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RESEARCH

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

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

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- **Market Vista™**
  Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

Application Services	**Human Resources**
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- The full report is included in the following subscription(s)
  - **Healthcare & Life Sciences IT Outsourcing (HLS ITO)**
- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services
- **If you want to learn whether your organization has a subscription agreement or request information on pricing and subscription options, please contact us**

* Banking, financial services, and insurance

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

Corporate Headquarters
Office: +1-214-451-3000
info@everestgrp.com

European Headquarters
Office: +44-207-129-1318
unitedkingdom@everestgrp.com

Delhi Office
Office: +91-124-284-1000
india@everestgrp.com

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Section III: Profiles of provider IT service providers (continued)

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Background and scope of the research

Background of the research

The Healthcare and Life Sciences (HLS) landscape has been subject to significant turbulence on account of a gamut of factors including escalating costs, widespread regulatory amendments, changing business models, and evolution of the patient-centric paradigm (with mobile computing, social media platforms, "anytime-anywhere" information access, and self-service channels). This combination of disruptive and legacy factors has driven HLS firms to adopt new technologies, while also revamping their existing systems, processes, and interfaces.

As the technology mandate for HLS enterprises evolves, so do their relationships with IT service providers. This, in turn, is driving the need for relevant research and market intelligence on demand and supply trends in HLS IT services across the three major market segments – payer, provider, and life sciences. Everest Group's HLS IT research program addresses this market requirement by analyzing outsourcing trends and service provider capabilities specific to IT services in the healthcare and life sciences vertical.

In this report, we analyze the capabilities of 21 provider IT service providers specific to the global healthcare sector. These service providers are mapped on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix, which is a composite index of a range of distinct metrics related to a service provider's vision & capability and market impact.

We focus on:

- Provider IT market trends
- The landscape of service providers for provider IT
- Assessment of the service providers on a number of capability-related dimensions
- Implications for provider IT buyers and service providers

Scope of this report

- **Industry:** Healthcare providers
- **Services:** Multi-year (>3 years) and annuity-based IT services
- **Geography:** Global (though with a slight skew toward the U.S. payer market, given dominant market activity)

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Overview and abbreviated summary of key messages (page 1 of 2)

This report provides a comprehensive assessment of the healthcare provider IT services market and maps the leading service providers on Everest Group's PEAK Matrix. It also includes detailed profiles of featured service providers.

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

Enterprise dissatisfaction

- Almost half of the enterprises are not satisfied with their service providers. As a matter of concern 25% of the enterprises are "highly unsatisfied" with their service providers
- Enterprises believe that large service providers need to improve their client management and commercial models whereas mid- and small- sized service providers need to improve their domain expertise

Market trends

- **Managed care organizations:** Payer-provider collaboration, focus on care quality and outcomes, and member experience are the key focus areas
- **Health systems:** Personalized care delivery, focus on financials and network management, and driving consumerization agenda for better patient engagement are the key demand areas for health systems
- **Physician practices:** Moving beyond EHR implementation to create personalized health records, exploring mobility for connected health, and patient engagement through wearables and remote monitoring are the key demand drivers in physician practices
- **Next-generation care providers:** Optimum physician engagement and facility utilization, maximum virtual care delivery and constant patient connect, and high degree of personalization in diagnostics, treatment, and wellness are the key focus areas

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Overview and abbreviated summary of key messages (page 2 of 2)

PEAK Matrix for healthcare providers IT services

- Analysis of the service provider landscape for provider IT services, leveraging Everest Group's PEAK Matrix, highlights the following categories of service providers:
  - Leaders: Accenture, CGI, Cognizant, DXC Technologies, NTT DATA, and Optum
  - Major Contenders: Atos, BT Global, Capgemini, Deloitte, EPAM, HCL Technologies, Hexaware, IBM, Syntel, Tech Mahindra, Unisys, and Wipro
  - Aspirants: CompuCom, GAVS Technologies and Virtusa
- Value-based care (VBC) enablement, financial stability through cost rationalization, portfolio optimization, and unlocking value out of EHR investments are the key IT priorities for providers
- Leaders have developed a balanced portfolio across the provider IT services value chain and key demand segments such as EHR, RCM, and patient engagement. They not only leverage horizontal capabilities in delivering provider services but also develop specialized offerings that cater exclusively to health systems and hospitals
- Major Contenders are seeking adjacencies through payer relationships in building a strong provider business. They also explore inorganic means/acquisitions to improve their capabilities. They are trying to strategically expand their geographical reach as well
- Aspirants' provider business do not cover all elements of value chain. They have on point solutions or leverage horizontal capabilities to serve provider clients. Overall, provider segment has not been the strategic area of focus for them

