Everest Group® RESEARCH

Healthcare Payer BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018

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

EGR-2017-12-PD-2455

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* Banking, financial services, and insurance

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Background and methodology of the research

Background of the research

With new administration taking control of the Oval office, the healthcare payer market continues to face a high degree of uncertainty. Impending decision about the fate of ACA and lack of consensus and hence, lack of clarity on replacement health law is forcing all the stakeholders to adopt a “wait and watch” approach. Additionally, the government’s keenness to curtail its spend on healthcare, especially in Medicaid space, is further adding to uncertainty in the market.

In addition to the political uncertainty, several other factors are also redefining how payers and service providers approach this space. Some of the key factors include— rise of consumerism, increase in prominence of alternate payment models, value becoming a key highlight of almost all the plans, membership growth in government plans, and enhanced role of private payers in government-sponsored health plans

Such a scenario, which is filled with uncertainty, is not a positive sign for BPO service providers, as most of the payers hold off any new decisions till there is more clarity around future of U.S. healthcare market. However, service providers can take this opportunity to focus on developing capabilities and solutions for certain perpetual industry trends such as shift towards value, consumerism, and rise in membership in government plans. Leverage of digital solutions, such as analytics and automation, is slowly becoming a necessity from payer’s standpoint.

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

- Relative positioning of 25 service providers on Everest Group’s PEAK Matrix for healthcare payer 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 400 healthcare payer BPO contracts signed as of June 2017
- Coverage across 25 healthcare payer BPO service providers: Accenture, Capgemini, CGI, Cognizant, Concentrix, Conduent, DXC Technology, EXL, Firstsource, Genpact, HCL, Hexaware, HGS, Infosys, Intelenet, NTT DATA, Omega Healthcare, Shearwater Health, Sutherland Global Services, Syntel, Technosoft, Tech Mahindra, Visionary RCM, Wipro, and WNS

Overview and abbreviated summary of key messages

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.

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

Everest Group Services PEAK Matrix for healthcare payer BPO

- Everest Group classifies 25 healthcare payer BPO service providers on the Everest Group Services PEAK Matrix into three categories of Leaders, Major Contenders, and Aspirants
  - Accenture, Cognizant, Conduent, NTT DATA, and Wipro are the Leaders
  - Major Contenders include Capgemini, Capgemini, CGI, Concentrix, DXC Technology, EXL, Firstsource, Genpact, HCL, Hexaware, HGS, Infosys, Shearwater Health, Sutherland Global Services, Technosoft, and WNS
  - Intelenet, Omega Healthcare, Syntel, Tech Mahindra, and Visionary RCM emerged as the Aspirants
- Cognizant, Concentrix, HGS, and WNS are identified as the "Star Performers" on the healthcare payer BPO Services PEAK Matrix for 2018, based on their strong performance during the period between 2016-2017

Key insights on healthcare payer BPO market shares

- Accenture, Cognizant, Conduent, and DXC Technology remain the four largest healthcare payer BPO service providers by revenue, whereas Cognizant, Conduent, DXC Technology, and NTT DATA have the largest number of clients
- Accenture, Cognizant, DXC Technology, HGS, and WNS together account for over 75% of the total growth (2016-2017) of the healthcare payer BPO market by revenue
- Cognizant, Shearwater Health, Syntel, Tech Mahindra, and WNS each witnessed a Year-on-Year (YOY) growth of over 30% by revenue
- Accenture, Cognizant, DXC Technology, and HGS have a dominating presence across most healthcare payer BPO processes. Claims management continues to represent the largest share of healthcare payer BPO market and is the most crowded space in terms of number of players

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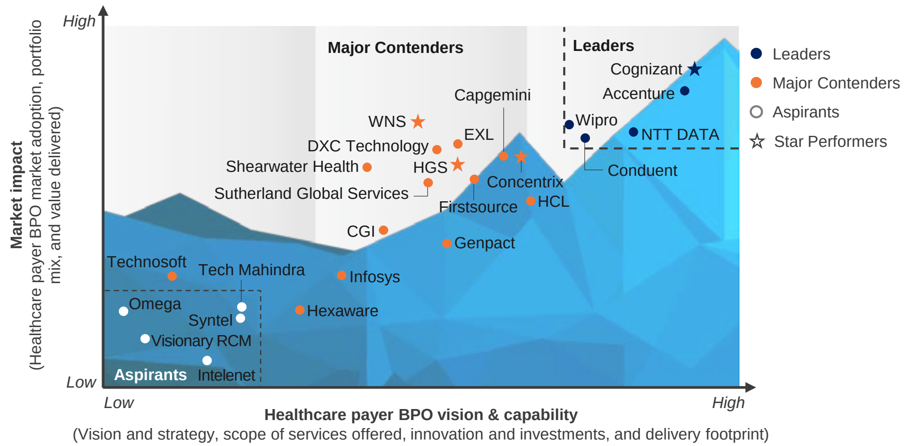
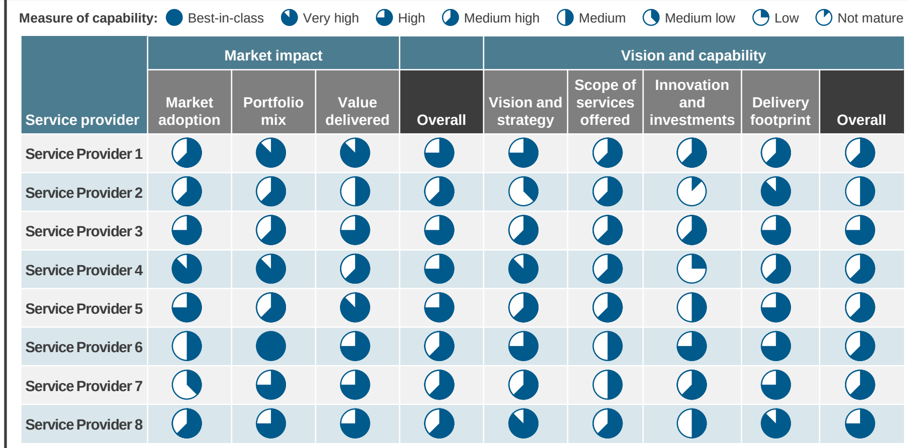
This study offers three distinct chapters providing a deep dive into key aspects of healthcare payer BPO market; below are four charts to illustrate the depth of the report

