



Healthcare Report Card 2018 – A Guidebook of Key Trends and Service Provider Performance

Healthcare & Life Sciences BPS and Healthcare ITS
Market Report – March 2019: Complimentary Abstract / Table of Contents

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Background and methodology of research

Background of the research

The U.S. healthcare market witnessed a series of activities in 2018. On one side, payers continued their quest for consolidation across the value chain by merging with PBMs, acquiring physician practices, and investing in technology consortia; on the other side, healthcare providers too tried to expand their influence through large mergers as well as by acquiring small physician practices. The entry of technology firms, such as Amazon, Apple, and Microsoft, further complicated the market scenario. In addition to the stakeholders' quest for control of the market, the ongoing issues pertaining to value-based care transition, regulations, and cybersecurity also continued to push the payers and providers to invest in new technologies (analytics, automation, IoT, cloud, etc.).

With this slew of changes, the healthcare in the United States is at an inflection point, with everything from member/patient engagement to administrative management to care delivery being transformed. For payers and providers, the path ahead lies in transforming the way they typically work by imbibing technology. The third-party technology and service providers will play a significant role in helping the payers and providers achieve that.

The report talks about:

- Key trends that impacted healthcare market in 2018 and Everest Group's prediction for the market in 2019
- Ranking of top 15 healthcare service providers based on four healthcare PEAK Matrix™ BP and IT services evaluations done in 2018

The scope for the report includes:

- 38 outsourcing service providers who participated in four healthcare PEAK Matrix™ BP and IT services evaluations in 2018

Overview and abbreviated summary of key messages

This report talks about key themes that dominated the healthcare market in 2018. It also discusses enterprise actions and outlook for 2019. The report lists top 15 healthcare service providers based on four healthcare PEAK Matrix™ BP and IT services evaluations done in 2018 and gives a brief description of 2019 market outlook.

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

Key business trends in 2018

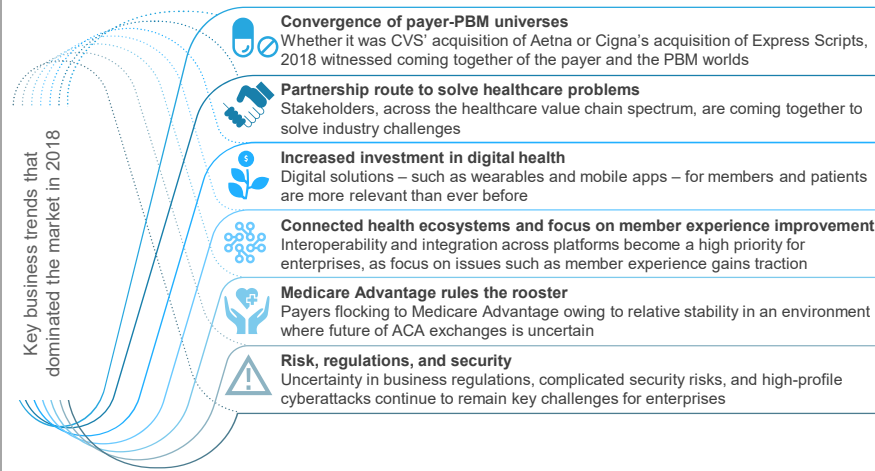
- **Convergence of payer-PBM universes:** Whether it was CVS' acquisition of Aetna or Cigna's acquisition of Express Scripts, 2018 witnessed coming together of the payer and the PBM worlds
- **Increased investment in digital health:** Digital solutions – such as wearables and mobile apps – for members and patients are more relevant than ever before
- **Connected health ecosystems and focus on member experience improvement:** Interoperability and integration across platforms become a high priority for enterprises, as focus on issues such as member experience gains traction

