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RESEARCH

Healthcare Payer Digital Services PEAK Matrix™ Assessment with Service Provider Landscape 2020

Healthcare IT Services (ITS)
Market Report – December 2019: Complimentary Abstract / Table of Contents

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PEAK MATRIX™

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  – Healthcare IT Services (ITS)
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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 scope of the research

Enterprises have made digital adoption the bedrock of their growth strategy in recent years, to optimize processes, reduce costs, and deliver better customer experience, all in the pursuit of higher revenue growth. The healthcare payer industry is no exception. Digital technologies can make internal workflows more efficient, bring care outside hospitals, offer network management transparency & efficiency, and help reduce frauds.

To support enterprises on their digital journeys, service providers are ramping up capabilities through healthcare-specific partnerships and acquisitions. This, in turn, is driving the need for research and market intelligence on demand and supply trends in healthcare payer digital services. Everest Group's healthcare ITS research program addresses this market need by analyzing outsourcing trends and service provider capabilities in healthcare digital services.

In this report, we analyze the capabilities of 23 IT service providers specific to the healthcare sector globally. These service providers are mapped on the Everest Group PEAK Matrix™, which is a composite index of a range of distinct metrics related to a provider's capability and market impact. We focus on:

- **IT digital services market trends for healthcare**
- **The landscape of service providers for healthcare payer digital services**
- **Assessment of the service providers on several capability- and market success-related dimensions**

Scope of this report:

Geography
Global

Industry
Healthcare payer

Services
Digital services

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Overview and abbreviated summary of key messages

This report examines the 2019 healthcare payer digital services provider landscape and its impact on the healthcare market. It focuses on service provider position and growth in the healthcare payer digital services market, changing market dynamics and emerging service provider trends, assessment of service provider delivery capabilities, and key healthcare payer digital services provider profiles

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

Healthcare digital services market

- The overall healthcare payer digital service market is a US$8.9 billion+ opportunity
- We expect the global healthcare digital services market to grow at 12-14% over 2018-2025
- Automation and data & analytics are the biggest opportunity areas within digital services. While AI has potential use cases and is being piloted, standardizing data issues will be a precursor to scaled adoption

Emerging healthcare digital services trends

- Payers are focusing on wellness and preventive care models to increase awareness of health among members. IoT devices including wearables are used to monitor patient health at all times
- Analytics has the potential to derive actionable insights from vast amounts of structured as well as unstructured data. AI is now being used for numerous applications in healthcare such as reducing frauds, predictive diagnosis, voice assistants, and improving process efficiency
- There is a threat of disruption due to BigTech players entering the healthcare industry such as Amazon, Apple, Facebook, and Google, with announcements of significant investments. These players are leveraging their core business strengths and expertise in analytical and other digital capabilities to build healthcare-specific solutions
- There is an increasing demand amongst customers for a better end-user experience. Digital tools are being used by payers for a better customer engagement and to lower administrative and healthcare costs

Service provider delivery capability

- Healthcare digital services providers can be categorized into leaders, major contenders, and aspirants on a capability-market-share matrix
- Accenture, Cognizant, Infosys, NTT Data, TCS, Optum and Wipro are the current leaders in the healthcare digital services market. However, several service providers are emerging as major contenders

