Revenue Cycle Management (RCM) Business Process Services PEAK Matrix™ Assessment 2019

Healthcare & Life Sciences Business Process Services (HLS BPS) Market Report – June 2019: Complimentary Abstract / Table of Contents

EGR-2019-20-CA-3212

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Membership information

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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

The healthcare providers in the United States spend ~US$400 billion every year on administrative services (mainly revenue cycle management). Considering the fact that this spend is the largest in the world – both in absolute as well as percentage (of the total spend) share terms – and a large part of it is due to inefficient processes such as manual intensive operations, lack of standardization, and errors, there is an immediate need to address this issue.

For the healthcare providers, administrative inefficiencies are not a one-solution problem but involve a range of coordinated steps in the form of technology investments, innovation, process reorganization, and specialists utilization (including third-party service providers). The healthcare providers – who were traditionally averse to outsourcing and offshoring – are now opening up to the idea of utilizing services of the third-party service providers.

This report covers the leading RCM BPS providers in the market along with their areas of expertise, along with focus on:

- Relative positioning of 23 service providers on Everest Group's PEAK Matrix for RCM BPS
- 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 180 RCM BPS contracts signed as of December 2018
- Coverage across 23 RCM BPS providers: Access Healthcare, AGS Health, Apexon Health, Atos, Cognizant, Exela Technologies, MedAssist (Firstsource), GeBBS, Genpact, HCL, HGS, IKS Health, MiraMed Ajuba, nThrive, NTT DATA, Omega Healthcare, Optum360, R1 RCM, Shearwater Health, Sutherland Global Services (SGS), Teleperformance, 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 RCM BPS

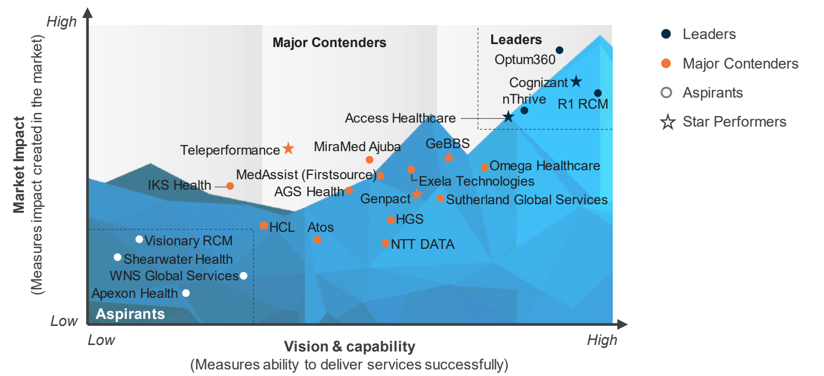
- Everest Group classified 23 healthcare provider BPS providers on their Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix into three categories: Leaders, Major Contenders, and Aspirants
- Access Healthcare, Cognizant, nThrive, Optum360, and R1 RCM are the Leaders
- Major Contenders include AGS Health, Atos, Exela Technologies, MedAssist (Firstsource), GeBBS, Genpact, HCL, HGS, IKS Health, MiraMed Ajuba, NTT DATA, Omega Healthcare, Sutherland Global Services (SGS), and Teleperformance
- Apexon Health, Shearwater Health, Visionary RCM, and WNS Global Services are the Aspirants

Key insights on RCM BPS market shares

- Onshore-based RCM technology-led service providers such as nThrive, Optum360, and R1 RCM accounted for a majority of revenue in the provider RCM BPS market
- In terms of growth, Cognizant, R1 RCM, HCL, HGS, WNS, Access Healthcare, and Omega Healthcare are growing at a faster rate vis-à-vis market average
- Post-service segment represents the largest share of RCM BPS market and has the most number of players
- Teleperformance and Omega Healthcare lead the outsourcing market for pre-service segment
- Omega Healthcare has amongst the highest numbers of FTEs across the RCM value chain

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

Assessment of RCM BPS Providers[1]



1 Service providers scored using Everest Group's proprietary scoring methodology

Note: Assessment for Apexon Health, AGS Health, IKS Health, MedAssist (Firstsource), MiraMed Ajuba, nThrive, Omega Healthcare, R1 RCM, and Visionary RCM excludes service provider inputs on this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers. For these companies, Everest Group's data for assessment may be less complete

Source: Everest Group (2019)

