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How BlackRock's OCIO is Winning Healthcare Mandates

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The outsourced chief investment officer giant is bolstering its alternatives expertise, technological capabilities and specialized healthcare teams in order to take a greater share of the $213 billion market.

By Richard J. Chang | October 27, 2026

BlackRock is making a big push into the healthcare outsourced chief investment officer market, as a growing number of healthcare and hospital system clients demand greater holistic financial management and improved technology.

Cerulli Associates expects the healthcare OCIO market to grow from about $213 billion in assets currently to more than $388 billion by the end of 2029. As healthcare institutions — namely those with upwards of $500 million in assets — face challenges navigating multiple investment buckets with changes to cash flows and a growing need for diversification, many are outsourcing the management of liquidity pools, tailoring alternative investments, and forecasting total enterprise risk to OCIO providers.

"It's the combination of a challenging business environment impacting healthcare systems' balance sheets, debt and long-term investments, which all need to work together, and the regulatory environment around that only gets more complex," said John Simpson, head of OCIO in the Americas at BlackRock.

BlackRock's OCIO won its first mandate to manage capital for a healthcare institution in 2012. It currently has more than 10 healthcare and hospital system clients, including mandates with three new clients with more than $1 billion in assets that the firm landed over the past year, Simpson said.

Over the past three years, OCIO providers have recognized that large healthcare institutions are incredibly valuable, as they maintain long-term engagements and have multiple pools of capital, including operating funds, ERISA plans and foundation assets, said Jim Schein-

berg, a managing partner at North Pier Search Consulting. But not every OCIO has the resources and expertise to manage the needs of these institutions, he added.

Having teams that specialize within certain client segments are paving the way for OCIOs to win mandates, said Christopher Swansey, associate director of institutional at Cerulli Associates. OCIO providers looking to compete for healthcare clients need to hire people with previous experience managing these types of clients and their capital pools, he added.

BlackRock has been leaning into this specialist team model to show healthcare clients it has staff who understand their unique needs, Simpson said. The firm has a five-person client team that includes a client chief investment officer, who is accountable for investment performance; a client service officer responsible for operational infrastructure, reporting and audit functions; and a relationship manager who engages healthcare clients on a wide range of topics.

Having a dedicated healthcare team with investment professionals who have worked with health systems for years has helped BlackRock win over healthcare clients in OCIO searches, Scheinberg said.

"If you do not have dedicated and experienced healthcare personnel as an OCIO or you have limited resources in that space, you are already at a disadvantage," he added. "It's something we factor meaningfully in our search process."

The relationship managers on these teams have become increasingly important as healthcare clients — whose investment pools are large enough to sustain operational liquidity needs — look to the private markets for long-term foundation returns and broader diversification, said Cassandra Virgin, co-head of BlackRock's OCIO client business.

Since the Covid-19 pandemic, the healthcare sector has faced uncertainty given changes around Medicare and Medicaid and other insurance programs, while government shutdowns have made consistently funding daily operations more challenging for hospitals and medical centers, Simpson said.

As a result, many systems need better technology to help stress test their investments and pools of capital, as well as the reporting and modeling functions required for institutions to meet debt obligations, Scheinberg said.

For instance, BlackRock's healthcare clients have been using the firm's Aladdin portfolio management tools to access private and public market data and risk analytics, said Virgin, who called the capabilities "table stakes."

"Because you're working with leaders in these organizations that frequently have responsibilities across other domains – not just investing – frequently they expect a level of data and analytics and transparency, and the ability to really understand the whole portfolio," Simpson added.

But while many large OCIOs backed by large asset managers and private banks already have robust technology platforms they can offer clients, the barrier to entry is changing, Scheinberg said. Some mid-sized OCIOs specializing in nonprofits have been able to build out their data capabilities and win over mandates, he added.

Healthcare clients have become a priority client base for many OCIO providers looking to grow, Swansey said. Seventy-seven percent of OCIO firms with more than $75 billion in global OCIO assets and 48% of firms with under $75 billion in assets indicated that health and hospital systems are essential to meeting their growth goals, according to a Cerulli survey released last year.

"The organizations that are likely to be successful with healthcare organizations are those that can build out the specialty teams," Swansey said. "And the organizations that have the resources to do that are often the larger OCIO providers."

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