



## Healthcare Report Card 2017 – Enterprise Initiatives and Service Provider Performance

Healthcare & Life Sciences BPS and ITS

Market Report – March 2018: Complimentary Abstract / Table of Contents

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## Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
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- Tracking services | Service providers, locations, risk
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# Background and methodology of research

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## Background of the research

The United States healthcare market experienced a tectonic shift in 2017, with President Trump's (thus far unsuccessful) pursuit to repeal the Affordable Care Act (ACA) and replace it with a new law. Given the uncertainty of the repeal and replace effort, questions about the shape and form of the new law pervade the market. At the same time, the shift toward value-based care and concerns about cybersecurity continue to cause pain for market stakeholders. In response, collaboration between stakeholders (such as payers and providers) emerged as a key underlying theme 2017.

It is unlikely that 2018 will be drastically different from 2017. Market uncertainty will gradually taper, investments in value-based care and cybersecurity will increase, and collaborations across the industry will rise. Global technology giants, such as Amazon and Microsoft, will continue to invest (and possibly disrupt) the U.S. healthcare market.

## The report talks about:

- Key themes that dominated the healthcare market in 2017
- Key enterprise actions and central sourcing themes
- Ranking of top 15 healthcare service providers based on five healthcare PEAK Matrix™ BP and IT services evaluations done in 2017
- Market outlook for 2018

## The scope for the report includes:

- 56 outsourcing service providers who participated in five healthcare PEAK Matrix™ BP and IT services evaluations in 2017

# Overview and abbreviated summary of key messages

This report talks about key themes that dominated the healthcare market in 2017. It also discusses enterprise actions and central sourcing themes. The report lists top 15 healthcare service providers based on five healthcare PEAK Matrix™ BP and IT services evaluations done in 2017 and gives a brief description of 2018 market outlook.

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

## Business trends

- Value-based care: Shift from transaction-based care financing and care delivery to outcome-based and value-based care
- Risk, regulations, and security: Uncertainty in business regulations, complicated security risks, and high-profile cyberattacks
- M&As, partnerships, and collaboration: New business models, inorganic growth paths, and collaboration with academic institutions/payers/providers
- Payer- provider convergence: Payer-provider partnerships gaining traction in an effort to provide quality care at a lower cost

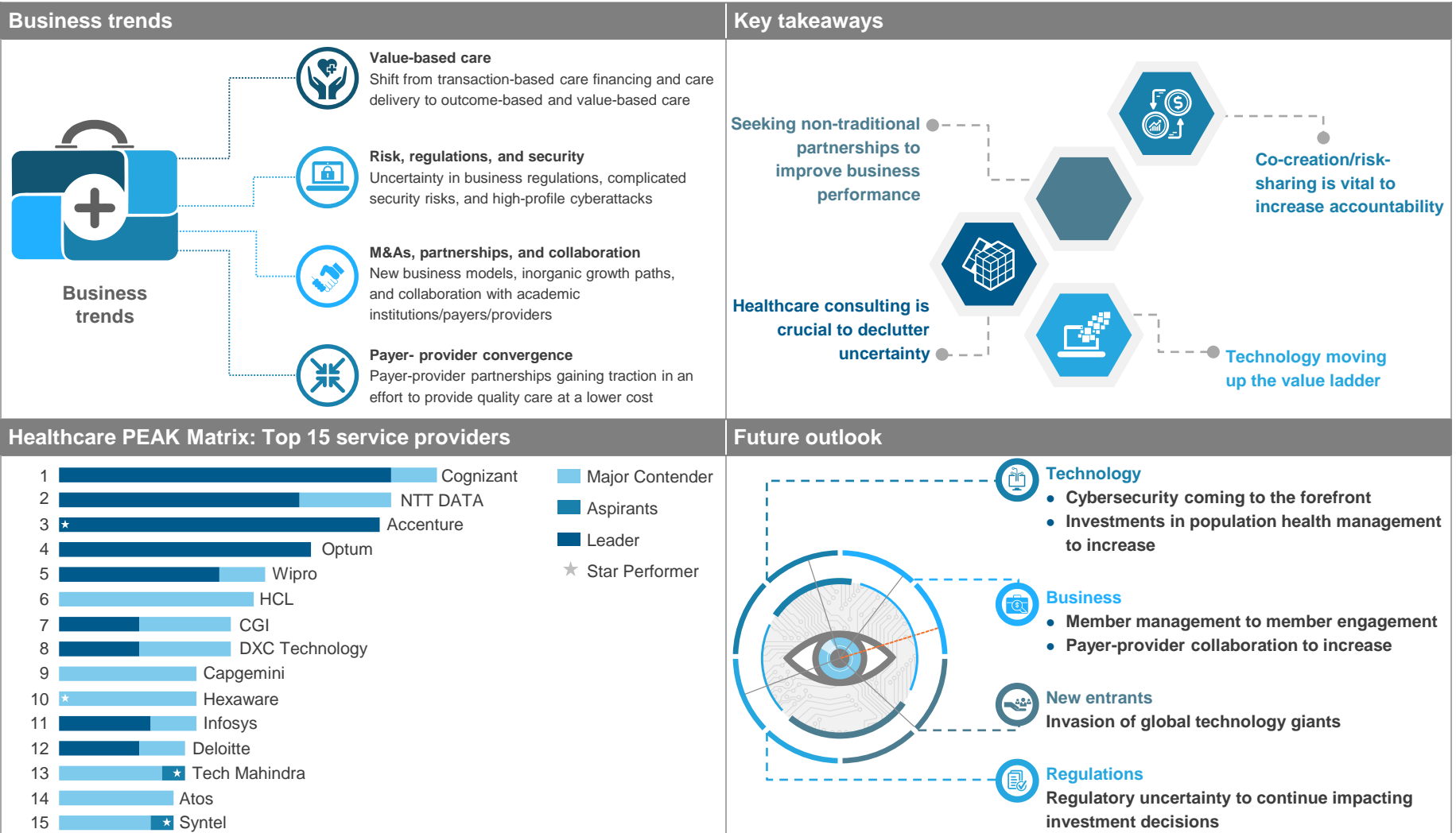
## Enterprise actions and sourcing themes