Capability assessment

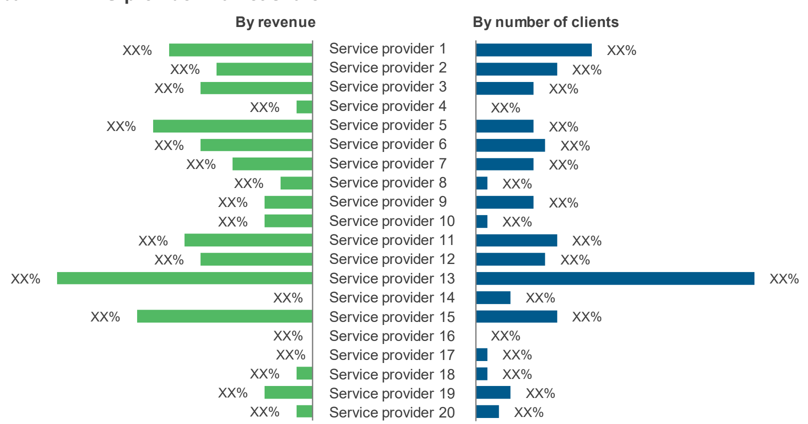
Illustrative example

Measure of capability: High Low

	Market impact				Vision & capability				
Service provider	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
Service provider 1									
Service provider 2									
Service provider 3									
Service provider 4									
Service provider 5									
Service provider 6									
Service provider 7									
Service provider 8									
Service provider 9									

Market success

Global RCM BPS provider market share



Everest Group's remarks on service providers

Illustrative example

Measure of capability: High Low

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall

Strengths

- XX – XXX's propriety solution enable healthcare providers to edit and verify claims so as to reduce instances of claim denials. Given that claim denials is a big issue in the healthcare provider market, having a propriety solution helps the service provider to grow and successfully capture new business in this segment
- XXX has a strong onshore presence, with over 15 delivery centers in the United States. In a market where buyers (health systems) are apprehensive about offshoring, a strong onshore presence gives the service provider an advantage over many peers

Areas of improvement

- XXX's revenue growth is lagging the market average, as it witnessed decline in the ICD remediation work
- The service provider has minimal offerings in the pre-service (patient access) segment. Given that it is the fastest growing segment in the RCM services market, XXX should invest in areas such as "propensity-to-pay" and pre-authorization
- XXX operates in a highly competitive market segment (RCM/EDI vendors). Given the presence of many vendors offering similar services, XXX will face stiff competition to add any value (in terms of revenue or client) to its business

Research calendar – Healthcare and Life Sciences BPS

Published | Planned | Current release

Flagship HLS BPS reports	Release date
Healthcare Report Card 2018 – Outlook for 2019, and Enterprise Initiatives and Service Provider Performance in 2018	March 2019
Life Sciences Report Card 2018 – Outlook for 2019, and Enterprise Initiatives and Service Provider Performance in 2018	March 2019
Healthcare Payer BPO PEAK Matrix™ with Service Provider Landscape – 2019	April 2019
Healthcare Payer BPS Service Provider Compendium	June 2019
Revenue Cycle Management (RCM) Business Process Services PEAK Matrix™ Assessment 2019	**June 2019**
Makings of a successful sourcing relationship – Deal trends in RCM	Q3 2019
Comprehending the buyer's sourcing mindset	Q3 2019
RCM BPS Service Provider Compendium	Q3 2019
Life Beyond Claims: A Payer's Perspective	Q3 2019

Thematic HLS BPS reports	
Innovation in Pharmacovigilance (PV): How to Spend Smarter Not Higher?	June 2017
Rising Cost of Healthcare in the United States: Can Analytics Help?	August 2017
Pharma Sales & Marketing: Old Strategies Into New Methods | Focus on Transmutation Rather Than Transformation	June 2018
The Digitalization Rhapsody: Enabling Clean Claims Through Digital Means	March 2019
The Quintessential Case for the Amazonization of the Health Plan Enrollment Process	May 2019
The Rise and Rise of Revenue Cycle Management (RCM) Services Market	Q3 2019
RCM 2.0 - what's next for the BPO industry	Q4 2019

Note: For a list of all of our published HLS BPS reports, please refer to our website page

Additional Healthcare and Life Sciences BPS research references

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

1. **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.

2. **Healthcare Analytics Services PEAK Matrix™ Assessment with Service Provider Landscape – 2019** (EGR-2018-20-R-2898); 2018. 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.

3. **Healthcare Payer BPO Market – Deal Trends Report 2018** (EGR-2018-20-R-2686); 2018. After a year of stalled investments owing to market uncertainty, healthcare payers restarted investments in areas such as value-based care adoption, care management, utilization & disease management, population health, and consumer experience. On the technology front, automation, analytics, and BPaaS continue to be areas of interest for the healthcare community. In fact, inclusion of analytics in total contracts is reaching a whopping ~50%. Outsourcing – both traditional and technology-focused – is expected to continue growing at a healthy double-digit rate in near future

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

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