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2026 REPORT

Quality + growth: the formula for sustainable healthcare success

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Key insights

1

Align quality performance with market growth opportunities.

Pinpoint high-performing service lines and population trends to strategically focus growth efforts without compromising care standards.

2

Integrate clinical and strategic data to drive smarter decisions.

Leverage combined quality and demand analytics to prioritize initiatives, optimize resources, and guide next-best actions for service line expansion.

3

Adapt care delivery by optimizing capacity and addressing vulnerability.

Free up capacity by shifting lower-complexity cases, while targeting underserved communities to support equitable, sustainable growth.

In today's fast-moving and complex healthcare environment, aligning quality metrics with growth insights isn't optional—it's mission critical. Quality ensures top-tier patient care, while growth drives financial strength, operational efficiency, and innovation. By aligning these forces, organizations achieve superior outcomes, better optimize existing resources, and accelerate expanded access to care.

With utilization expected to rise 5% in inpatient (IP) days and 18% in overall outpatient (OP) volumes over the coming decade, health systems are approaching a crossroads. While this growth represents a significant opportunity, the inability to meet the demand on consumers' terms poses the risk of creating frustration and jeopardizing long-term growth. Quality data—patient outcomes, safety, and efficiency—pinpoint areas for improvement. Market growth insights—demographics, competition, and demand—reveal external pressures shaping strategy. Integrating these data streams fuels proactive, patient-centered, and scalable performance improvement.

Vizient believes the right way to approach the short- and long-term future is through smart growth, where data are not just numbers but a map charting progress and direction. What is smart growth? It is strategically expanding what is already working while tackling performance barriers in weaker areas, streamlining revenue growth without compromising quality.

The following example, utilizing sample data analytics from a blinded health system ("Great State Health System"), demonstrates how combining clinical and market data can accelerate smart growth. It provides a clear road map for healthcare leaders to optimize services, enhance patient outcomes, and stay ahead of industry changes.

Vizient's combined strategic and quality insights create a unique key to unlock next-level data integration—fast-tracking quality improvement and market success in tandem. Here's the blueprint to achieving this multiplier effect. Our approach integrates clinical quality analytics from our Clinical Data Base (CDB) and growth metrics provided by our Sg2 Impact of Change® (IoC) forecast. This powerful, data-driven method offers a comprehensive view of clinical performance, market trends, and strategic planning, aligned to the specific strengths of your system and tailored to support your goals and market growth opportunities.

