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RESEARCH

Healthcare Provider BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2017

Healthcare & Life Sciences Business Process Outsourcing (HLS BPO) Market Report – November 2017: Complimentary Abstract / Table of Contents

EGR-2017-12-PD-2427

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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

Rising administrative cost is putting significant pressure on the profitability of healthcare providers. Additionally, the entire healthcare provider industry is also facing headwinds from market shift towards value-based payment models. Both these megatrends have multifold impact on the healthcare provider market and are giving rise to two key phenomena:

- Healthcare providers are becoming more open to outsourcing as a solution
- Traditional outsourcing model, where onshore specialists such as Athena Health and Conifer Health used to provide end-to-end technology and services support, is giving way to an “onshore-offshore model” where technology support is still provided by the onshore specialists; however, services support is further outsourced to India-based BPO companies giving rise to healthcare provider BPO services market

In this research, we analyze the healthcare provider BPO service provider landscape. We focus on:

- Relative positioning of 20 service providers on Everest Group’s PEAK Matrix for healthcare provider BPO
- Analysis of service providers’ market share
- Everest Group’s analysis of service providers’ strengths and areas of improvement

The scope and methodology of this report include:

- Over 100 healthcare provider BPO contracts signed as of June 2017
- Coverage across 20 healthcare provider BPO service providers: Access Healthcare, AGS Health, Cognizant, EXL, Firstsource (MedAssist), GeBBS, Genpact, HCL, HGS, Intelenet, MiraMed Ajuba, NTT DATA, Omega Healthcare, Shearwater Health, Sutherland Global Services (SGS), Syntel, Tech Mahindra, Technosoft Corporation, Visionary RCM, and WNS Global Services

Overview and abbreviated summary of key messages

This report uses Everest Group's proprietary 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.

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

Everest Group PEAK Matrix for healthcare provider BPO

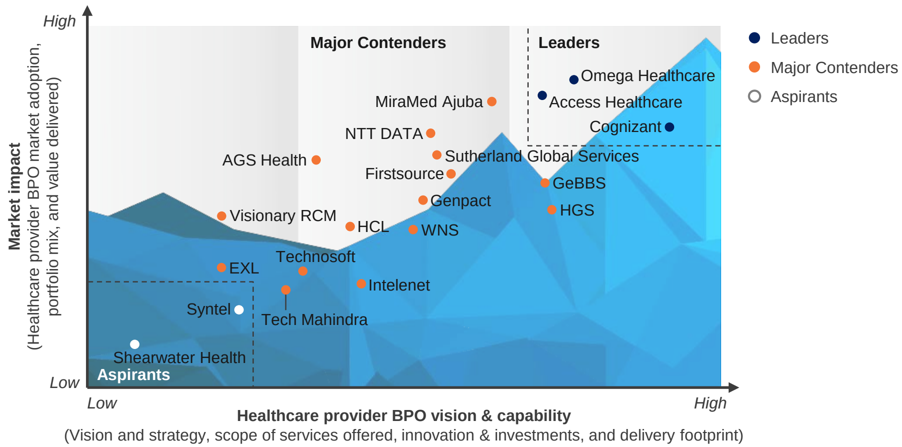
- Everest Group classified 20 healthcare provider BPO service providers on their Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into three categories: Leaders, Major Contenders, and Aspirants
- Access Healthcare, Cognizant, and Omega Healthcare are the Leaders
- Major Contenders include AGS Health, EXL, Firstsource (MedAssist), GeBBS, Genpact, HCL, HGS, Intelenet, MiraMed Ajuba, NTT DATA, Sutherland Global Services (SGS), Tech Mahindra, Technosoft, Visionary RCM, and WNS Global Services
- Shearwater Health and Syntel are the Aspirants

Key insights on healthcare provider BPO market shares

- Omega Healthcare, SGS, and Firstsource are the three largest healthcare provider BPO service providers by revenue
- WNS, Syntel, Access Healthcare, and Tech Mahindra witnessed service line growth of over 30% (12 months ending June 2017), by revenue
- Omega Healthcare, Access Healthcare, NTT DATA, Cognizant, MiraMed Ajuba, and SGS accounted for over 70% of the 2016-2017 revenue growth in healthcare provider BPO, driven in part by their high revenue base
- Due to significant volume of RCM-related work being outsourced, financials and network management remains the most competitive BPO process with all service providers serving this demand vector

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

Everest Group PEAK Matrix™ for healthcare provider BPO



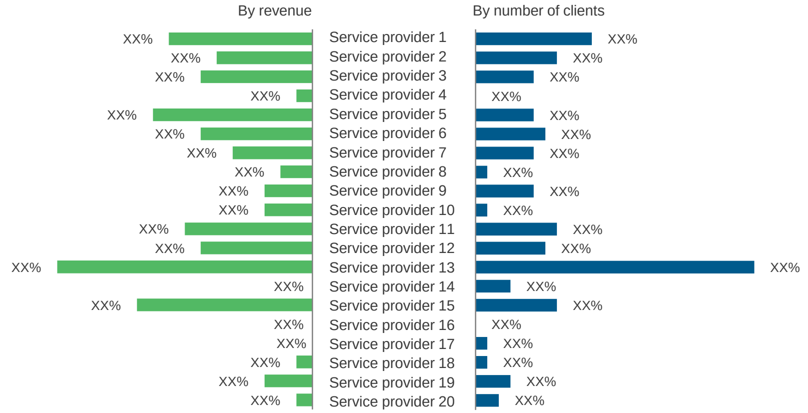
Capability assessment

Measure of capability: Best-in-class, Very high, High, Medium high, Medium, Medium low, Low, Not mature

