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RESEARCH

# Healthcare Provider BPO Market – Deal Trends Report 2018

Healthcare and Life Sciences BPS
Market Report – June 2018


EGR-2018-20-CA-2644

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  - Healthcare & Life Sciences BPS
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In addition to a suite of published research, a membership may include

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- Workshops

## Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

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# Background and methodology of the research

**Background of the research**

Whether it is regulatory push from authorities in the form of laws such as MACRA, threat of non-payments by rising uninsured population, or need for investments in technology such as EHR platforms, health systems are coming under never-seen-before pressures, which is leading to them opening up to outsourcing. During 2015-2017, the healthcare provider BPO market grew at a CAGR of 15-20% and is expected to continue growing at the same pace for foreseeable future.

**In this research study, we look at the healthcare provider BPO market from the point of view of adoption trends as well as prevalent solution characteristics.**

# Overview and abbreviated summary of key messages

**Some of the findings in this report, among others, are:**

**State of the market**

- The healthcare provider BPO market reached US$4 billion in 2017
- RCM accounts for the lion's share of the provider BPO market; subprocesses such as medical coding and billing are the most prominent within RCM
- Contractual activity continues to be strong; however, there has been a decline in contract length owing to buyers' low levels of comfort in making investments in long relationships

**Healthcare provider BPO solution characteristics**

- Financials and network management is the most outsourced BPO function; however, demand for care-related services is increasing at the fastest pace
- India is the most prominent delivery location for healthcare provider BPO services; Chennai leads the ranking in cities owing to the availability of cheaper yet skilled talent

**Key trends impacting the healthcare provider BPO market**

- Several trends are shaping how healthcare providers act and have an indirect impact on the service providers too
- In addition, service providers themselves are under pressure from other market participants and are trying to reinvent existing business models

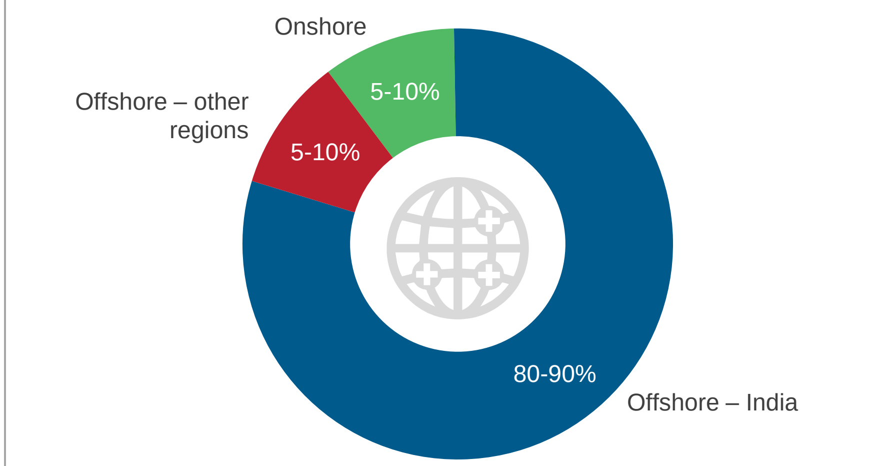
**Service provider landscape in the healthcare provider BPO market**

- Omega Healthcare leads the provider BPO market in terms of revenue
- Access Healthcare, NTT DATA, and Omega registered the highest revenue growth, while Omega and HGS strengthened their client portfolio

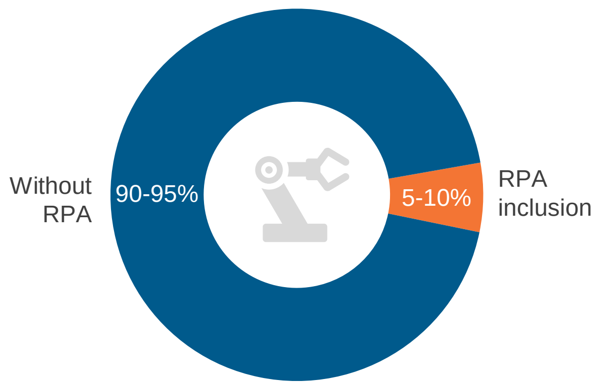
# This study offers four distinct chapters providing a deep dive into key aspects healthcare provider BPO market; below are three charts to illustrate the depth of the report