- Seeking non-traditional partnerships to improve business performance
- Co-creation/risk-sharing is vital to increase accountability
- Healthcare consulting is crucial to declutter uncertainty
- Technology moving up the value ladder

## Future outlook

- Technology: Cybersecurity coming to the forefront and investments in population health management to increase
- Regulations: Regulatory uncertainty to continue impacting investment decisions
- Business: Transition from member management to member engagement and payer-provider collaboration to increase
- New entrants: Invasion of global technology giants into healthcare space

# This study offers a deep dive into key healthcare business trends and enterprise actions of 2017; below are four charts to illustrate the depth of the report



# Research Calendar – Healthcare and Life Sciences BPS

■ Published    ■ Planned

## Flagship reports

Release date

|  |              |
|--|--------------|
| Healthcare payer BPO: Service Provider Profile Compendium .....                                      | January 2018 |
| Healthcare Report Card 2017: Enterprise Initiatives and Service Provider Performance .....           | March 2018   |
| Healthcare Payer BPO: Annual Report .....  | Q1 2018      |
| Healthcare Provider BPO: Annual Report .....   | Q1 2018      |
| Healthcare Payer BPO Deal Trends .....   | Q2 2018      |
| Healthcare Provider BPO Deal Trends .....  | Q2 2018      |
| Healthcare Payer BPO: Service Provider Landscape with Services PEAK Matrix™ Assessment 2019 .....    | Q4 2018      |
| Healthcare Provider BPO: Service Provider Landscape with Services PEAK Matrix™ Assessment 2019 ..... | Q4 2018      |
| Healthcare Provider BPO: Service Provider Profile Compendium .....                                   | Q4 2018      |

## Thematic reports

Release date

|   |             |
|---|-------------|
| Viewpoint – Rising Cost of Healthcare in the United States: Can Analytics Help? ..... | August 2017 |
| Viewpoint on Member Engagement of the Future, Part 1 (3 Part Series) .....            | Q1 2018     |
| Viewpoint on Member Engagement of the Future, Part 2 (3 Part Series) .....            | Q2 2018     |
| Viewpoint on RPA in Healthcare .....  | Q2 2018     |
| Viewpoint on Risk and Compliance .....  | Q2 2018     |

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| Thematic reports | Release date |
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|------------------|--------------|

|  |         |
|--|---------|
| Viewpoint on Member Engagement of the Future, Part 3 (3 Part Series) ..... | Q3 2018 |
| Viewpoint on Value Based Care .....  | Q3 2018 |

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| Healthcare Report Card 2017: Enterprise Initiatives and Service Provider Performance .....                    | March 2018   |
| Life Sciences Report Card 2017: Enterprise Initiatives and Service Provider Performance .....                 | Q1 2018      |
| Life Sciences Annual Report 2018: DevOps in Pharma .....  | Q1 2018      |
| Life Sciences – North America Digital PEAK™ Matrix for Services Assessment 2018 .....                         | Q2 2018      |
| Life Sciences – Europe Digital PEAK™ Matrix for Services Assessment 2018 .....                                | Q2 2018      |
| Healthcare Annual Report 2018: Unpacking AI .....   | Q2 2018      |
| Digital Effectiveness for Payers   Pinnacle Model Assessment 2018 .....                                       | Q3 2018      |
| Healthcare Payers – Digital PEAK™ Matrix for Services Assessment 2018 .....                                   | Q3 2018      |
| Healthcare – Analytics PEAK™ Matrix for Products Assessment 2018 .....  | Q3 2018      |
| Healthcare Providers – Digital PEAK™ Matrix for Services Assessment 2018 .....                                | Q4 2018      |
| Engineering Services for Medical Devices – Service Provider Landscape with PEAK Matrix™ Assessment 2018 ..... | Q4 2018      |

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# Additional healthcare research references

The following documents are recommended for additional insight on 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. 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 market shift towards value-based payment models. Both these megatrends have multifold impact on the healthcare provider market and are giving rise to emergence of outsourcing as a solution
- 3. 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

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