Outlook for 2019

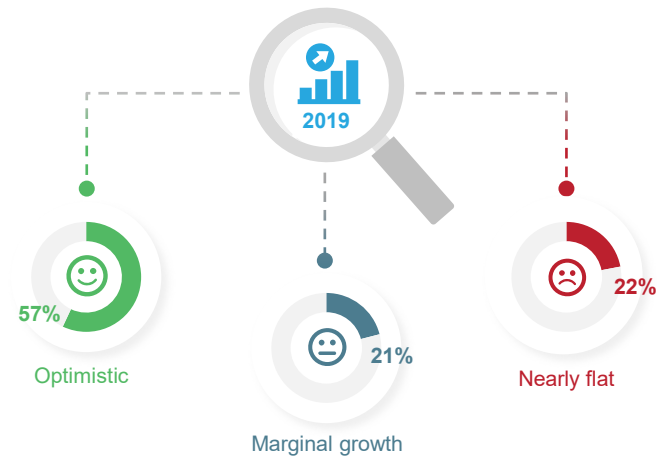
- Acquisition of health systems by payers to witness an increase
- Rising uncompensated care cost to emerge as a key challenge for health systems
- Blockchain in the healthcare industry to go the consortium way
- Digital health to become a key spoke in health IT spend

This study offers a deep dive into key healthcare business trends of 2018 and outlook for 2019; below are four charts to illustrate the depth of the report

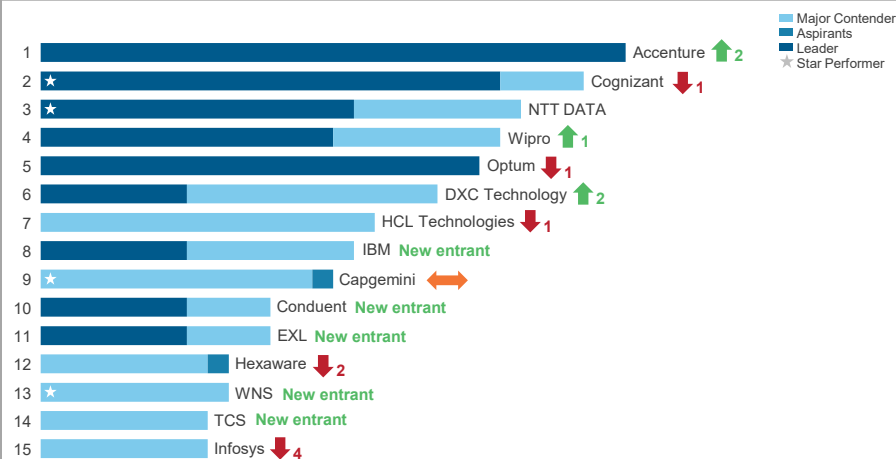
Business trends



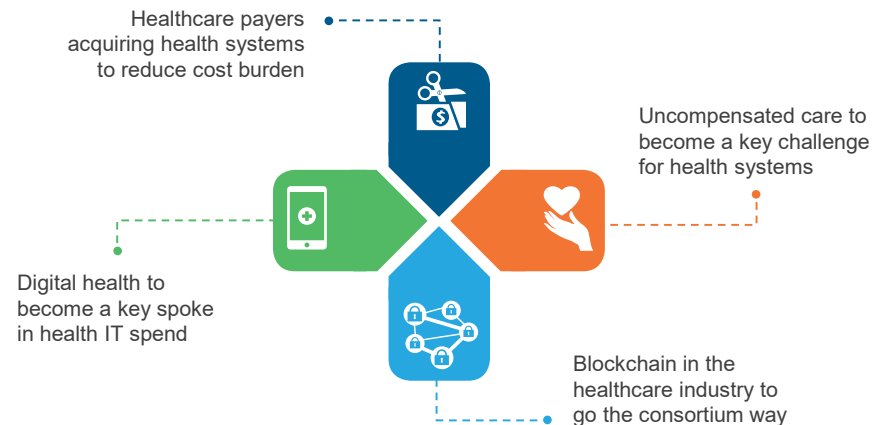
Enterprise sentiments about revenue growth in 2019



