

# Exploring Technology Frontiers to Unlock Superior Value from Operations: Revenue Cycle Management (RCM) Solutions State of the Market Report 2021

December 2020: Complimentary Abstract / Table of Contents



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- Workshops

## 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 provider industry has been plagued with a number of issues. The care providers have been operating on thin margins due to problems such as high claims denials, rising bad debt, and the higher cost of operations partly because of lack of integration among multiple clinical and revenue cycle platforms. COVID-19 has further added to their woes with the deferral of elective procedures and rising uninsured and unemployed population, affecting their collections and consequently margins. On top of that, telehealth's importance has increased tremendously, and the providers are struggling to come up with a clear strategy.

All these factors are affecting buyers' sourcing decisions. They are increasingly seeking third-party support to tackle these issues through multiple engagement models such as software, services, or solutions (which involves providing services over and above a product, whether a platform or a point solution). The RCM solutions engagement model, owing to its ability to offer customized solutions to healthcare providers, is gaining traction with multiple service providers / vendors building their capabilities in this market.

### In this report, we focus on:

- The key issues facing healthcare providers
- The key outsourcing trends in the RCM solutions market
- The RCM solutions outsourcing service provider / vendor landscape

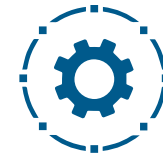
### Scope of this report:



**Geography**  
Global



**Industry**  
RCM



**Services**  
RCM solutions

## Key takeaways

### Key issues facing healthcare providers

- Healthcare providers are dealing with multiple issues that have been exacerbated by COVID-19
- The foremost is the financial uncertainty due to COVID-19, which is leading to some smaller providers shutting down and larger ones increasing M&A activity to control their operating costs
- Some other issues are telehealth adoption and scalability, high claim denial costs, higher self-pay burden due to a higher uninsured population, and interoperability and EHR optimization
- All of these challenges are compelling healthcare providers to be more open to leveraging third-party support for their revenue cycle management needs

### Key outsourcing trends in RCM solutions market

- Within the third-party spend, there are multiple engagement models, including software-only support, services-only support, or a solution support. RCM solutions is the dominant engagement model and is seeing increasing adoption among enterprises, with the outsourcing market growth outpacing the enterprise spend on RCM
- Healthcare providers are leveraging solution providers for many things, such as enabling interoperability and process improvement, and utilizing digital levers, such as analytics and automation, to maximize reimbursements and reduce denials
- They are also leveraging solution providers to enable virtual care delivery by using their telehealth platform solutions and associated services


### RCM solutions service provider / vendor landscape

- Multiple categories of service providers / vendors are operating in the RCM solutions market to cater to enterprises' requirements
- Further, there is increasing verticalization in the market with the EHR-, payments-, clearinghouse-based platform providers building their RCM capabilities. As a result, the RCM solutions provider / vendor landscape is becoming very muddy with multiple technology-heavy players operating in this market, each with its own unique capabilities
- However, certain dimensions such as revenue and growth rate, portfolio mix, technology capability, and solution diversity can help differentiate among the various solution providers / vendors



## This report focuses on solutions support offered by third-party services providers / vendors

### Outsourcing construct by offering type

 Focus of assessment



#### Products

- Situations/scenarios in which the service provider offers only products to healthcare clients
- No associated services are offered
- Includes platforms/products as a standalone offering, generally in a licensed construct



#### Services<sup>1</sup>

- Situations/scenarios in which the service provider offers only services to healthcare clients
- No associated product(s) is/are offered
- Can include operations (business process), IT (such as implementation and maintenance & support), and/or consulting services



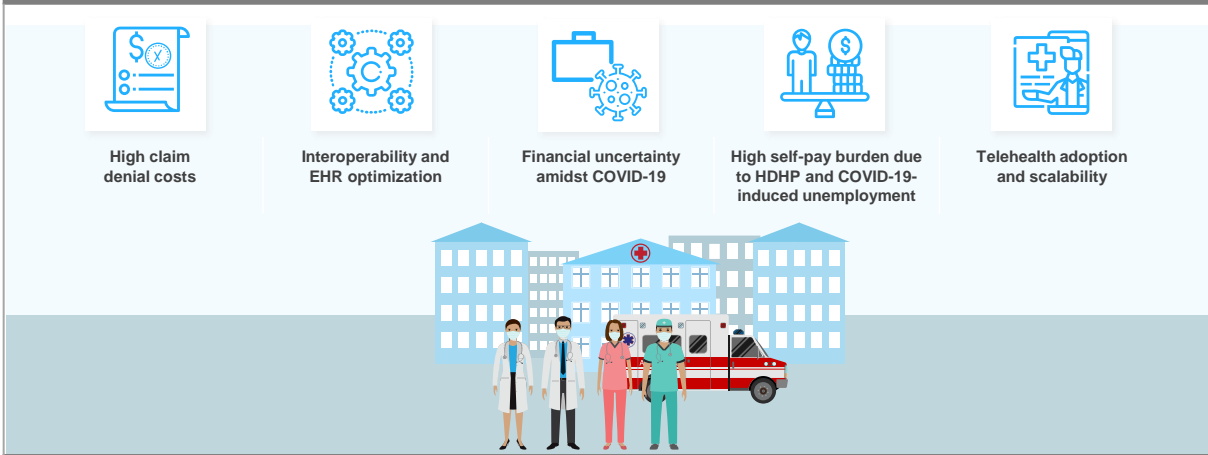
#### Solutions

- Situations/scenarios in which the service provider offers both products and associated services to healthcare clients
- Such constructs generally include both the product (platform) and the associated services that can span business process, IT, or consulting services

