



The Case for Smarter IT Spend in a Post-OBBA Era



This whitepaper explores how IT cost optimization can help hospitals stay resilient amid mounting financial pressures from the Big Beautiful Bill.

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Introduction: A New Era of Fiscal Pressure for Hospitals

Hospitals across the United States are facing unprecedented financial headwinds. Post-pandemic recovery challenges, workforce shortages, regulatory complexity, and the rising cost of care delivery have stretched resources thin. While many health systems have made incremental efficiency gains over the years, the cumulative effect of these pressures is now colliding with a seismic policy shift, the One Big Beautiful Bill Act (OBBBA), forcing hospitals to rethink spend management across the enterprise.

This new legislation has introduced a fundamental disruption in provider economics, making it clear that what worked before is no longer sufficient. Hospitals must look beyond traditional cost-cutting tactics and embrace a smarter, more targeted strategy to safeguard operational resilience and patient access.

In our experience, IT contracts often represent one of the highest-yield categories for cost reduction—and the most actionable, when approached strategically.

The Financial Ripple Effect: Understanding the OBBBA Shockwave

The OBBBA, signed into law in July 2025, is a defining moment in U.S. healthcare policy. With more than \$1.5 trillion in projected Medicare and Medicaid spending reductions over the next decade [1], this act is reshaping revenue streams for every hospital—urban and rural, for-profit and nonprofit.

Hospitals are already reporting a cascading set of challenges:

- Lower Payments: Reduced reimbursement rates for the same services
- Slower Cash Flow: Eligibility verification delays are extending time-to-cash
- Heavier Administrative Overhead: Compliance with new reporting and billing requirements demands unbudgeted tech upgrades and staffing

The downstream impact is steep and immediate: shrinking margins, capital shortfalls, and increased exposure to volatility. According to a 2025 Sheps Center Risk Index, more than 30% of rural hospitals are now at moderate or high risk of closure due to funding instability [3]

Hospitals at a Tipping Point: Real-World Impact Is Already Here

This isn't a theoretical concern. On July 10, 2025, *Curtis Medical Center* in Nebraska announced it would close its doors on September 30, directly citing anticipated Medicaid budget cuts under the OBBBA [2]. This facility served a population of fewer than 1,000 residents, who now face a multi-county gap in emergency and primary care.

State officials in Kentucky and Mississippi have also publicly warned that multiple hospitals in their regions are “within quarters” of shutting down unless additional funding relief is introduced [4]. The sense of urgency is growing, particularly in underserved areas where closures have long-term ripple effects across population health, local economies, and workforce viability.

Even large health systems are no longer immune—many are actively reassessing their fixed and variable costs, pausing investments, and restructuring contracts to free up working capital. The OBBBA has moved *cost containment* from a back-office function to a C-suite imperative.

Historically, health systems have leaned on revenue cycle management, labor productivity programs, and supply chain consolidation to trim costs. However, those levers are now reaching their limits. The new challenge is this: Where else can we unlock meaningful, recurring value—without compromising care delivery or cutting staff?

IT Spend: A Hidden Goldmine for Strategic Cost Reduction

While often overlooked, IT vendor costs—software, hardware, support, and licensing—have quietly ballooned over the past decade, with double-digit increases disguised in multi-year renewals, bundled services, and vendor lock-in strategies.

The opportunity to optimize is substantial:

- Shelfware: Unused applications still under active subscription
- Redundancy: Overlapping solutions across departments or facilities
- Unfavorable Terms: Auto-renewals, escalator clauses, and inflexible license tiers
- Opaque Pricing: Vendor pricing misaligned with market benchmarks or peer institutions

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Symphony Consulting: Your Partner in Strategic IT Spend Reduction

At Symphony Consulting, we help health systems unlock significant savings from their IT vendor contracts—without reducing headcount, impacting care delivery, or requiring operational restructuring.

Unlike other consulting models, our work is self-funded—our fees are tied only to real, measurable, auditable savings. We focus solely on external vendor spend—never on internal labor or clinical optimization.

Our value-driven, five-pronged approach includes:

1. Contract Assessment: Evaluate size, scope, usage, and pricing
2. Benchmarking: Compare against peer hospitals and top-performing tech companies
3. Negotiation Strategy: Leverage vendor insights to restructure terms
4. Application Rationalization: Identify and eliminate overlapping or low-value solutions
5. Future-Proofing: Build contracts that offer flexibility, scalability, and transparency

Our clients typically realize 5–10X ROI, freeing up capital that can be redirected toward:

1. Clinical staffing and retention
2. Care access programs
3. Innovation in patient engagement and analytics
4. Compliance readiness for OBBBA-related mandates

Conclusion: Resilience Starts with Visibility and Action

Hospitals can't afford to wait. The economic reality of the One Big Beautiful Bill Act has rewritten the playbook for financial planning in healthcare. *Reactive cuts will not be enough.* Hospitals that proactively manage their vendor landscape—starting with IT—will be best positioned to weather the storm, protect access, and preserve mission-driven care.

With Symphony as a strategic partner, health systems can uncover untapped value, take control of their cost trajectory, and reinvest in what matters most: better outcomes for patients and communities.

For more insights on relieving financial pressure by reviewing IT spend, or to discuss your organization's specific needs, feel free to contact us at info@symphonyconsult.com.

Symphony Consulting, Inc. is an IT and supply chain consulting firm located in Sunnyvale, CA.

References

- [1] Congressional Budget Office. (2025). *Analysis of the One Big Beautiful Bill Act*. <https://www.cbo.gov>
- [2] Nebraska Public Media. (2025, July 10). *Curtis hospital to close amid Medicaid funding concerns*. <https://nebraskapublicmedia.org>
- [3] Sheps Center for Health Services Research. (2025). *Rural Hospital Closures: 2025 Risk Index*. <https://www.shepscenter.unc.edu>
- [4] Associated Press. (2025, July 14). *Kentucky officials warn of hospital closures under Medicaid budget cuts*. <https://apnews.com>