Healthcare PEAK Matrix: Top 15 service providers



Future outlook



Research calendar – Healthcare and Life Sciences BPS

Published
 Planned
 Current release

Flagship HLS BPS reports

Release date

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
Healthcare Provider BPO Market – Deal Trends Report 2018	June 2018
Healthcare Payer BPO Market – Deal Trends Report 2018	June 2018
Healthcare Analytics Services PEAK Matrix™ with Service Provider Landscape – 2019	December 2018
Healthcare Automation Services PEAK Matrix™ Assessment with Service Provider Landscape - 2019	February 2019
Makings of a Successful Sourcing Relationship – Deal Trends in Healthcare Payer BPS Market	March 2019
Healthcare Report Card 2018 – A Guidebook of Key Trends and Service Provider Performance	March 2019
Life Sciences Report Card 2018	Q2 2019
Healthcare Payer BPO PEAK Matrix™ with Service Provider Landscape – 2019	Q2 2019

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Rising Cost of Healthcare in the United States: Can Analytics Help?	August 2017
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Flagship Healthcare IT Services reports

Release date

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Healthcare Payer Annual Report 2018: Payers Look at Digital to Reinvent in a Turbulent Healthcare Market	March 2018
Dr. Robot Will See You Now: Unpacking the State of Artificial Intelligence in Healthcare – 2019	October 2018
Healthcare Payer Digital Services – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019	December 2018
Healthcare Provider Digital Services – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019	December 2018
Healthcare Report Card 2018 – A Guidebook of Key Trends and Service Provider Performance	March 2019

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Closing the Gap - The Future of IT Skills in the United States	April 2018
Atos Acquires Syntel: Can Atos Win in the North American Battleground?	July 2018
Big Tech in Healthcare – What does it mean for CIOs?	Q2 2019

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Additional healthcare 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. Healthcare Analytics Services PEAK Matrix™ Assessment with Service Provider Landscape – 2019** ([EGR-2018-20-R-2898](#)); 2019. The labor arbitrage model is steadily reaching a point where enterprises have to look toward other avenues to continue to benefit from outsourcing. Digital technologies, such as analytics, are a potential solution for buyers to improve process efficiency while lowering cost (in the long term). The healthcare analytics services market is showing a double-digit growth rate, with demand coming not only from traditional administrative segments but also from new areas such as care management and member engagement. As a result, the supplier landscape is filled with a multitude of players offering these services under different models. The report will explore some of the leading players in this market.
- 2. Healthcare Business Process Automation Solutions PEAK Matrix™ Assessment 2019** ([EGR-2019-20-R-3057](#)); 2019. Healthcare enterprises have traditionally relied on outsourcing and offshoring to improve their business across multitude of parameters such as reducing costs, improving productivity and efficiency, and gaining access to talent and enhanced business continuity. Now, with most of these benefits being realized and slowly reaching the saturation stage, when coupled with some of the market changes, healthcare enterprises are looking at other ways to extract incremental benefits. This is where digital solutions play a critical role and within digital, automation (RPA and AI) is one such solution that has garnered maximum mindshare of enterprises during the last few years
- 3. Dr. Robot Will See You Now: Unpacking the State of Artificial Intelligence in Healthcare – 2019** ([EGR-2018-20-R-2831](#)); October 2018. While AI is a relatively new area in the healthcare space and its adoption is in the nascent stage, digitalization of healthcare is accelerating enterprises' interest in AI. With CEOs and CIOs acknowledging the transformative power of AI, enterprises are rapidly building appropriate AI strategies. In this market report, we analyze the AI investments for 27 leading U.S.-based healthcare enterprises by mapping them on Everest Group's AI effectiveness assessment model, which is a composite index of a range of distinct metrics related to each enterprise's capability maturity and the outcomes

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