

# Not-for-Profit Hospitals & Health Systems Market Update

Industry Consulting Team | Q4 2022

## Henry Grady

Industry Consultant  
NFP Hospitals & Health Systems  
404.578.6472  
[Henry.Grady@Truist.com](mailto:Henry.Grady@Truist.com)

## Greg Oliver

Industry Consultant  
NFP Hospitals & Health Systems  
443.988.1519  
[Greg.Oliver@Truist.com](mailto:Greg.Oliver@Truist.com)

## Kyle Greco

Analyst  
NFP Hospitals & Health Systems  
201.835.4845  
[Kyle.Greco@Truist.com](mailto:Kyle.Greco@Truist.com)

## David Rogers

Analyst  
NFP Hospitals & Health Systems  
315.214.1873  
[David.Rogers@Truist.com](mailto:David.Rogers@Truist.com)

**Cyber Risk** – Healthcare is the single most attacked industry by cyber criminals. In this newsletter, we take a quick look at some of the vulnerable points in defending against attacks and how to be proactively protect your valuable data & systems.

**Remote Work:** As we are all getting more connected technologically to our own personal health data, there are external forces and threats trying to capture this information for nefarious reasons. One unintended risk that has been exposed in recent years relates to the increased amount of remote work and the less secure networks being used to connect remote workers. Fighting system breaches as well as frequent “Phishing” attempts has become the norm as more communication has shifted to e-mail.

**Electronic Medical Records:** According to reports by Guidewire, cyberattacks on health care have risen rapidly in recent years. Cyber challenges in hospitals put actual lives at risk and ransoms are more likely to be paid. With the large amount of personal information stored within health records, the value of a medical record on the black market is many times greater than that of a credit card number. With the increased emphasis on wireless communications, telemedicine solutions, remote patient monitoring, wearable devices and implants, you can easily see how the vulnerabilities have exponentially increased for our health systems.

### Figure 1: Healthcare had the highest average cost of a data breach globally last year for the 11th year in a row

Healthcare defined as hospitals and clinics

Source: IBM Security Cost of a Data Breach Report



**Preventing Attacks:** Today, hospitals are making efforts to tackle cyber issues through governance and planning. Most facilities today have response plans to deal with a cyber breach. Consequently, we must be prepared for when, not if, a breach occurs. These challenges are adding to system expenses at a time when margins are razor thin and profitability is fleeting at best in most major systems. Most mitigation factors are highly effective and are managing to keep the doors mostly closed to attacks. We can only hope that defensive strategies will stay ahead of the offense threats.



# Not-for-Profit Hospitals & Health Systems Market Update

Industry Consulting Team | Q4 2022

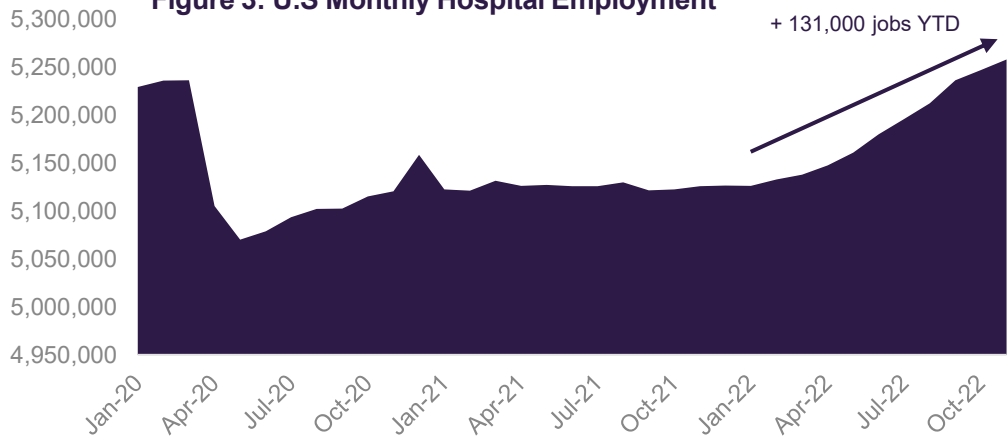
## Workforce and Staffing:

- Workforce continues to be the #1 challenge cited by hospitals.
- Industry data suggests some recent improvements.
- In October, the national average weekly rate for travel nurses was \$3,080 —nearly \$800 lower than the peak at the beginning of 2022.
- Hospitals have increased staff wages & benefits to quell ongoing shortages and turnover driven by burnout.
- As Hospital employment increases, coverage gaps are being increasingly filled by existing staff & overtime with a lessening reliance on agency staffing. While expensive, overtime is less costly than agency staffing.
- Overall employment in healthcare occupations is projected to grow 13 percent from 2021 to 2031; adding 2 million more jobs!

Figure 2: Weekly Traveling Nurse Wages



Figure 3: U.S. Monthly Hospital Employment



## Stay up to date:

1. [Healthcare had the highest average cost of a data breach globally last year for the 11th year in a row | IBM](#)
2. [Travel nurse pay remains high as hospitals fill gaps from staff departures | Healthcare Dive](#)
3. [Monthly healthcare job gains stronger this year than last | Healthcare Dive](#)
4. [National Hospital Flash Report: November 2022 | Kaufman Hall](#)
5. [Cyber Risk In Health Care: High Stakes, Valuable Data, And Increasing Connectivity Attract Bad Actors | S&P Global](#)

Line of Credit  
November 2022

Term Loan  
November 2022

Line of Credit  
November 2022

Term Loan  
October 2022



Sources: IBM Data Breach Report, Healthcare Dive, Kaufman Hall Insights