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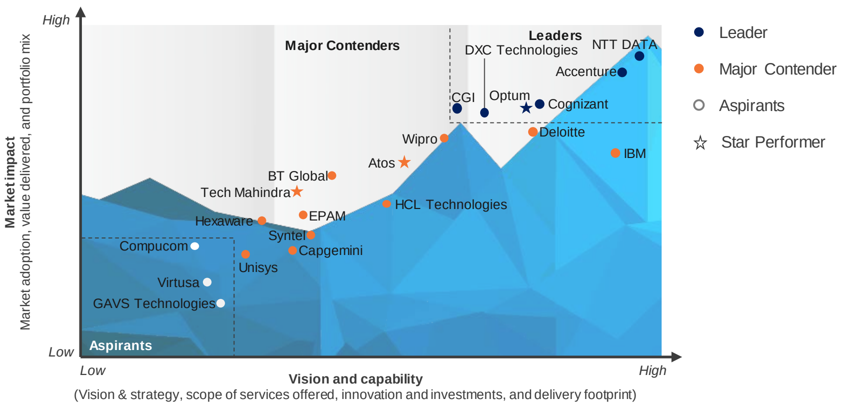
This study offers four distinct chapters providing a deep dive into key aspects of healthcare provider IT services market; below are four charts to illustrate the depth of the report

Everest Group Services PEAK Matrix™ for Healthcare Provider IT Services



Healthcare provider value chain

Industry-specific processes

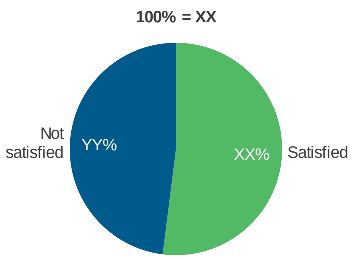
Patient engagement	Care/case management	Diagnostics, treatment, & monitoring	Financials & network management
Mobility solutions for health and wellness	Risk profiling	Diagnostic decision support	Medical billing and payment posting
Patient portals for enrollment	Medical history validation	Vitals monitoring and tracking	Revenue cycle management
Education and awareness building	Care coordination	Medication adherence	Staffing management
	Case identification and verification	Treatment management	Inventory management

Horizontal processes

- IT infrastructure
- Business intelligence and data analytics
- Compliance and quality
- Business processes (F&A, contact center, and HR)

Enterprise dissatisfaction

Enterprises' overall satisfaction with service providers
2016; Percentage of total discussion



Enterprises' satisfaction level with service providers
2016; Percentage of total discussion

Highly satisfied	XX%
Moderately satisfied	XX%
Somewhat unsatisfied	XX%
Highly unsatisfied	XX%

Key takeaways

- Personalized care delivery using analytics and AI is a key focus
- Exploring tools that bridge the gap between EHR and "Meaningful Use"
- Payer-provider convergence needs uniform standards in patient databases
- Change-the-business spend is focused on automation, BI/DW, and automation
- Run-the-business spends are focused on legacy modernization

Source: Everest Group (2017)

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XYZ | Provider IT services profile (page 1 of 2)

Overview

Strengths

XXXX
XXXX
XXXX

Areas of improvement

XXXX
XXXX
XXXX

Scope and coverage: Collaboration tools for remote health delivery, patient data management, health marketing, claims management, data integrity, analytics, cloud enablement, EHR/EMR, and security solutions

Provider IT services revenue

<US$100 million	US$300-500 million
US$100-300 million	>US$500 million

Provider IT services focus by Lines of Business (LOBs)

High | Medium | Low

Large health systems	Stand-alone hospitals/clinics
Pharmacists	Diagnostic labs
Physician practices	

Provider IT services focus segments

High | Medium | Low

Small (annual revenue < US$1 billion)
Medium (annual revenue = US$1-5 billion)
Large (annual revenue > US$5 billion)

Provider IT services focus by service scope

High | Medium | Low

Infrastructure services	SI/consulting
Application services	

Provider IT services delivery map

>1,000 FTEs | 500-1,000 FTEs | 100-500 FTEs | <100 FTEs

Provider IT services focus by value chain

High | Medium | Low

Patient engagement	Financial and network management
Care management	Compliance
Diagnostics, treatment, and monitoring	

Source: Everest Group (2017)

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XYZ | Provider IT services profile (page 2 of 2)
Offerings and recent developments

