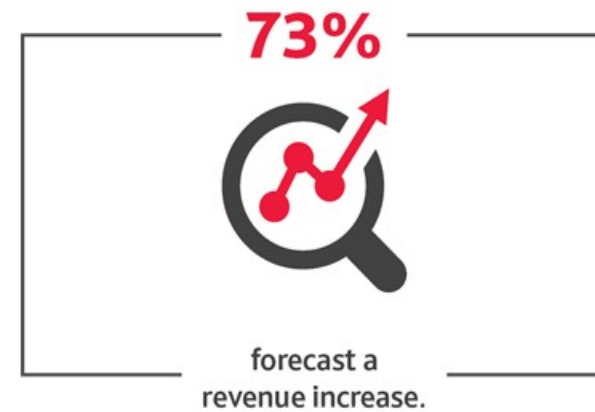
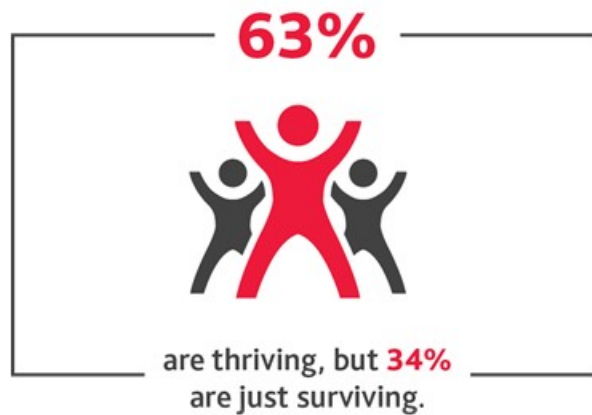




▲ Where we are

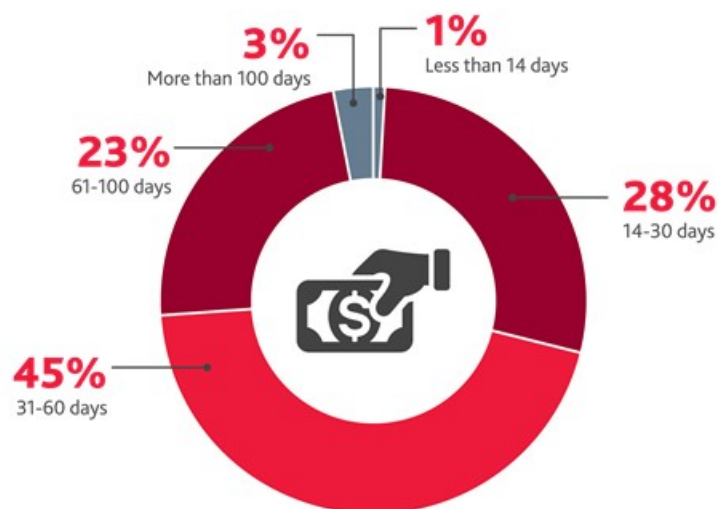
Path to Profitability

After several volatile years, most organizations are prioritizing stability:
53% say they will seek gradual, continuous growth in 2022.



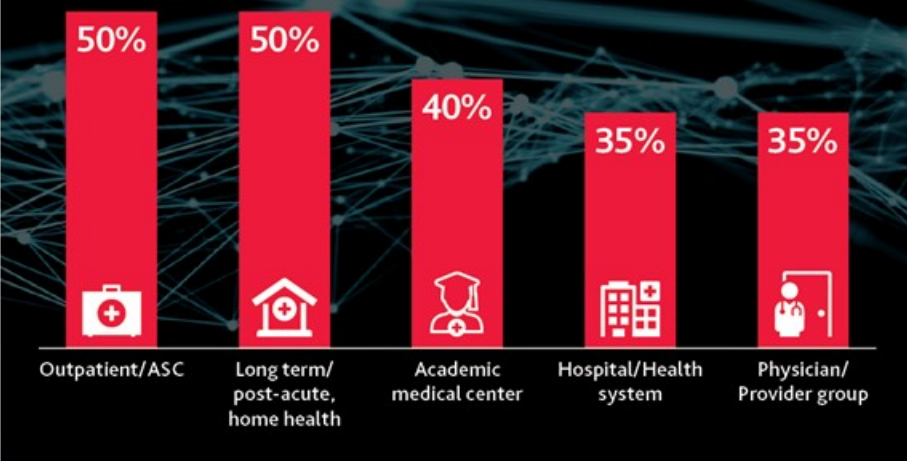
Debt and Cash Decisions

DAYS OF CASH ON HAND



What is surprising is that **one in four CFOs are concerned they will default on their bond or loan covenants in 2022**, even though they did **NOT** default in 2021.