1,500+

hospitals trust the Vizient® Clinical Data Base

2,500+

hospitals nationwide use the vSg2 EDGE® platform

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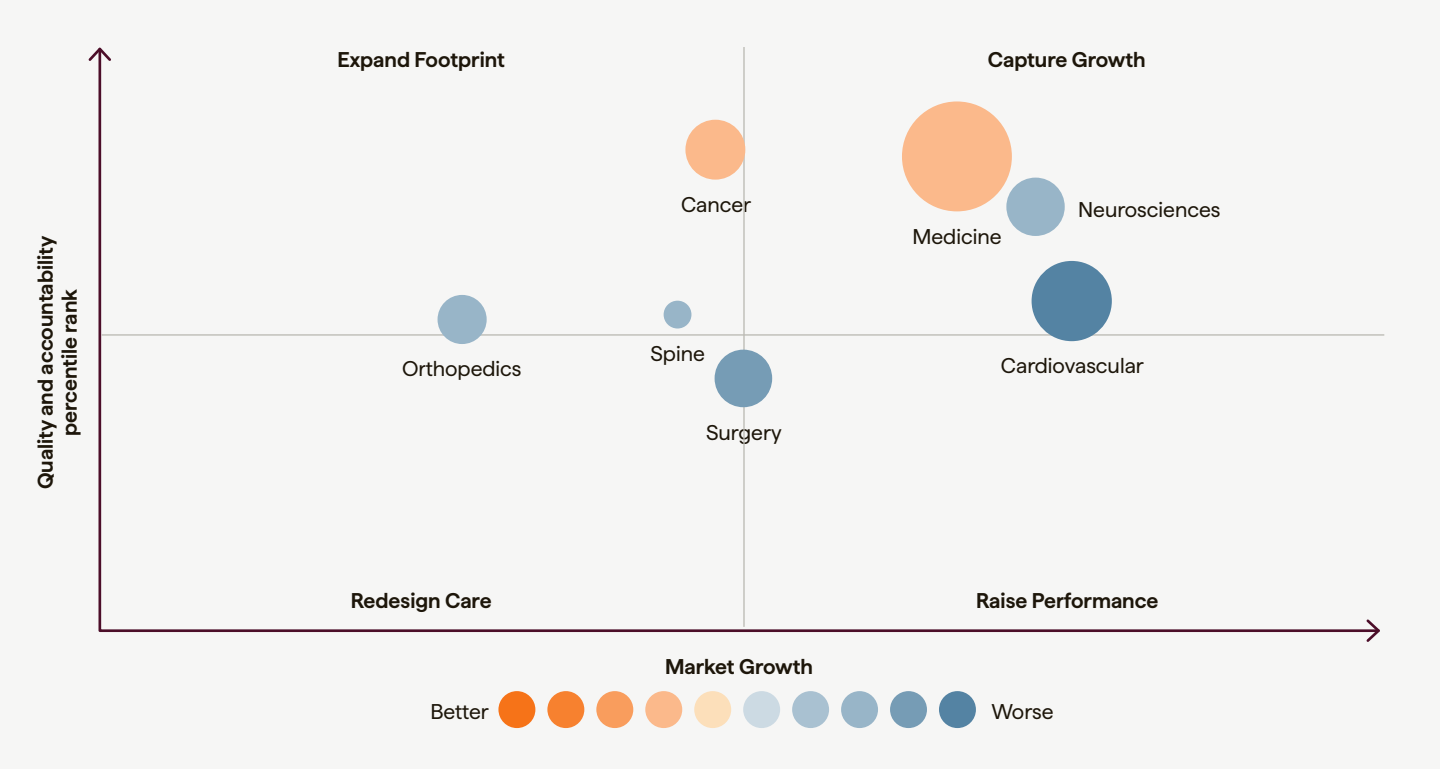
Step 1: Align and focus—smart growth starts here.

Growth without quality is a risk, and a lack of growth where there is superior quality is a missed opportunity. Successful growth begins with a clear understanding of both population trends and clinical service line quality performance. Just as critical is identifying high-performing service lines that are well-positioned for growth—and investing to amplify their impact and expand their reach. In today's resource-constrained environment, the balance between risk and reward has never been more critical.

Aligning growth strategy with quality performance clarifies priorities, enabling targeted investments that accelerate value creation and long-term sustainability.

Great State Health System, a Vizient client, leverages Vizient's CDB quality insights and Sg2 Impact of Change demand forecasts to pinpoint critical areas of intersection between service line growth and performance (Figure 1).

Figure 1. Five-year inpatient growth compared to quality ranking



Note: Bubble color = direct cost index, bubble size = Sg2 forecast baseline volume. Sources: Data from Vizient® Clinical Data Base, Impact of Change®, 2024; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2022; 2022 CMS Limited Data Sets (LDS) 2024; Sg2 Analysis, 2025. See appendix for additional data source details.

Great State's cardiovascular (CV) services warranted closer evaluation for potential growth performance risk due to lower-than-desired quality rankings. Before moving forward with aggressive growth plans for this service line, Great State's executive team dove deeper into its CV quality measures to better understand where quality improvement priorities would best align with market forces. Their goals: avoid operational strain, ensure optimal patient experience, and position to harness available growth opportunities. Their tools: integrated quality and growth data.

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Step 2: Use integrated data to drive next-best action.

Aligned quality and growth data create an essential compass for near-term performance improvement and growth operations strategies. These integrated insights make clear the specific risks and opportunities well within an organization's control. Optimizing the use of these data together creates a customized blueprint for next-best action, ensuring quality initiatives support growth opportunity, and growth strategies elevate rather than limit quality performance.

In the case of Great State Health System, the team further leveraged integrated quality and growth data to:

- Set priorities on quality improvement initiatives that align with growth strategy.
- Inform growth operations, planning to maximize current resources while quality initiatives made progress and market forces ramped up.
- Proactively support patient populations from a holistic patient journey perspective to minimize market pressures when possible.

