Healthcare Payer Operations – Services PEAK Matrix® Assessment 2020

Healthcare & Life Sciences Operations (HLS-BPS)
Market Report – June 2020: Complimentary Abstract / Table of Contents

EGR-2020-20-R-3749

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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

Consumerism, the rise of digital, margin pressures, regulatory uncertainty, and value-based care are increasingly pushing healthcare payers to rethink their business models. Many payers – especially larger ones with multi-state presence – are strengthening their market positions by controlling as many pieces in the healthcare ecosystem as possible, as seen in the big-ticket acquisitions in recent years.

With M&A activity now subsiding, the next logical step for payers to deal with growth/competitive challenges is to invest in differentiating their capabilities in terms of smoother member engagement, streamlined network management, transparent claims administration, and meaningful care support.

To achieve their objectives in this regard, third-party support is vital, and, hence, it becomes extremely important for healthcare payers to identify the right service providers to transform and differentiate themselves. This report studies leading healthcare payer BPO service providers and compares their capabilities in detail.

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Scope and methodology

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

- Relative positioning of 29 service providers on Everest Group's PEAK Matrix® for healthcare payer operations
- Analysis of service provider's market share
- Everest Group's analysis of service providers' strengths and areas of improvement

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 healthcare payer operations

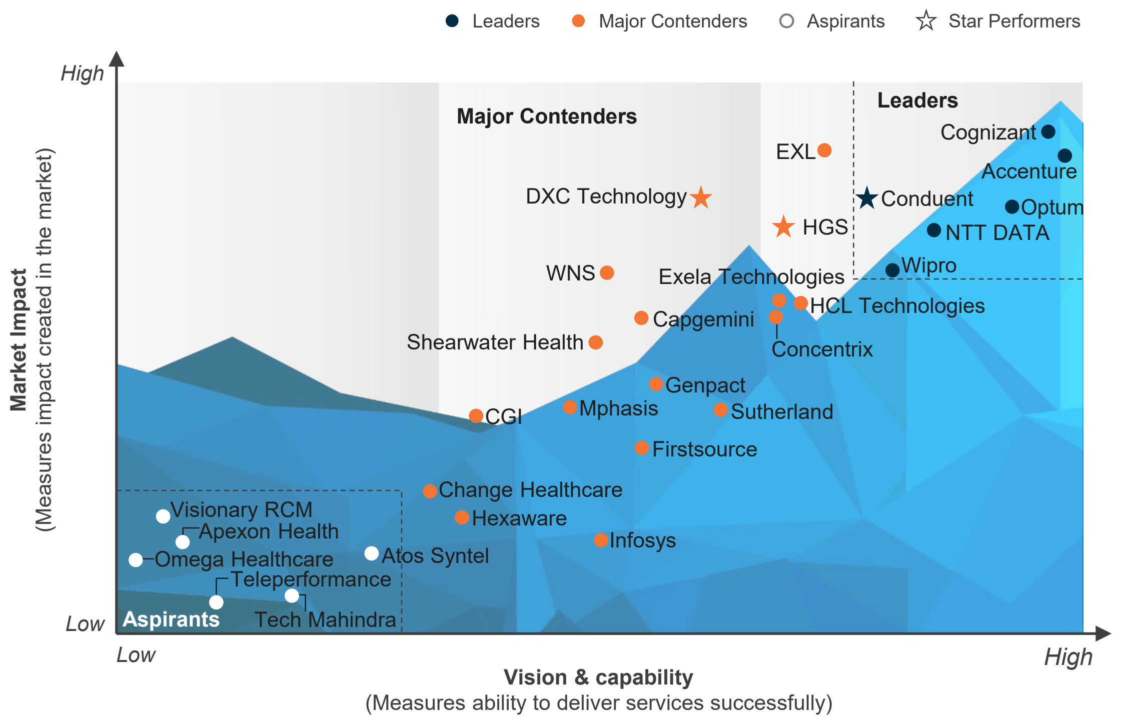
- Everest Group classified 29 healthcare payer BPO service providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix® is a framework to assess the overall vision and capability and market impact of service providers
  - **Leaders:** There are six service providers in the Leaders category – Accenture, Cognizant, Conduent, NTT DATA, Optum, and Wipro
  - **Major Contenders:** The Major Contenders category has 17 service providers – Capgemini, CGI, Change Healthcare, Concentrix, DXC Technology, Exela Technologies, EXL, Firstsource, Genpact, HCL, Hexaware, HGS, Infosys, Mphasis, Shearwater Health, Sutherland, and WNS
  - **Aspirants:** Apexon Health, Atos Syntel, Omega Healthcare, Tech Mahindra, Teleperformance, and Visionary RCM are Aspirants on the PEAK Matrix® for healthcare payer BPO