	Market impact			Vision and capability				
Service provider	Market adoption	Portfolio mix	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
Service Provider 1	High	Medium high	High	Medium low	Medium high	Medium	Medium high	Medium
Service Provider 2	Medium	Low	Medium	Medium low	Medium low	Medium low	Medium high	Medium low
Service Provider 3	Medium high	Very high	High	High	High	High	Low	Medium high
Service Provider 4	Medium high	Very high	High	High	Very high	Medium high	Best-in-class	High
Service Provider 5	Medium high	High	Medium high	Medium high	Medium high	High	Medium	Medium high
Service Provider 6	Medium high	Medium	Medium high	Medium	Medium high	Medium low	High	Medium
Service Provider 7	Medium high	Medium	Medium high	High	Very high	Medium high	Very high	High
Service Provider 8	Medium	Medium low	Medium low	Medium high	Medium	Medium high	Medium	Medium

Market success

Global life sciences BPO provider market share



Everest Group's remarks on service providers

Measure of capability: Best-in-class, Very high, High, Medium high, Medium, Medium low, Low, Not mature

Market impact			Vision and capability				
Market adoption	Portfolio mix	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
Medium high	Very high	High	High	Very high	Medium high	Best-in-class	High

Strengths

- About XX% of XXX' medical coders are certified by AAPC or AHIMA, indicating the domain expertise that the service provider is trying to build
- XXX' is trying to augment its offerings from the Philippines to include services such as clinical documentation by hiring more nurses
- XXX is one of the few India-based RCM service providers to have strong focus on technology. It has multiple technological tools – such as iCode Workflow, iCode Assurance, iP2P, and iERA – for the market

Areas of improvement

- XXX' revenue growth rate of X-X% YoY during 2016-2017 lags way behind the market which grew at ~XX% YoY during the same time
- Minimal investments in automation likely to significantly affect the service provider's positioning in the market vis-à-vis competitors in the long term
- Onshore specialists are a key client base for leaders in the provider BPO market. Lack of onshore specialists as clients leaves a large market where XXX has no play at all

Source: Everest Group (year)

Research calendar – Healthcare and Life Sciences BPS (HLS BPO)

Published | Planned | Current release

Flagship reports	Release date
Healthcare Payer BPO Annual Report: Value-Based Sourcing Helping Payers Stay Afloat in an Era of Uncertainty	March 2017
Healthcare Payer BPO Service Provider Compendium 2017	April 2017
Life Sciences BPO Service Provider Landscape with PEAK™ Matrix Assessment	June 2017
Life Sciences BPO Annual Report	September 2017
Life Sciences BPO Service Provider Compendium 2017	November 2017
Healthcare Provider BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2017	**November 2017**
Healthcare Payer BPO Service Provider Landscape with PEAK™ Matrix Assessment	Q4 2017

Thematic reports	Release date
Viewpoint – Wipro Bets Big on Healthcare through the HealthPlan Services Acquisition	February 2016
Viewpoint – Medicaid/Medicare Version 2.0: Exploring the Next Growth Wave in the Market	November 2016
Viewpoint – Will Big Pharma Heed the Call to Bring Jobs Home?	April 2017
Webinar Deck – Trump Cards: Driving Healthcare Innovation During Uncertainty	June 2017
Viewpoint – Innovation in Pharmacovigilance (PV): How to Spend Smarter Not Higher?	June 2017
Viewpoint – Rising Cost of Healthcare in the United States: Can Analytics Help?	August 2017
Viewpoint on Member Engagement of the Future	Q1 2018

Note: For a list of all Healthcare and Life Sciences BPS (HLS BPO) reports published by us, please refer to our website page

Additional BPS research references

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

1. **Life Sciences BPO – Annual Report 2017: Personalization Bug Biting the Market** (EGR-2017-12-R-2348); 2017. The global life sciences BPO market is expected to grow at a steady pace of 9-11% over 2016-2018. The life sciences industry continues to face existing challenges – increased competition from generics, declining margins, strengthening regulations, declining R&D profitability, end of blockbuster drugs & increasing number of approved personalized drugs, growing consumerism, tough macroeconomic conditions, and changing business models. However, adoption of solutions such as analytics, IoT, automation, and omnichannel marketing can help mitigate these challenges

2. **Life Sciences BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2017** (EGR-2017-12-R-2223); 2017. Life sciences industry is suffering from the dual danger of declining margins and rising competition from generic manufacturers, forcing them to look for solutions to grow efficiently. This report uses Everest Group's proprietary 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

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 at their Pharmacovigilance (PV) arms is no longer an efficient solution, so what can the pharmaceutical companies do to get out of this quagmire?

4. **Rising Cost of Healthcare in the United States** (EGR-2017-10-V-2301); 2017. The cost of healthcare in the United States is rising significantly as compared to other geographies. This has led both payers and providers to eat into each other's margin in the process of optimizing costs for their business. However, the efficient use of analytics can help them to significantly reduce these costs while achieving quality of care. This viewpoint talks about the potential of big data analytics in healthcare, the challenges faced by different segments of payers and providers in the industry, and probable solutions to those challenges in the short and long term

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