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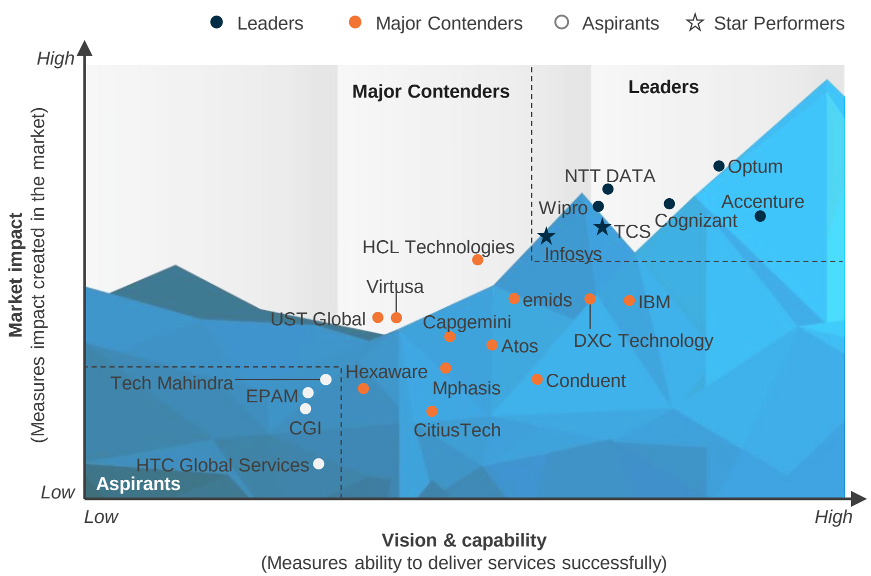
This study offers four distinct chapters providing a deep dive into key aspects of healthcare payer digital services market; the exhibits below illustrate the depth of the report

Assessment of Healthcare Payer Digital Service Providers



Note 1: PEAK Matrix specific to healthcare payer digital services

Note 2: Assessments for Accenture, CGI, Citius Tech, Conduent, EPAM, HTC Global Services, and IBM excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers

Capability assessment

Illustrative example

Measure of capability: High Low

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

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	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall

Strengths

- Service provider 1, has a robust delivery presence in Asia Pacific with multiple delivery centers in India, Australia, the Philippines, and China, enabling it to service client requirements efficiently
- It has a good number of multi-country as well as single-country clients across the world

Areas of improvement

- Service provider 1 should increase offerings of value-added services such as employer branding, talent communities and workforce planning
- It should try to expand into larger multi-country deals and also scout for engagements in other Asia Pacific markets to strengthen its presence in the region

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The PEAK Matrix report has service provider profiles for all 23 players featured in the evaluation

XXX | Payer digital services profile (page 1 of 2)
Overview

Strengths	Areas of improvement
• Strong relationship management and delivery talent • Expansive digital technology engagements in multiple domains • Extensive network of healthcare engagements with large national plans and Blues	• Improve and emphasize healthcare branding and messaging • Establish distinctive differentiation by bringing larger IP and platform play • Leverage existing reach within IT legacy engagements in payer verticals for developing digital roadmaps and specific digital solutions

Healthcare payer digital services revenue

<US$50 million	US$50-US$100 million	US$100-US$150 million	>US$150 million

Scope of digital services for payer digital
Cloud, big data and analytics, social media, cybersecurity, RPA, mobility and IoT

Payer digital services focus by subvertical — High (>50%) Medium (20-50%) Low (<20%)

Public health plans | Private health plans

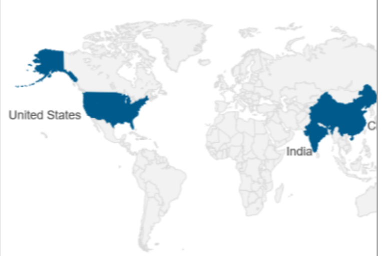
Adoption by LOBs — High (>25%) Medium (15-25%) Low (<15%)

Product development | Network management | Claims management | Policy servicing and management | Care management

Adoption by buyer groups — High (>30%) Medium (20-30%) Low (<20%)

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

Healthcare payer digital services delivery map



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XXX | Payer digital services profile (page 2 of 2)
Overview

Proprietary solutions (representative list)