Prioritize quality improvement in alignment with market forces

Organic market growth in services where length of stay (LOS) and 30-day readmission performance are trailing competitive norms creates an environment for increased operational challenge. Great State understood this coming pressure, based on its CV growth trajectory and correlated CV LOS and 30-day readmission performance, shown in Figure 2. This insight immediately signaled the need to shift quality performance focus on these trailing CV metrics, before market pressures compounded existing operational stress. These integrated data created the foundation for better aligned quality and growth performance work and helped to remove silos around these organizational disciplines.

"Organic market growth in services where length of stay (LOS) and 30-day readmission performance are trailing competitive norms creates an environment for increased operational challenge."

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Figure 2. Inpatient cost, quality, and market performance dashboard
Performance compared to national benchmarks

Service Line	LOS index	Mortality index	30-day readmit %	Direct cost index	Inpatient market share	Sg2 5-year forecast
Overall	1.3	1.1	10.1	1.1	17%	+2%
Cancer	1.0	0.9	9.0	0.9	33%	+3%
Cardiovascular	**1.4**	**1.6**	**12.1**	**1.3**	**18%**	**+5%**
Medicine	1.2	0.7	14.2	1.0	16%	-1%
Ortho/spine	1.2	0.8	6.9	1.2	20%	+5%
Neurosciences	1.3	1.1	6.5	1.2	16%	+8%
Surgery	1.3	1.3	13.1	1.3	19%	+1%

Better Worse

Ortho = orthopedics. Sources: Data from Vizient® Clinical Data Base, Impact of Change®, 2024; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2022; 2022 CMS Limited Data Sets (LDS) 2024; Sg2 Analysis, 2025. See appendix for additional data source details.

What are we seeing?

For Great State, we can see that the cardiovascular service line has higher than average LOS and mortality. Trying to capture the forecasted growth with those quality analytics would be difficult.

Why does it matter?

These types of data allow leadership to target efforts that yield measurable impact—such as reducing bed days, improving throughput, and capturing additional revenue by aligning with forecasted demand.

Facilities learn how to define improvement opportunities for high-growth clinical services in order to be prepared to capture organic growth.

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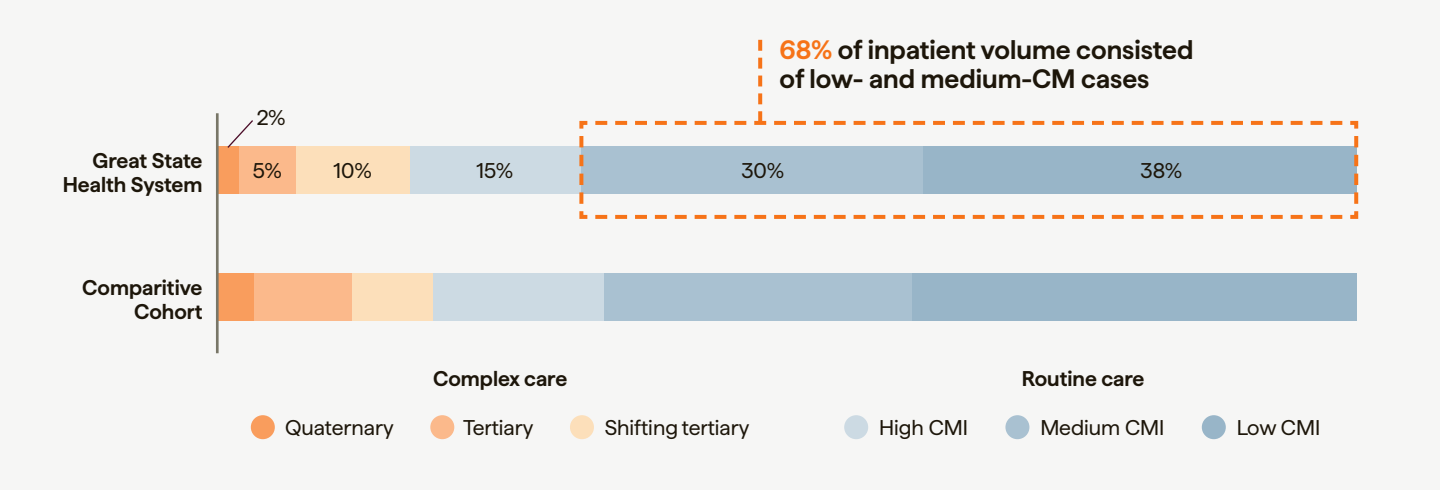
Optimize capacity in the existing footprint

