Strategic Edge

Series: Workforce Realities in Healthcare Capital Programs
Chapter 5 – Critical Infrastructure: Wants or Needs?

In our previous articles, we explored workforce shortages, retirements, capital constraints, and the distinction between agreement and alignment. In this installment, we turn to another defining reality for healthcare capital programs: **critical infrastructure**—what keeps the environment of care operating every day.

In the post–March 2020 era, critical infrastructure extends beyond the physical plant. **It now includes technology, connectivity, resilience, and the systems required to keep facilities safe and operational.** Recently, the Centers for Medicare & Medicaid Services announced **$50 billion through the Rural Health Transformation Program**, beginning in 2026, to expand access, strengthen the rural workforce, modernize facilities and technology, and support new care delivery models. The scale of this investment reinforces how central infrastructure has become to healthcare delivery.

This need is not new. In 2021, the American Hospital Association warned that many hospitals **lack the physical capacity and skilled workforce to fully leverage modern technology**, calling infrastructure investment a direct investment in community health and economic stability. Healthcare infrastructure today is **an interdependent system of buildings, people, technology, supply chains, and environmental resilience**. Facilities that are physically adequate still struggle when workforce pipelines, digital systems, or connectivity fall short.

Technology is now inseparable from infrastructure. Federal findings show that while telehealth expanded rapidly during the pandemic, **uneven broadband access, legacy IT, and interoperability gaps limit its impact**, particularly in rural and underserved communities. At the same time, climate risk is no longer theoretical. Research published in *The Lancet Countdown* shows that **extreme weather and supply chain disruptions are already placing measurable strain on health systems**, making resilience foundational—not optional.

Despite this, many organizations continue to manage **aging facilities and deferred maintenance**, as capital cycles often favor visible projects over reliability investments like HVAC, backup power, and core systems. Globally, investment in hospitals, digital health, smart facilities, and healthcare real estate continues to accelerate. **Demand is rising—but investment alone will not correct decades of underinvestment in aging infrastructure.**

This leads to a critical question for healthcare leaders and capital planners: **Are we funding wants, or addressing needs?**

In a constrained capital environment, success depends on clearly articulating operational needs and translating them into outcomes leaders can support. **Prioritizing investments that protect access, safety, reliability, and long-term sustainability is essential.**

Focusing on needs is not conservative. **It is responsible leadership.**

Be well and safe in the meantime.

Mike Wood

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