Solution	Details
XXX Nia	An AI platform that collects and aggregates organizational data from people, processes, and legacy systems into a self-learning knowledge base and then automates repetitive business and IT processes
XXX AssistEdge	Customer service platform to provide a single view of service and self-help to consumers. The platform integrates payers with the provider's product-based systems
XXX Benefits Enquiry Chatbot	The solution leverages the XXX Nia IKP platform to extract and build ontology models that can be leveraged to address common natural language enquiries around plan benefits and prior authorizations
XXX SFDC CarePLUS solution	The care platform built as a service on Salesforce.com enables payers to connect better with healthcare consumers by providing a 360° view of every consumer through personal health tracking tools and monitoring devices
iHawk-Eye Auto-Adjudication (RPA) Engine	The insights-driven automation and process performance monitoring and management platform supports cross-functional processes such as pending claims processing for optimization at reduced operational costs / manual overheads
Clinical Quality and Compliance Management Solution	It provides advanced levels of clinical and business process efficiency in real-time to improve quality of care and adherence to processes in the hospital

Recent activities (representative list)

Development	Type	Details
Google Cloud	Partnership	In 2019, partnered with Google Cloud to offer industry-specific solutions on Google Cloud Platform for healthcare
Multiple partnership		In 2018, partnered with Rhode Island School of Design, Siemens, Astound, A.S. Watson Group, and Purdue University, among others, to leverage their cognitive, IoT, and AI capabilities to develop solutions in the healthcare space
WONGDOODY	Acquisition	In 2017, acquired Brilliant Basics and Skytree to strengthen its digital, cognitive, and analytical capabilities

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Research calendar – Healthcare IT Services (ITS)

Published | Planned | Current release

Flagship Healthcare ITS reports	Release date
Healthcare Payer Annual Report 2018: Payers Look at Digital to Reinvent in a Turbulent Healthcare Market	March 2018
Healthcare Payer Digital Services PEAK Matrix™ Assessment and Service Provider Landscape – 2019	December 2018
Healthcare Provider Digital IT Services – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018	December 2018
Healthcare Payer Payment Integrity Solutions PEAK Matrix™ Assessment 2020	October 2019
Healthcare IT Security Services PEAK Matrix™ Assessment with Service Provider Landscape 2020	December 2019
Healthcare Payer Digital Service PEAK Matrix™ Assessment with Service Provider Landscape 2020	**December 2019**

Thematic Healthcare ITS reports	
Dr. Robot Will See You Now: Unpacking the State of Artificial Intelligence in Healthcare – 2019	November 2018
Guidebook for Blockchain Adoption in Healthcare and Life Sciences: A Compilation of Insights from 40+ Blockchain Projects	March 2019
Healthcare Report Card 2018 – A Guidebook of Key Trends and Service Provider Performance	March 2019
Big Tech in Healthcare: What it Means for CIOs?	November 2019

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

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Additional HLS IT services research references

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

1. **Healthcare IT Security Services PEAK Matrix™ Assessment 2020** (EGR-2019-45-R-3456); December 2019. Healthcare challenges, such as changing business and care delivery models to support patient-centricity are leading to increased investments in data and technology by enterprises. The healthcare industry has been slow to respond to cyber threats and has lagged behind other industries when it comes to IT security investments, making healthcare a lucrative target for hackers. As a result, the past few years have seen some of the biggest attacks on healthcare enterprises resulting in theft of millions of patient records

2. **BigTechs in Healthcare: Reimagining the Ecosystem** (EGR-2019-45-R-3418); November 2019. BigTechs such as Amazon, Apple, Facebook, and Google have a track record of disrupting industries such as retail and telecommunications. The tech giants are now eyeing healthcare – with many having already made significant investments in the industry. This interest is driven by factors such as increasing healthcare spend, demand for data analytics, and rising member/patient expectations. The maximum disruption has been created in areas largely outside the traditional scope (payer, provider, PBM, etc.) of the healthcare industry

3. **Healthcare Payer Payment Integrity Solutions PEAK Matrix™ Assessment 2020** (EGR-2019-32-R-3371); October 2019. Claims processing is becoming ever more complex for payers, given issues such as the need to transform healthcare plans' business models to accommodate new markets and new lines of business, increasing inflow of members, and increasing regulatory mandates. Payment integrity is a potential help – it can reduce rising healthcare waste and fraud to ensure that the medical claims are paid correctly and free of wasteful and abusive practices

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About Everest Group

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