Proprietary solutions (representative list)	
Solution	**Details**
Solution A	Description and value proposition
Solution B	Description and value proposition

Key events (representative list)		
Event name	**Type of event**	**Details**
Event A	Reorganization	Description
Event B	GTM partnership	Description
Event C	M&A	Description

Source: Everest Group (2017)

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Research Calendar – HLS ITS

Published | Planned | Current release

Flagship HLS ITS reports	Release date
Healthcare Provider IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2016	November 2016
Healthcare Payer Annual Report: Acing Uncertainties in the Payer Market: The Trump Cards	April 2017
Life Sciences IT Application Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017	May 2017
Life Sciences Clinical and R&D Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017	July 2017
Life Sciences Clinical Trials – PEAK Matrix™ Assessment for Products 2017	September 2017
Healthcare Provider Annual Report 2017: Will the Real Value-Based Care (VBC) Please Stand Up?	October 2017
Healthcare Payer IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017	October 2017
Healthcare Provider IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017	**November 2017**
Healthcare Consulting Services – Service Provider Landscape with PEAK Matrix ™ Assessment 2017	Q4 2017

Thematic HLS ITS reports	
Exploring GICs in the Life Sciences Industry	February 2017
Hot Life Sciences Startups: Friends, Foes, and Frenemies in the Innovation Ecosystem	March 2017
Internet of Things (IoT) in Medical Devices	March 2017
Automation Playbook for Healthcare Payers: The Ultimate Guide to the Next Big Treasure Hunt	April 2017
Using Blockchain to Address Interoperability Concerns in Healthcare	June 2017
Exploring the Middle East Healthcare Opportunity	August 2017
The Rise of Medicare Advantage	October 2017

Note: For a list of all Healthcare & Life Sciences IT Outsourcing reports published by us, please refer to our website page

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Additional HLS ITS research references

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

1. **Healthcare Provider Annual Report 2017: Will the Real Value-Based Care (VBC) Please Stand Up** (EGR-2017-12-R-2361); October 2017. Amidst consistent regulatory uncertainty, falling profit margins, and decreasing in-patient volumes, the demand in the healthcare provider IT market is rebounding with primary focus on value-based care initiatives. More than 50% of provider IT spending by 2025 is expected to be driven by value-based care initiatives. In this annual report, we analyze the current state of adoption of value-based care and evaluate the 40 largest health systems based on their value-based care performance and financial health. The report also provides actionable frameworks for the health systems to accelerate their value-based care initiatives and for the service providers to develop the requisite expertise to support these health systems

2. **Healthcare IT Security Services – Market Trends** (EGR-2017-12-R-2338); September 2017**.** Healthcare IT security has become a key strategic priority for C-level executives across payer and provider enterprises, given the recent high-level security breaches in the industry. CISOs realize that these breaches have long-ranging impact, and are trying to safeguard their enterprises against internal and external threats. The rapid digitalization has made their job even more complex, as proliferation of digital touch-points (IoT devices, mobile devices, and social media) have rendered traditional enterprise security and risk mitigation strategies obsolete**.** In this report, we present healthcare-specific cybersecurity trends, service provider landscape, and implications for service providers and enterprises. The assessment is based on interactions with leading IT security service providers and analysis of the IT security services marketplace**.**

3. **Using Blockchain to Address Interoperability Concerns in Healthcare** (EGR-2017-12-V-2217); June 2017. Seamless sharing of health information across stakeholders is key to enabling better quality care. This ability of the health IT systems to share information with each other and use that shared information is called interoperability. In order to make interoperability a reality, not only does the underlying core technology need to be perfected, but also the human barrier to such a massive change needs to be adequately dealt with. This report discusses some possible ways to address interoperability concerns in healthcare by looking at two promising technologies – Blockchain and IOTA Tangle – while simultaneously bringing out the cultural challenges in enabling interoperability

For more information on this and other research published by Everest Group, please contact us:

Jimit Arora, Partner: jimit.arora@everestgrp.com
Abhishek Singh, Practice Director: abhishek.singh@everestgrp.com
Nitish Mittal, Practice Director: nitish.mittal@everestgrp.com
Chathurya Pandurangan, Senior Analyst: chathurya.pandurangan@everestgrp.com
Mayank Thakur, Senior Analyst: mayank.thakur@everestgrp.com

Website: www.everestgrp.com | Phone: +1-214-451-3000 | Email: info@everestgrp.com

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Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-804-276-4533

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

New York
info@everestgrp.com
+1-646-805-4000

Toronto
canada@everestgrp.com
+1-416-388-6765

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