Next, Great State dug into patient distribution across acuity and found that while its acuity portfolio aligned with peers, 68% of inpatient volume consisted of low- and medium-CMI cases (Figure 3). Knowing the impending inpatient CV growth to come and understanding the need to decompress capacity constraints as quality improvement ramped up around LOS and 30-day readmissions, Great State leadership began a strategic reevaluation of what cases and programmatic offerings could be shifted to other system hospitals—and lower-acuity sites of care—where warranted.

This increased capacity allows for quicker, more efficient care for a higher volume of high-acuity patients, opening up opportunity for revenue growth and, most importantly, meeting patients' needs. Using data as a guide, the organization added to its priorities exercise to optimize existing resources and improve efficiencies in the near term, while quality gains made headway. (See the Data on the Edge report **Quality Outcomes as a Driver for Service Optimization**.)

Figure 3. Capacity constraints
Patient volume distribution by acuity cohorts



CMI = case mix index. Sources: Data from Vizient® Clinical Data Base; Data from AAMC-Vizient Clinical Practice Solutions Center® 2024. See appendix for additional data source details.

What are we seeing?

Great State discovered that 68% of inpatient volume consisted of low- and medium-CMI cases, meaning they needed to reduce capacity constraints to make way for high-CMI patients.

Why does it matter?

Understanding what the routine care consists of in your facility helps to identify a capacity creation opportunity. These data empower leaders to direct cases to the most appropriate, clinically capable facilities, freeing up space in complex care centers for high-acuity patients. By shifting lower-acuity care to the right settings, organizations can reduce costs and increase inpatient capacity for high-margin, high-need cases.

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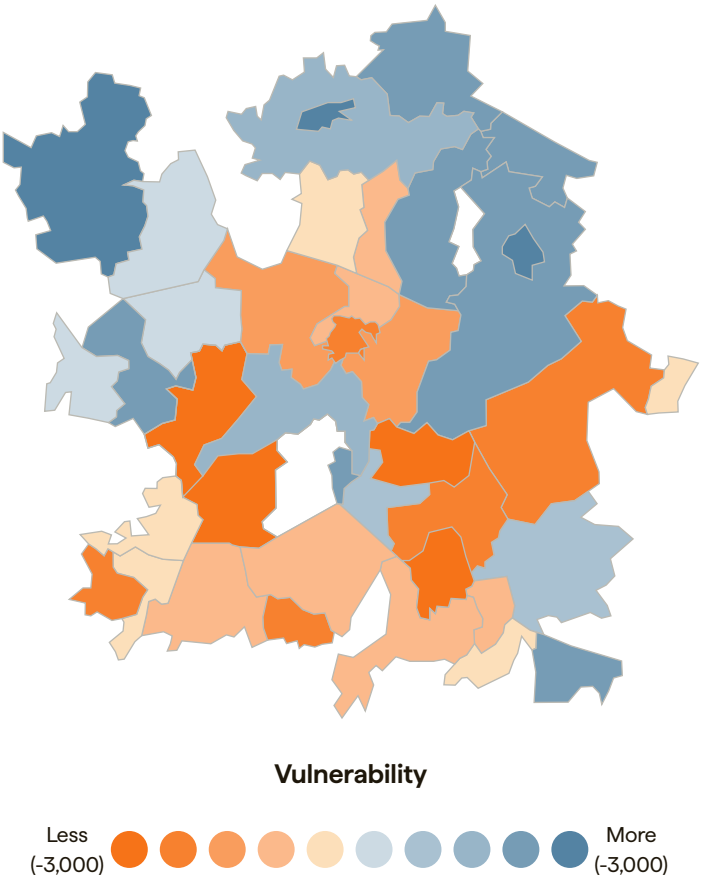
Address areas with high vulnerability head on

Finally, Great State also recognized the value of understanding local patient population vulnerabilities. This deeper population knowledge again helped support strategic alignment. Great State leveraged the patent pending Vizient Vulnerability Index™ (VVI) to identify and prioritize high-need neighborhoods, focusing on highly vulnerable geographies—areas with a VVI score ≥1.0 (Figure 4).

