

# The Definitive Guide to Healthcare IT Budgeting

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Technology impacts almost all healthcare operations, from patient engagement to clinical support. Chief information officers must build flexible, skilled IT teams that can implement, maintain, and improve these systems. It's essential to budget appropriately for healthcare IT staffing to position organizations for continued success.

Healthcare IT budgeting can be challenging, and there's no one-size-fits-all solution for staffing. Effective budgeting means understanding key staffing roles and the costs of recruitment, technology, and continuous education for your team. This guide explains steps to create an optimized healthcare IT budget for your organization.



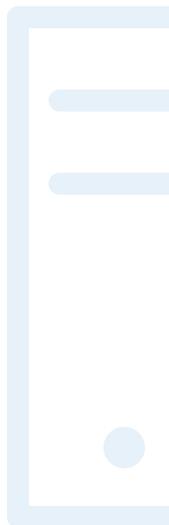
## Understanding Your Staffing Needs

Creating an effective healthcare IT budget starts with identifying your staffing needs. Organizations should consider the roles they must fill based on project complexity and scope. For example, a small-scale project to improve an existing patient portal may only require a few developers, but deploying a new electronic health record system may involve many technical experts with specialized skill sets.

To determine **healthcare IT staffing** needs, CIOs can begin with a workforce assessment to identify existing resources and personnel. They can then evaluate additional talent requirements for planned projects. While some IT specialists can manage multiple responsibilities, organizations risk overextending their resources when they ask staff to accept additional work. When planning future projects, determine the talent you should hire to supplement the existing team.

For many hospitals and health systems, filling software developer roles will be key over the next few years. The demand for this talent is forecast to continue to rise rapidly across industries, including healthcare.<sup>1</sup> Developers build, maintain, and update medical applications to stay current with technological advancements. Other **in-demand healthcare technology roles** include:

- QA specialists
- UX and UI designers
- DevOps engineers
- Data architects
- Security professionals
- IT support technicians
- Business analysts
- Project managers



## **Budgeting for Recruitment**

When you know your staffing needs, you can begin to budget for those positions. Recruitment is a significant factor to consider in terms of cost and timeline. A recent study found it takes 84 days and costs \$2,167 to recruit entry-level specialists with up to five years of experience. This compares with 207 days and \$5,699 to replace highly specialized talent with 10 or more years of experience.<sup>2</sup>



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Recruiting talent to **build a healthcare IT workforce** can incur hard and soft costs, so it's essential to plan for both. These costs often include:

- Advertising on job boards
- HR software
- Time spent on recruitment and interviews
- Candidate sourcing
- Background checks
- Loss of productivity

Other miscellaneous costs can occur throughout the recruitment process. For example, healthcare IT teams face the challenge of competing with other industries for skilled talent. CIOs may need to budget for additional perks, such as sign-on bonuses or relocation expenses, to recruit IT professionals from other high-demand fields.

Partnering with a specialized recruitment solution can offset some of these costs. Rather than using internal resources to find, recruit, and hire IT talent, organizations can outsource those tasks to a staffing partner with an extensive candidate network.

Healthcare IT recruitment specialists, such as Medix Technology, have an in-depth understanding of industry needs and **market trends**. With access to over 3 million specialized candidates, we use our knowledge and resources to vet skilled talent and identify the top candidates for an organization. We also offer flexible staffing solutions, including short-term, long-term, or permanent contract options, at nearly half the rate of large consulting firms.

## Planning for Technology Costs

Compared with other budgetary considerations, technology costs can be difficult to plan for. Emerging technologies and increasing cybersecurity challenges have made budgeting for healthcare technology more complex.

When planning for technology costs, start by identifying the organizational priorities. Should the organization integrate legacy platforms, implement new systems, or introduce new technologies? When budgeting for healthcare technology, take the following elements into account to determine your goals:<sup>3</sup>



**Strategy:** Consider how the technology aligns with an organization's needs and goals.



**Quality:** Determine whether the application can improve quality or safety.



**Compliance:** Take into account how organizations should prioritize technology that satisfies a regulatory requirement.



**Impact:** Think about the extent of the technology's impact on patients, providers, and stakeholders.



**Revenue:** Consider how the technology can impact revenue, such as minimizing costs or increasing profits.

By evaluating these considerations, you can determine the areas to prioritize. Depending on the project, the technology costs and staffing needs can vary.

