

# Health IT Priorities in 2026

## Application Rationalization, Cybersecurity, and Budget Realities — Insights from CHIME CIOs

Healthcare executives, all CHIME (College of Healthcare Information Management Executives) members, shared feedback in an **online survey\*** about IT priorities and pressures facing their health system.

### SURVEY DEMOGRAPHIC

**56%**  
**53%**

Chief Information Officer (CIO)  
≥250 beds

### TOP IT BUDGET ALLOCATIONS FOR 2026 (ranked no. 1)

**22%**

Three way tie

- Application/portfolio rationalization
- EHR/EPR implementation and optimization
- Cybersecurity



### IT BUDGET REMAINS CONSTRAINED

Q: Approximately what percentage of your organization's net patient revenue is budgeted for IT?



With most organizations allocating the majority of IT dollars to operational expenses, CIOs (50%) are stepping firmly into the role of primary decision-makers, setting both the direction and priorities for IT investment.

**2024**  
72% allocated 75 to operational expenses, 25 to capitol expenses

**2025**  
67% allocated 75 to operational expenses, 25 to capitol expenses

### APPLICATION RATIONALIZATION: FOCUS AND OWNERSHIP

Over 60% of CIOs say the need to simplify and streamline their application portfolios is high in urgency.

With nearly half of organizations placing CIOs in charge, application rationalization has become a CIO-led strategy, shaped by the following approaches:

- 44% We leverage internal resources in a part time capacity
- 44% Application rationalization includes contract consolidation and negotiation
- 39% We leverage both full and partial internal resources

### NAVIGATING THE IT TALENT GAP

Top strategies for IT staffing challenges (ranked no. 1)

- 50% Hire a contractor for a specific, short-term project
- 50% Reassign work or reorganize current IT staff
- 33% Hire remote employee because local talent is not readily available

Yet some high-demand skills are still proving difficult to secure.

- 42% Cybersecurity
- 22% Infrastructure/technical
- 11% Development

**67%**

of organizations surveyed report **less than 5% turnover rate** for their IT positions.

### MANAGED IT SERVICES: WHERE LEADERS ARE CONSIDERING HELP

- 39%: Yes. We consider managed services as an option for our organization.
- 33%: Yes. We currently employ managed services for our organization.
- 28%: Yes. We would subscribe to additional managed services if needed.

Outsourced IT functions

- 22% Cybersecurity (SOC)
- 17% Help/service desk



Top-ranked strategic guidance needs (ranked no. 1)

- 29% Organizational optimization
- 17% Technology adoption/digital transformation consulting
- 17% Cybersecurity advisory

➔ Visit our [assessments page](#) to evaluate your organization's needs and develop a tailored roadmap for success.

### HOW ARE CIOs DRIVING COST SAVINGS AND EFFICIENCY INSIDE THEIR HEALTH ORGANIZATIONS?

**13%**

- Technology: Artificial Intelligence (AI)/Robotic Process Automation (RPA)
- IT Operations: Process/workflow optimization
- Cybersecurity: Cybersecurity best practice development

### KEY TAKEAWAYS

Healthcare IT leaders continue to navigate a landscape defined by tight budgets and rising operational demands.

- This financial pressure is driving a significant shift toward operational expenses, as organizations are now allocating larger portions to operational expenses. Meanwhile, technical debt remains a growing concern for CIOs, though many are implementing solutions to mitigate this risk.

A new dynamic is emerging in 2026: application rationalization has become as urgent as cybersecurity and EHR optimization.

- The pressure to simplify complex application portfolios is now unmistakable. Organizations are focusing on internal resource strategies and contract consolidation efforts to regain financial and operational control.
- Although organizations report low turnover, critical skills remain difficult to source. This ongoing skills gap is accelerating interest in managed IT services, with most organizations either using or considering managed services to supplement internal teams and stabilize operations.



Together, these findings underscore the importance of strategic partnerships grounded in a deep understanding of healthcare operations. As financial constraints persist and modernization pressures intensify, partners who can help organizations optimize budgets, strengthen security, streamline application portfolios, and bridge talent gaps will play a pivotal role in helping CIOs balance immediate needs with long-term digital transformation goals.

\*The 2026 online survey and the data reported is based on responses from 24 healthcare executives, all CHIME members, sponsored by CereCore.