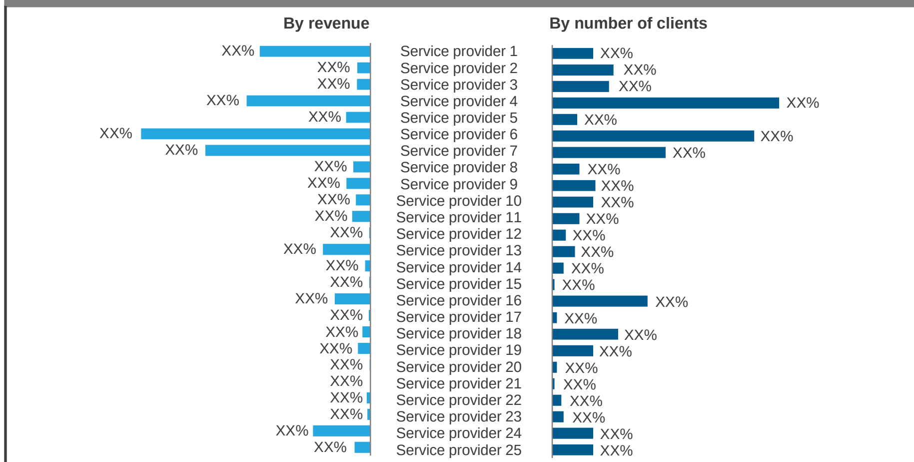
Everest Group PEAK Matrix™ for healthcare payer BPO



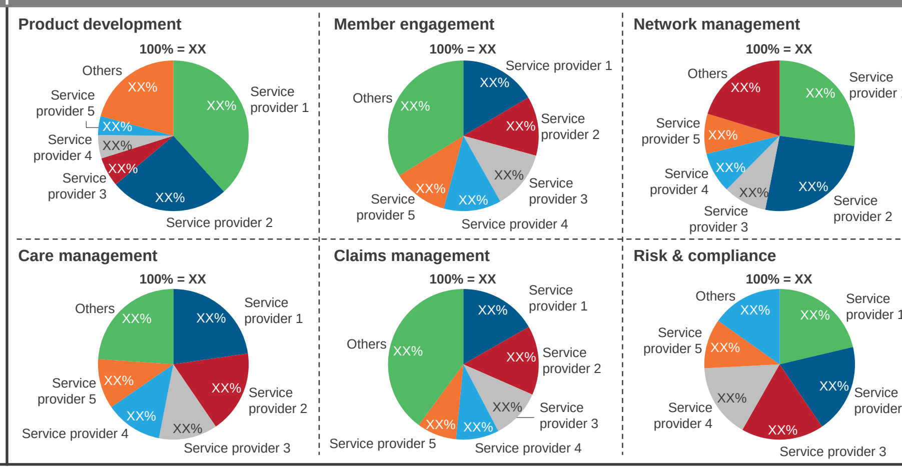
Capability assessment



Market share by service provider



Market share by healthcare payer BPO process



Source: Everest Group (2017)

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

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
Healthcare Provider BPO Service Provider Landscape with PEAK™ Matrix Assessment	November 2017
Healthcare Payer BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	**December 2017**
Healthcare Provider BPO Annual Report	Q1 2018
Healthcare Payer BPO Annual Report	Q1 2018
Healthcare Provider BPO Service Provider Compendium	Q2 2018
Healthcare Provider BPO Service Provider Compendium	Q2 2018

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

1. **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

2. **The Rise of Medicare Advantage** (EGR-2017-12-V-2395); 2017. Amidst falling profitability, declining margins, and persistent regulatory uncertainty, healthcare payers are aggressively looking for opportunities to sustain their business. With most of the large payers strategically prioritizing growth in the Medicare Advantage (MA) market, it is evident that they believe MA is one such opportunity to make profits, even in these uncertain market conditions

3. **Healthcare Payer BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016** (EGR-2017-12-R-2082); 2017. As Obamacare continues to bring about changes in the market, the market for third-party BPO in healthcare payer space continues to grow at a healthy rate. 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

4. **Healthcare Payer BPO – Service Provider Profile Compendium 2017** (EGR-2017-12-R-2128; 2017. The healthcare payer BPO service provider profile compendium provides accurate, comprehensive, and fact-based profile snapshots of 20 service providers in the market. Specifically, the report allows for comparison of the service providers on their areas of strength and development. It helps current and potential buyers of healthcare payer BPO services to assess the service providers on the capabilities that they desire

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

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