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LBMC Perspectives: 2026 Healthcare AI and Automation Outlook

Why automation, data readiness, and financial discipline are defining winners in healthcare performance transformation

Nashville, TN – (Feb. 24, 2026) – As healthcare organizations entered 2026, they faced sustained margin compression, rising compliance scrutiny, and accelerated private equity timelines. Today, executive priorities are converging around one central question: Can our financial and operational infrastructure actually scale with our strategy?

According to Justin Conant, [LBMC healthcare](#) and AI growth expert, the answer increasingly depends on whether leadership teams move beyond fragmented systems, manual processes, and experimental AI pilots and toward standardized, automated, and audit-ready execution.

“Healthcare executives are no longer debating whether automation and AI matter,” said Conant. “They’re asking where it creates immediate financial lift, reduces risk, and gives boards confidence in the numbers. The shift from curiosity to execution is well underway.”

Jon Hilton, [AI Practice Leader at LBMC](#), said many leaders are also exhausted by AI conversations that create activity without measurable progress.

“AI is no longer a theoretical conversation — it’s a practical, revenue-impacting reality,” said [Hilton](#). “The organizations getting traction are the ones starting with business problems — not tools — and aligning adoption to measurable outcomes.”

Automation Moves from ‘Nice to Have’ to Board-Level Priority

One of the most urgent areas of focus for PE-backed organizations is provider compensation automation. Manual spreadsheets, inconsistent interpretations of contracts, and delayed payouts are no longer tolerable in high-growth environments.

Leading organizations are automating wRVU calculations, quality incentives, call pay, and contract-specific terms — while providing providers with transparent dashboards to reduce disputes and ensure compliance with their contracts. The result: shorter close cycles, cleaner audits, and finance teams freed from constant reconciliation.

Financial and Clinical Data Must Finally Agree

Another pressure point: financial system and EMR integration. Fragmented data across EMRs, ERPs, payroll, RCM, and contract systems has made real-time decision-making nearly impossible.

Executives are prioritizing unified data models that eliminate lag, standardize inputs and unite data across disparate systems first. This also supports consistent forecasting across revenue, compensation, and operations. Beyond improving visibility, integration is also reducing IT overhead by retiring custom interfaces and manual data movement, lowering long-term total cost of ownership.

Revenue Recognition, Audit Readiness, and Predictability

CFOs are also accelerating revenue recognition automation to support fee-for-service, capitated, and value-based models with repeatable, rules-driven logic. The goal is not just faster close — it's defensible documentation, predictable outcomes, and reduced audit exposure in increasingly complex payer environments.

From Static Reports to Live, Trusted Benchmarks

Weekly PDFs and static dashboards are being replaced by live performance benchmarking that executives can trust. Leaders want real-time visibility into margins, productivity, utilization, patient access, and RCM efficiency — benchmarked internally and externally, with standardized definitions that eliminate “dueling spreadsheets.”

Predictive analytics are increasingly layered in to identify risks before they hit the P&L, shifting leadership conversations from reactive explanations to proactive intervention.

Build vs. Buy: A Capital Discipline Conversation

The classic build-versus-buy debate is now happening earlier—and with greater financial rigor. CFOs and CEOs are weighing total cost of ownership, speed to value, integration complexity, and internal talent capacity before committing capital.

“Out-of-the-box solutions may solve 80% of the problem, but that last 20% often drives the most cost and frustration,” Conant noted. “The smartest teams are making these decisions before they're under pressure.”

Talent, Team Fit, and Execution Risk

High-growth healthcare organizations are also reassessing whether their current finance, operations, and IT teams are equipped for accelerated transformation. Capability gaps in data engineering, AI automation, analytics, AI readiness, and project management are driving hard decisions around upskilling versus strategic partners — especially under PE timelines and board scrutiny.

Margin Control and Financial Health Take Center Stage

With margin compression now chronic, leaders are demanding deeper insight into contribution margin by provider, location, and service line. Leakage points — denials, under-coding, productivity gaps, and capacity constraints — are being surfaced through standardized, repeatable processes that can withstand audits, turnover, and rapid expansion.

Scenario modeling is becoming a core executive tool to understand risks tied to payer mix, staffing changes, and reimbursement shifts before decisions are made.

AI Adoption Depends on Data Readiness

Finally, as AI moves from experimentation to execution, boards are asking a critical question: Are we even ready?

Organizations are assessing data quality, rationalizing sources across EMR and financial systems, establishing governance and security frameworks, and ensuring PHI handling meets regulatory standards. The goal is not AI for AI's sake — but a scalable data foundation that supports AI automation, predictive analytics, and long-term value creation.

“AI doesn't fix broken data or broken processes,” said Conant. “The organizations seeing real returns are the ones doing the hard foundational work first.”

Hilton emphasized that AI's role in high-stakes environments must be disciplined, governed, and human-led.

“The AI does not replace professional judgment; it augments it,” said Hilton. “The risk is not AI itself, but how and where it is applied. Leaders who establish vision, governance and usage standards early are the ones who will scale AI responsibly. Leaders who are advancing 2–4 focused AI use cases this year are already realizing measurable results. Organizations without at least a handful of live initiatives by year-end risk falling materially behind their peers.”

Why It Matters Now

Healthcare CEOs and private equity sponsors are entering a cycle where growth alone is no longer enough. Capital is more selective, exit timelines are tighter, and boards are demanding faster, cleaner, and more defensible financial insight — often in real time.

In this environment, organizations that continue to rely on fragmented systems, manual compensation calculations and lagging financial data expose themselves to margin erosion, compliance risk, and execution drag. Conversely, those that standardize core financial processes, integrate clinical and financial data, and build AI-ready foundations are better positioned to scale efficiently, withstand audit scrutiny, and respond decisively to market shifts.

As Conant notes, the next phase of value creation in healthcare will favor leadership teams that can translate automation and AI into measurable financial outcomes, not just operational improvement. The

winners will be those that align data, technology, talent, and governance with the financial narrative required by investors, regulators, and future buyers.

For CEOs, the question is no longer if transformation is necessary, but whether their organization is executing fast enough to stay ahead of margin pressure, regulatory complexity, and PE expectations.

Get the Healthcare AI & Automation Readiness Checklist to quickly assess whether your organization is truly positioned to operationalize automation and AI or whether foundational gaps in data, compliance, and infrastructure will limit returns.

[Download the Healthcare AI & Automation Readiness Checklist.](#)

To help healthcare leaders move from strategy to execution, Justin Conant hosts joint live demos with Brad Williamson, nationally recognized data engineering leader, showcasing real-world examples of how automation, compliant data models, and AI-ready infrastructure are being applied today inside PE-backed healthcare organizations.

Want to learn more or sign up for a Live Demo?

Contact Justin Conant, justin.conant@lbmc.com, 865-862-3043.

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