Key insights on healthcare payer BPS market shares

- The top five service providers – Accenture, Cognizant, Conduent, DXC Technology, and Optum – account for nearly 70% of the revenues of the healthcare payer BPS market
- Accenture, Cognizant, EXL, HGS, NTT DATA, and Optum further consolidated their market presence with double-digit revenue growth
- Accenture, Cognizant, EXL, HGS, and Optum were the highest contributors to the overall healthcare payer BPS market growth
- Cognizant, Exela, EXL, and Optum accounted for more than 50% of all the clients in the healthcare payer BPS market
- Claims management, followed by member engagement, continues to be the largest and most competitive space. Additionally, due to increased demand from buyers, care management and risk & compliance processes are witnessing significant growth
- Accenture, Cognizant, and Optum have a dominant presence across most of the healthcare payer BPS processes

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

Healthcare Payer Operations-Services PEAK Matrix® Assessment 2020



Note 1: Service providers scored using Everest Group's proprietary scoring methodology
Note 2: Assessment for Apexon Health, CGI, Firstsource, Hexaware, Atos Syntel, Tech Mahindra, Omega Healthcare, Apexon Health, Visionary RCM, Optum, and Teleperformance excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with insurance buyers. For these companies, Everest Group's data for assessment may be less complete
Source: Everest Group (2020)

Capability assessment

Illustrative example

Measure of capability: High Low

Service provider	Market impact				Vision & capability				
	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									

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

- ABC is one of the few service providers serving both commercial and government (state Medicaid) organizations, with end-to-end capabilities across the healthcare payer BPO value chain
- ABC has been investing in automation and analytics (both via in-house investment and through partnerships), through which it aims to help payers reduce costs, increase compliance, and enhance experience

Areas of improvement

- Although ABC's focus has been toward large-sized deals and it has achieved significant success with this strategy, given that mid-market is driving large part of BPS growth, Accenture needs to build offerings for this segment of the industry
- Having built a significant scale and presence in the care management segment, it should also aim to create technology-enabled offerings and solutions in this space that will help it differentiate from some of the other market leaders

Research calendar – Healthcare & Life Sciences Operations

Published | Planned | Current release

Flagship HLS BPS reports	Release date
Healthcare Payer BPO PEAK Matrix® with Service Provider Landscape – 2019	April 2019
Revenue Cycle Management (RCM) Business Process Services PEAK Matrix® Assessment 2019	June 2019
Revenue Cycle Management (RCM) Business Process Services (BPS) Service Provider Profile Compendium 2019	June 2019
Clinical and Care Management (CCM) BPS Services PEAK Matrix® Assessment 2019	September 2019
Clinical and Care Management (CCM) BPS Service Provider Profile Compendium	December 2019
Life Sciences (LS) Operations – Services PEAK Matrix® Assessment 2020	December 2019
Clinical and Care Management (CCM): Is the Value-based Elixir Really Working?	January 2020
Healthcare Payer Operations – Services PEAK Matrix® Assessment 2020	**June 2020**
Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2020	Q3 2020

Thematic HLS BPS reports	
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 Revenue Cycle Management (RCM) BPS Market: Unstoppable Juggernaut or Overhyped Fad?	September 2019
RCM 2.0 – What's Next for the BPO Industry	Q3 2020

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

Additional Healthcare Operations 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. **Clinical and Care Management (CCM) BPS Services PEAK Matrix® Assessment 2019** (EGR-2019-20-R-3342); While clinical and care management as a segment has existed for a while now, its importance has increased exponentially post ACA. With the US already being the highest spender in the world on healthcare, ensuring care to reduce readmissions and denials of members is the need of the hour. Also, with ACA shifting the focus from volume-based care to value-based care, the healthcare stakeholders are taking proactive measures to ensure quality care at lower cost for members. This shift is supported by the seepage of consumerism in healthcare, motivating the customers or members to be more involved in their care lifecycle. All this is putting pressure on the payers as well as providers to make investments in clinical and care services and at the same time reduce their costs. With the stakeholders struggling to find the right talent, domain, and technology expertise in house, they are looking for the outsourcing route to help them in their journey

2. **Healthcare Business Process Automation Solutions PEAK Matrix® Assessment 2019** (EGR-2019-20-R-3057); 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. **Healthcare Analytics Services PEAK Matrix® Assessment with Service Provider Landscape – 2019** (EGR-2018-20-R-2898); 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.

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

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Everest Group®

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