## Cost of Integrating Legacy Platforms

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Integrating legacy platforms with new systems can have many benefits, including improved efficiency and functionality, but this approach comes with related costs. Legacy systems may be outdated. Integrating them may require specialized talent to maintain the technology and connect it to other components. Other costs of legacy platforms include:

- Data integration
- API functionalities
- UI or UX enhancements
- Security upgrades
- Post-integration support

## Implementing New Platforms

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Implementing new platforms, such as EHR and enterprise resource planning systems, involves upfront and ongoing costs. For example, the cost of [applying EHR](#) includes software licensing fees, hardware expenses, and continual maintenance and operation. It's imperative to have technical support staff who can implement new systems and train other team members on the technology.

When budgeting for a new platform, ensure to factor in other ongoing costs, including:

- Software updates
- Compliance costs, such as auditing
- Hardware upgrades
- Data migration

## Cost of Incorporating New Technology

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Nearly 80% of healthcare executives plan to spend more on IT over the next year, partly in response to new technologies, such as generative AI.<sup>4</sup> These costs must include qualified talent who understand the technology and have the skills to implement it. Some other costs to budget for include:

- Infrastructure upgrades
- Integration with existing technology or equipment
- Consulting fees
- Project management

## Hidden Expenses

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Hidden expenses can occur with any project, whether you're integrating a legacy platform or introducing new technology. These can vary by project depending on factors such as complexity and customization requirements.

Organizations should consider these expenses before launching a project and hiring additional talent. When estimating the costs of software development, for example, consider the scalability and future upgrades you may need to stay current with new technologies or changing user behaviors. Hidden expenses may also include:

- Workflow redesigns
- Security updates
- Software add-ons
- Ongoing maintenance
- Third-party software

## Allocating Funds for Continuous Education and Training

When budgeting for healthcare IT, organizations should also consider staff education and continued training. This budget should include labor, materials, and resources for training sessions and costs related to workflow adjustments as staff become familiar with the new technology.

Contemplate future training and development costs. Technology changes rapidly, and IT staff must stay updated on advancements to keep systems functioning properly. Include professional development, such as training programs and certification courses, in the budget to account for those ongoing costs.

## Using Technology To Optimize Budgeting

Technology can streamline and improve the healthcare IT budgeting process. Financial management software can automate processes, guarantee accuracy, and provide insights into how IT departments can optimize budgets for the greatest return on investment.

A healthcare budgeting system usually comprises capital expenditure, statistical forecasts, projected revenue, and operating expenses, including personnel.<sup>5</sup> In the past, executives and directors manually handled this process. Today, automated budgeting tools allow them to develop, track, and adjust their budgets continually, leading to more accurate forecasts. Use this technology to your advantage as you plan and implement your IT initiatives.

## [Partner With Medix Technology for Healthcare IT Staffing Solutions](#)

Healthcare IT budgeting can be challenging, but by focusing on staffing needs, recruitment, and technology costs, you can successfully plan for future projects. Think of ways to boost your existing team by adding talent skilled in new technologies and in-demand specializations. Plan to offer continuous training so your IT staff can quickly adjust to changing trends and advancements.

At Medix Technology, we have over 20 years of experience finding skilled, qualified IT talent for healthcare organizations. Our vast candidate network and industry expertise allow us to source, recruit, and place the best candidates in your organization, whether you need short-term staff for software development or long-term employees for an EHR implementation.

[Talk to a hiring specialist](#) to learn how you can partner with Medix Technology for expert healthcare IT staffing solutions.

1. "IT Staffing Market Size & Share Analysis - Growth Trends & Forecasts (2024 - 2029)." Mordor Intelligence. <https://www.mordorintelligence.com/industry-reports/it-staffing-market>.
2. "There Is Hope: 5 Takeaways from the Great Resignation and the Added Impact on Healthcare Revenue Cycle." AKASA. <https://akasa.com/blog/great-resignation-healthcare/>.
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4. "2023 Healthcare Provider IT Report: Doubling Down on Innovation." Bain and Company. <https://www.bain.com/insights/2023-healthcare-provider-it-report-doubling-down-on-innovation/>.
5. "Healthcare Business Budgeting." National Library of Medicine. <https://www.ncbi.nlm.nih.gov/books/NBK589707/>.