With these priorities in mind, the team reviewed and refined approaches to enhancing equitable access through improved transportation support and access to care. Great State also doubled down on strengthening community-based partnerships that could help bridge care gaps and support care transitions. These tailored strategies addressed the unique needs of patients and reinforced a coordinated approach to effectively manage care with a sustainable growth foundation. (See the Data on the Edge report **A Performance Improvement Guide to Advancing Health Equity.**)

Figure 4. Vizient Vulnerability Index™



Data from Vizient Vulnerability Index™ Patent Pending.
See appendix for additional data source details.

Why it matters

The dynamic change in healthcare's macroenvironment only continues to accelerate. Rising costs, changing acuity, site-of-care shifts, payer pressure, and innovation are rapidly reshaping where and how care is delivered, who delivers care, and how to effectively stay in business. Health systems that pay keen attention to capturing smart growth—bringing together quality performance, financial performance and market growth data with an eye toward building a balanced portfolio—will remain resilient in the long term. Vizient's portfolio of integrated insights not only identifies service lines at risk—it also reveals where your strengths align with market demand, so you can double down on what's working and expand with confidence. This dual approach targets sustainable, smart growth for your system.

Already a member of Vizient's CDB and IoC solutions?

Contact your Service Delivery Executive today for fast access to the integrated insights showcased here.

Interested in exploring Vizient's quality and strategy solutions?

Contact an expert today at vizient.com.

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Appendix

Data sources and methodology

Figure 1

Note: Analysis excludes 0-17 age cohort. The Vizient Quality and Accountability ranking is an annual assessment of healthcare organization performance in the following key domains: mortality, effectiveness, safety, equity, patient centeredness and efficiency. Direct cost refers to expenses that fluctuate based on the number of patients seen or services provided. Examples include labor, medical supplies, pharmaceuticals, lab tests and blood products. Direct cost index is a ratio of observed-over-expected value with expected value calculated based on Vizient risk-adjusted models. Sources: Data from Vizient® Clinical Data Base used with permission of Vizient, Inc. All rights reserved. Accessed February 2025; Impact of Change®, 2024; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2022; The following 2022 CMS Limited Data Sets (LDS): Carrier, denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2024; Sg2 Analysis, 2025.

Figure 2

Note: Analysis excludes 0-17 age group. Sources: Data from Vizient® Clinical Data Base used with permission of Vizient, Inc. All rights reserved. Accessed February 2025; Impact of Change®, 2024; HCUP National Inpatient Sample (NIS). Healthcare Cost and Utilization Project (HCUP) 2019. Agency for Healthcare Research and Quality, Rockville, MD; Proprietary Sg2 All-Payer Claims Data Set, 2022; The following 2022 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2024; Sg2 Analysis, 2025.

Figure 3

Sources: Analysis excludes 0-17 age group. Data from Vizient® Clinical Data Base used with permission of Vizient, Inc. All rights reserved. Accessed February 2025; Data from AAMC-Vizient Clinical Practice Solutions Center® used with permission of Vizient, Inc. All rights reserved. 2024.

Figure 4

Note: Vizient Clinical Data Base distinct patients, any ages, seen in any setting, 2024. Linked to the Vizient Vulnerability Index™ by patient zip code. Zip codes representing less than 0.5% of all distinct patients are omitted from the maps. Distance to patient zip code based on zip code tabulation area centroid. Source: Vizient Vulnerability Index™ Patent Pending. Copyright Vizient Inc. 2022. All rights reserved.

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About Vizient

Vizient is the nation's largest provider-driven healthcare performance improvement company, and provides solutions and services to more than two-thirds of the nation's acute care providers and more than one-third of ambulatory providers. Vizient offers proprietary data and analytics to deliver unique clinical and operational insights and a contract portfolio representing $156 billion in annual purchasing volume enabling the delivery of cost-effective care. With its acquisition of Kaufman Hall in 2024, Vizient expanded its advisory services to help providers achieve financial, clinical and operational excellence. Headquartered in Irving, Texas, Vizient has offices throughout the United States. Learn more at **vizient.com**.

290 E. John Carpenter Freeway, Irving, TX 75062
(972) 830-0000
www.vizient.com

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