## Healthcare provider BPO market segmentation

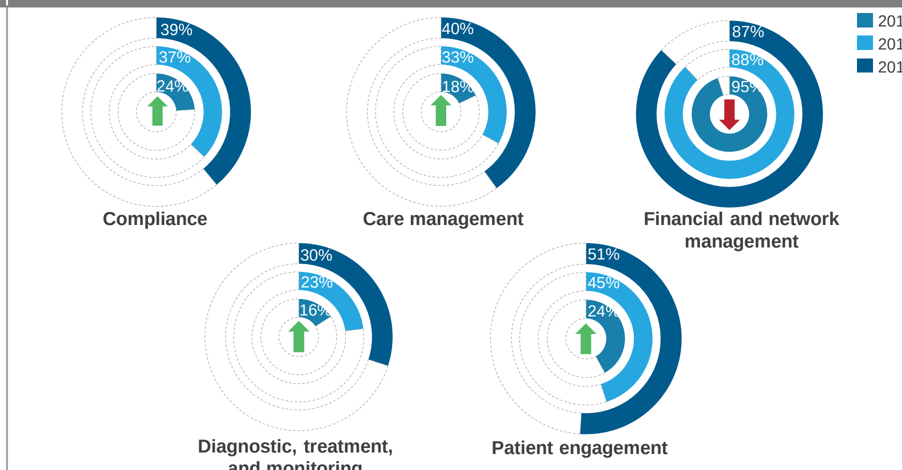

## Delivery mix in healthcare provider BPO market




## Technology adoption in the healthcare provider BPO market




## Active contracts by process inclusion



# Research calendar – Healthcare and Life Sciences BPS

Published | Planned | Current release

| Flagship HLS BPO reports | Release date |
|---|---|
| Healthcare Payer BPO: Service Provider Profile Compendium 2018 | January 2018 |
| Healthcare Report Card 2017: Enterprise Initiatives and Service Provider Performance | March 2018 |
| Life Sciences Report Card 2017: Enterprise Initiatives and Service Provider Performance | March 2018 |
| Healthcare Payer Annual Report: Payers Look at Digital to Reinvent in a Turbulent Healthcare Market | March 2018 |
| Healthcare Provider Market: Addressing Issues Beyond Value-Based Care | March 2018 |
| What Healthcare Providers Need to Do to Address Myriad Challenges | March 2018 |
| **Healthcare Provider BPO Market – Deal Trends Report 2018** | **June 2018** |
| Healthcare Payer BPO Deal Trends | Q2 2018 |
| Healthcare Automation: Service Provider Landscape with Services PEAK Matrix™ Assessment 2018 | Q3 2018 |
| Healthcare Analytics Services: Service Provider Landscape with Services PEAK Matrix™ Assessment 2018 | Q3 2018 |
| Healthcare Payer BPO: Service Provider Landscape with Services PEAK Matrix™ Assessment 2019 | Q4 2018 |

| Thematic HLS BPO reports | |
|---|---|
| Viewpoint on Member Engagement of the Future | Q2 2018 |
| Viewpoint on Life Sciences Sales & Marketing | Q2 2018 |
| Viewpoint on Risk and Compliance | Q3 2018 |
| Viewpoint on Value-Based Care | Q3 2018 |

Note: For a list of all HLS BPO reports published by us, please refer to our website page

# Additional healthcare and life sciences BPS research references

**The following documents are recommended for additional insight on the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest**

1. **Healthcare Payer BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2018** (EGR-2017-12-R-2455); 2017. Inability of new administration to either replace or decide upon keeping the ACA is leading to high degree of uncertainty. This report uses Everest Group's proprietary Services PEAK Matrix to assess and rate service providers on various dimensions of their capabilities. It also includes market share analysis of service providers and Everest Group's remarks on service providers highlighting their key strengths and development areas

2. **Healthcare Provider BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2017** (EGR-2017-12-R-2427); 2017. Rising administrative cost is putting significant pressure on the profitability of healthcare providers. Additionally, the entire healthcare provider industry is also facing headwinds from a market shift toward value-based payment models. Both these megatrends have multi-fold impact on the healthcare provider market and are giving rise to emergence of outsourcing as a solution

3. **Innovation in Pharmacovigilance – How to Spend Smarter Not Higher** (EGR-2017-12-V-2195); 2017. Despite spending billions of dollars, lack of drug-related Adverse Event (AE) reporting and subsequent drug safety breaches continue to impact millions of lives and cause financial losses. Pouring more money into their Pharmacovigilance (PV) arms is no longer an efficient solution, so this report discusses what pharmaceutical companies can do to get out of this quagmire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