
Hospital Managers Between Crisis Management and Strategic Repositioning



How do Germany's hospital managers view the future? Will the economic situation improve in the foreseeable future, and what trends will shape the development in the coming years? An annual hospital study surveyed managing directors and medical directors of the 600 largest hospitals in Germany. The results show that the crisis is far from over. However, some developments bring hope - and many decision-makers are now preparing their institutions for the future.

A glance at the current figures makes it clear that the economic situation of most healthcare institutions has worsened in recent months. While in 2021, around one-third of institutions managed to make a surplus, in 2022, more than half (51%) of the clinics reported losses, especially many publicly owned hospitals. Only about a quarter of facilities ended 2022 with a surplus.

The respondents do not expect a fundamental improvement in the economic situation in the coming years. Expectations for the planned hospital reform were not particularly high at the time of the survey in May. Relief effects are expected to be noticeable only from 2028 onwards, with increased efficiency gains through enhanced digitisation playing an important role.

The pressure for action is evident. While there were almost 1,900 hospitals in 2021, 51% of respondents expect a number of no more than 1,250 by 2033. 38% expect a decrease to a maximum of 1,500 institutions, and 11T anticipate up to 1,750 clinics in ten years. The largest decline is projected between 2028 and 2033, primarily due to the shift from inpatient services to increasingly outpatient care.

Main Trends: Mergers, Ambulatory Care, and Artificial Intelligence

The structural change in the German hospital landscape is well underway. This insight seems to be the consensus among German hospital executives. As this year's hospital study results show, many decision-makers have decided to actively shape this development with different objectives.

A strategic option discussed for many years has gained new relevance: collaboration with other hospitals. The respondents expect that there will be more and more mergers and acquisitions of hospitals in the future.

In the context that more and more services are to be provided or required on an outpatient basis in the future, significant changes are expected, especially in the next ten years. Less specialised, smaller providers face economic challenges. However, even maximum care providers are challenged to diversify their offerings to compensate for revenue declines from the inpatient sector. Important approaches to positioning for an ambulatory future include expanding the outpatient infrastructure and implementing innovative care concepts.

Artificial Intelligence Enters Everyday Hospital Life

Telemedicine and robotic systems in surgical practice are no longer visions of the future. However, the evaluation by study participants has changed significantly in one aspect since last year: the topic of artificial intelligence (AI) has become highly relevant within a year. When asked which technologies will most significantly change the hospital landscape in the coming years, decision-makers rank AI second. In particular, respondents expect a strong impact of AI in image recognition and decision support. AI is expected to contribute significantly to process optimisation and efficiency improvement in the administrative area, such as invoice auditing or human resources.

Time for Positioning

German hospitals face a Herculean task. While they must do everything in the short term to stay on track economically and not lose sight of important trends like ambulatory care, long-term goals such as the comprehensive digitisation of all hospital processes remain urgent.

The situation is further complicated by some developments conflicting with each other, such as promoting work-life balance for employees and achieving greater economic efficiency. Hospital executives must decide which goal should take priority when evaluating various strategic options.

The strategic positioning of a hospital within the emerging ecosystem of connected healthcare providers will be crucial for success in the coming years. Germany's hospital landscape will continue to consolidate, and those who want to shape the future must know what role they want to play in it.

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