Everest Group® RESEARCH

Market Report | Healthcare & Life Sciences BPS

Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2020

September 2020: Complimentary Abstract / Table of Contents

Everest Group PEAK MATRIX®

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- Market Vista™
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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 of the research

The healthcare providers in the United States spend ~US$400 billion every year on administrative services, a large part of which is revenue cycle management. This is one of the key focus areas for the providers, as it affects their cash flows and top line. More importantly, physicians and nurses end up spending a lot of time on administrative functions such as records management, and coding. According to the Medscape Physician Compensation Report 2018, nearly a third of the physicians surveyed said they spend 20 hours or more per week on paperwork and administrative tasks. This is a significant amount of time that could have been utilized in providing care to the population. The repercussions of an ineffective RCM function for any provider have been further exacerbated due to COVID-19. With many physician groups closing shops or getting acquired, and even the larger providers struggling to stay afloat, the need for an effective and efficient RCM function to save costs and prevent revenue leakages, is now more important than ever.

Healthcare providers have traditionally had more of a transactional relationship with the service providers. However, with an effective RCM strategy providing benefits far more than cost reduction, and the concept of integrated RCM (traditional RCM + care processes) picking steam, enterprises have started looking at it from a more strategic lens. Consequently, different broad categories of service providers have emerged, with some addressing the product and software needs of the enterprises, and others addressing the operations needs. Even within the operations classification, different categories of vendors such as offshore-based specialists, onshore aggregators, global IT/BPO players, and DME specialists have emerged, each with their own value proposition.

To solve enterprises needs, service providers are investing in expanding the scope of services by entering into niche processes such as medical scribing, HIM, case management, and prior authorization. The focus on technology has increased with even the offshore-based specialists, typically known for their cost arbitrage value proposition, liberally investing in technology through organic or inorganic means. Service providers are also expanding into onshore locations to create a more holistic offering. The market, hence, is constantly evolving, and through this report, we explore the operations part of the market and assess the vendor landscape

Scope of this report:

Geography
Global

Service providers
26

Services
RCM business process 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 operations

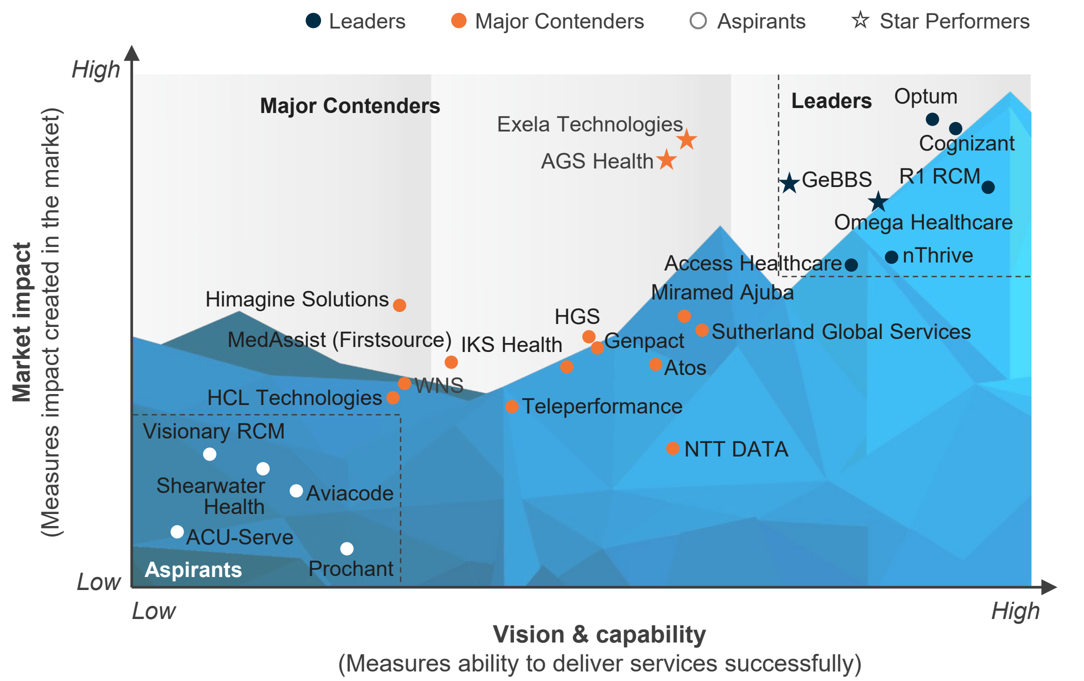
- Everest Group classified 26 RCM BPS providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix® is a framework to assess the overall vision and capability and market impact of service providers
  - **Leaders:** There are seven service providers in the Leaders category – Access Healthcare, Cognizant, GeBBS, nThrive, Omega Healthcare, Optum, and R1 RCM
  - **Major Contenders:** The Major Contenders category has 14 service providers – AGS Health, Atos, Exela Technologies, Genpact, HCL Technologies, HGS, Himagine Solutions, IKS Health, MedAssist (Firstsource), Miramed Ajuba, NTT DATA, Sutherland Global Services, Teleperformance, and WNS
  - **Aspirants:** ACU-Serve, Aviacode, Prochant, Shearwater Health, and Visionary RCM are Aspirants on the PEAK Matrix® for RCM operations
- Everest Group conferred the "Star Performers" title on providers that demonstrated the strongest forward and upward movement (December 2018 – December 2019) on the PEAK Matrix®. AGS Health, GeBBS, Exela Technologies, and Omega Healthcare are Star Performers on the Revenue Cycle Management Operations Everest Group PEAK Matrix® for 2020

Key insights on RCM operations market shares

- Onshore-based RCM technology-led service providers such as nThrive, Optum360, and R1 RCM account for a large share in the RCM operations market
- The market "Leaders" account for more than 50% of the RCM operations market
- AGS Health, Cognizant, Exela Technologies, Gebbs, HGS, Shearwater Health, and WNS registered the highest Year-on-Year (YoY) revenue growth
- Cognizant, Gebbs, Omega Healthcare, and R1 RCM were the highest contributors to the RCM operations market growth
- Access Healthcare, Omega Healthcare, and Optum have a dominant presence across most of the RCM operations processes

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

RCM Operations – Services PEAK Matrix® Assessment 2020



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

Note 2: Assessment for ACU-Serve, Aviacode, Himagine Solutions, IKS Health, MedAssist (Firstsource), Miramed Ajuba, nThrive, Prochant, R1 RCM, Teleperformance, Visionary RCM 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

- Service provider 1 is one of the biggest offshore-based RCM specialists in the market, operating across the entire value chain
- It is also strengthening its value proposition as an end-to-end RCM service provider by expanding into niche areas, such as prior authorization and medical scribing services

Areas of improvement

- Service provider 1 is one of the biggest offshore-based RCM specialists in the market, operating across the entire value chain
- It is also strengthening its value proposition as an end-to-end RCM service provider by expanding into niche areas, such as prior authorization and medical scribing services

Research calendar
Healthcare and Life Sciences BPS

Published | Planned | Current release

Flagship HLS BPS reports	Release date
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	**September 2020**
RCM Solutions State of Market Report	Q4 2020

Thematic HLS BPS reports	Release date
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
The Next Growth Frontier for RCM Service Providers: Looking beyond Initial Arbitrage Opportunities	August 2020
Open Enrolment 2021 Primer: What to Expect and How to Navigate in the Wake of COVID-19	August 2020
Unbundling CRO landscape	Q4 2020

Note: For a list of all of our published Healthcare and Life Sciences BPS reports, please refer to our website page

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