ORGANIZATIONS THAT HAVE DEFAULTED ON BOND OR LOAN COVENANTS IN THE PAST 12 MONTHS





▲ Key initiatives

Healthcare is Stepping Up to Support Their People

42%



are investing to address
frontline worker burnout.

40%



say retaining key talent will be a
top workforce challenge in 2022.

40%



say attracting new talent will
be a challenge.

36%



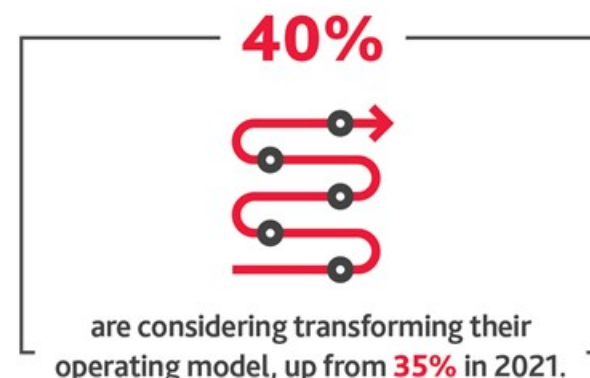
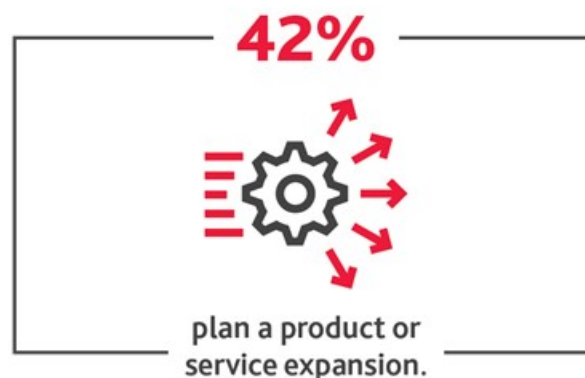
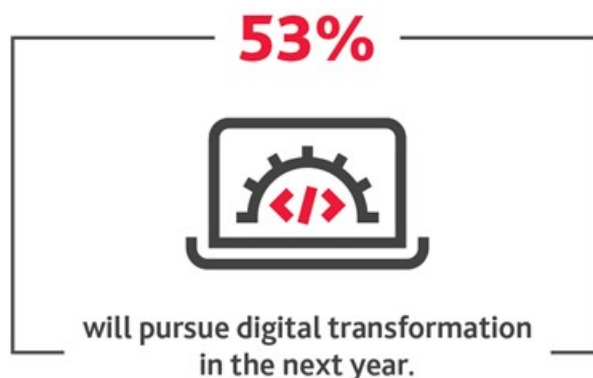
say addressing employee
health and wellness needs is
a challenge.

Chat Prompt

What has been your biggest challenge?

