


5 insights driving smarter healthcare procurement in 2026

Healthcare procurement is under increasing strain as financial pressure collides with growing operational demands. To understand how leaders are responding, Advisory Board surveyed 102 health system supply chain and executive leaders for our 2026 state of healthcare procurement survey. The findings show procurement becoming a more strategic role, with decisions shaped by reliability, scale, and long-term viability — beyond short-term cost considerations.

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Top procurement challenges and objectives

Rising costs rank as the top challenge procurement leaders expect in 2026, driven by ongoing tariff uncertainty, margin pressure, and the risk of funding cuts. In response, leaders are moving beyond blunt cost-cutting toward more deliberate strategies that protect operational performance while maintaining financial discipline. They're focusing on reliable products, greater standardization, stronger supply chain resilience, and better inventory management to reduce waste and variability.

Key insights shaping healthcare procurement in 2026



1. Health systems balance margin pressures with imperatives to maintain quality for patients and staff

Despite ongoing margin pressure, procurement leaders continue treating quality as nonnegotiable. As organizations make tough purchasing decisions, leaders are setting clear guardrails to protect patient outcomes and staff experience. More than half of respondents (52%) rank ensuring product quality among their top supply chain objectives, underscoring that financial discipline cannot come at the expense of reliability or performance.

60%

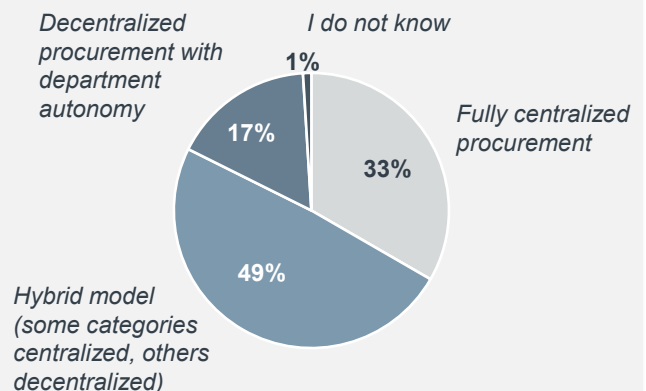
Of leaders cite “rising costs” as one of their top three supply chain challenges



2. Standardizing purchasing processes is just as important as standardizing vendors and SKUs

Health systems have captured many early gains from vendor and SKU consolidation, but leaders now see process standardization as the next opportunity for impact. Even highly disciplined organizations report variation purchasing across sites, departments, and categories, limiting savings and visibility. In fact, 62% of respondents cite controlling rogue spend as a top challenge, reinforcing that consistent purchasing workflows matter just as much as which vendors or products are under contract.

Approach to managing spend



Source: Hula N. et al. 2026 State of Healthcare Procurement: Cost, Quality, Resilience. Advisory Board. March 2026.



3. Resilience efforts focus primarily on internal optimization

Rather than relying solely on supplier diversification, health systems are strengthening supply chain resilience by tightening internal operations. Leaders are investing in better forecasting, analytics, and inventory discipline, with 36% prioritizing supply chain reliability when selecting partners. These internally focused efforts help organizations improve preparedness and continuity without materially increasing costs.

39%

Of leaders cite inventory optimization as a top supply chain objective in 2026



4. Environmental sustainability must be paired with financial sustainability

Environmental sustainability remains a priority for procurement leaders, but only when it supports financial performance. As margin pressure intensifies, organizations are moving away from stand-alone sustainability initiatives and toward efforts that reduce waste, improve efficiency, and lower total cost of ownership. Leaders increasingly view sustainability as most effective when it aligns with core supply chain goals, reinforcing that environmental progress must also deliver operational and financial value.

21%

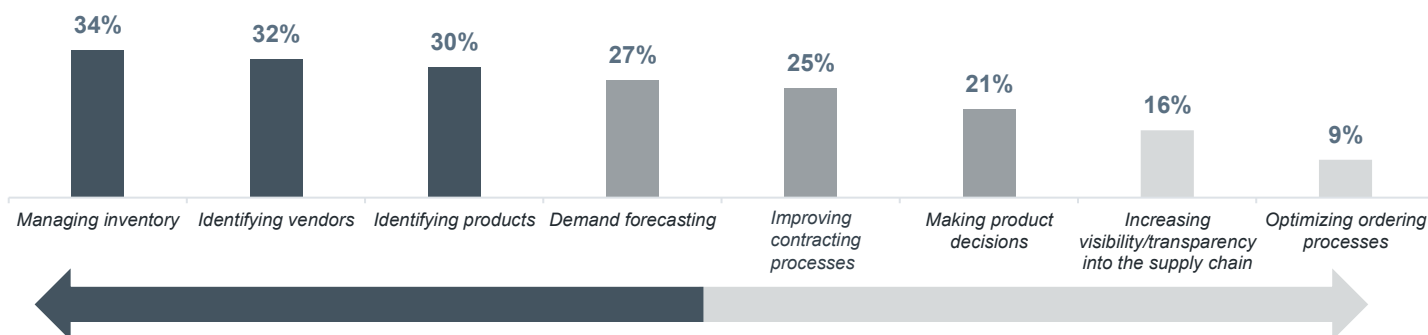
Of leaders view sustainability as a top supply chain objective in 2026, compared to 31% in 2025



5. Early AI adoption in procurement focuses on low-risk use cases

Health systems are approaching AI adoption in procurement cautiously, focusing first on low-risk, high-value use case over broad transformation. Early applications include inventory management and product or vendor identification that rely on accessible data and limit operational risk. This measured approach allows organizations to build confidence, strengthen data foundations, and demonstrate value before expanding AI's role in more complex purchasing decisions.

Q: For which procurement processes have you adopted AI tools?



Typical characteristics:

- More accessible data
- Less data integration required

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Read the full [2026 state of healthcare procurement report](#) for complete findings and analysis.

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