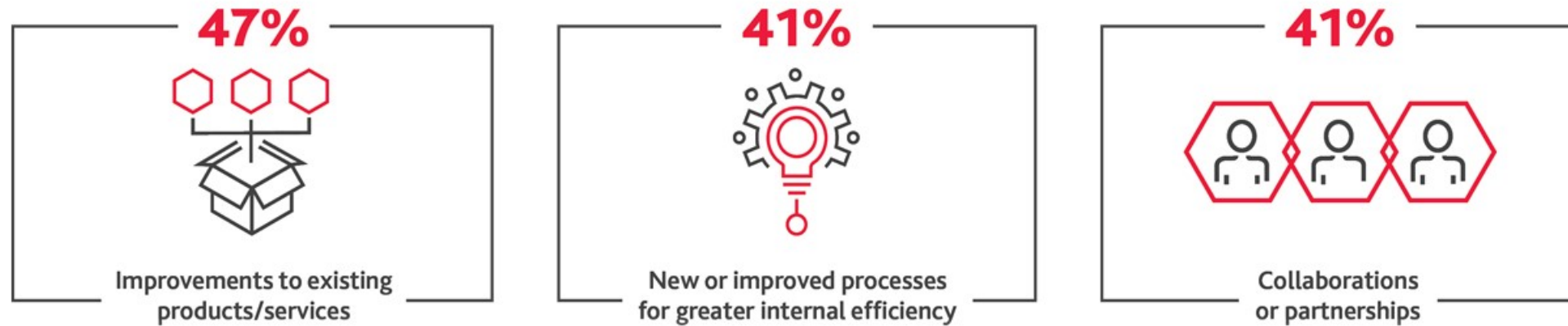


Big Bets to Support the Future of Care



The pandemic accelerated change across the industry, from patient behavior in how, when and where they seek care, to the importance of **data analytics to track care outcomes and forecast staffing and service needs.**

Top Areas of Innovation Investment



Healthcare deals and areas of investment will likely surround the industry's biggest opportunities. As healthcare opportunities work to enhance the patient experience, improve current offerings and add new capabilities, **the role of partnerships** will often be increasingly important.

Polling Question #2



Regulatory Change Concerns

Medicaid expansion 38%

The CMS rule on price transparency 37%

CARES Act/Provider Relief Funds reporting 35%

Drug pricing caps 33%

The proposed HIPAA privacy rule changes 32%

Antitrust regulation 30%

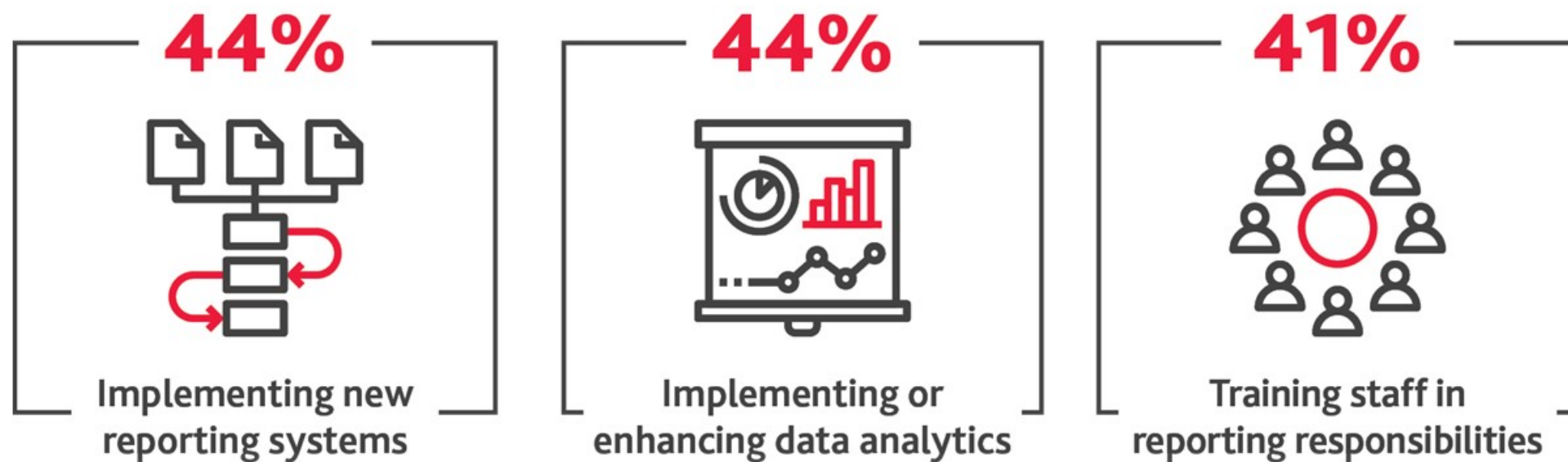
New ESG regulations 30%

The healthcare industry is not aligned on one major risk; rather **concerns are spread nearly equally over several regulatory issues** that exist or are expected to occur in the near future.

Top Five Financial Reporting Challenges

- 1 **43%** Outdated and disparate technology systems
- 2 **38%** Meeting and keeping track of deadlines
- 3 **38%** Fines and penalties for reporting errors
- 4 **35%** Board and internal reporting responsibilities
- 5 **34%** High costs associated with the compliance process

How Healthcare CFOs Are Taking Action to Improve the Financial Reporting Process



Questions?

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