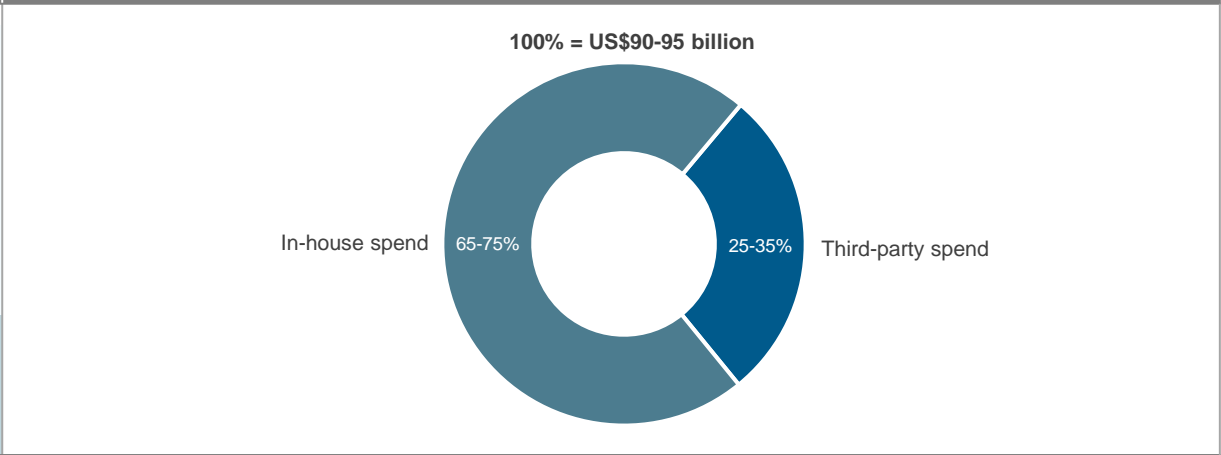
<sup>1</sup> For a detailed study of the RCM services landscape, please refer to the recently published [Revenue Cycle Management \(RCM\) Operations – Services PEAK Matrix® Assessment 2020](#)

# This study offers four distinct chapters providing a deep dive into key aspects of revenue cycle management market; below are four charts to illustrate the depth of the report

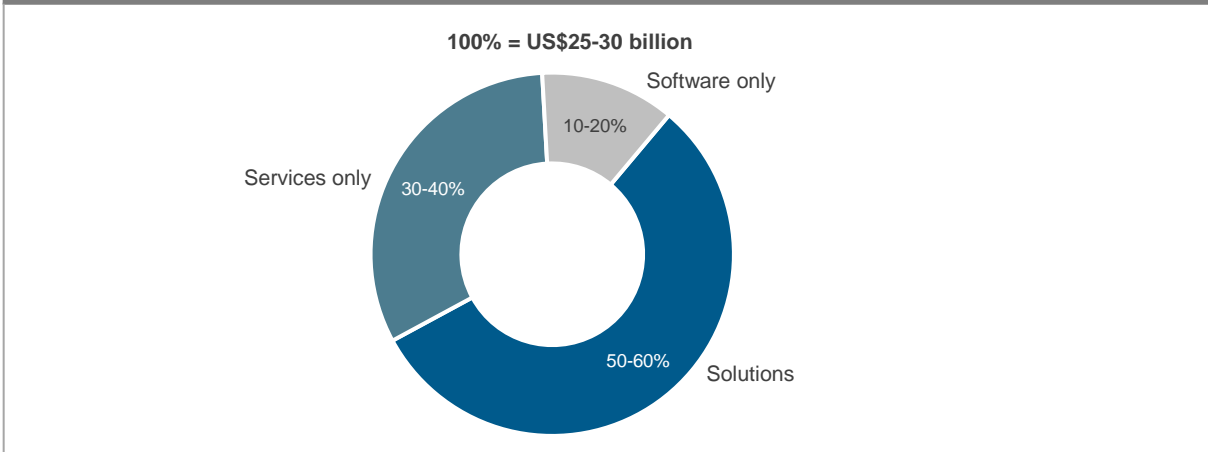
## Key issues facing healthcare providers



## Healthcare providers' in-house vs. third-party spend



## RCM outsourcing, by engagement model



## RCM Solutions service provider / vendor landscape





# Research calendar

## Healthcare & Life Sciences BPS

Published
  Planned
  Current release

### Flagship Healthcare & Life Sciences BPS reports

	Release date
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
<b>Exploring Technology Frontiers to Unlock Superior Value from Operations: Revenue Cycle Management (RCM) Solutions State of the Market Report 2021</b>	<b>December 2020</b>
Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2021	Q2 2021

### Thematic Healthcare & Life Sciences 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	Q1 2021

Note: For a list of all of our published Healthcare & Life Sciences BPS reports, please refer to our [website page](#)

# Research calendar

## Healthcare IT Services (ITS)

■ Published
 ■ Planned
 ■ Current release

### Flagship Healthcare ITS reports

	Release date
Healthcare Payer State of the Market – Key Trends, Service Provider Performance in 2019, and Outlook for 2020	February 2020
Healthcare Provider Digital Services PEAK Matrix® Assessment 2020	June 2020
Provider Digital Services – Service Provider Profile Compendium	July 2020
Salesforce Healthcare Services PEAK Matrix® Assessment 2021	December 2020
Salesforce Healthcare Services – Service Provider Profile Compendium 2021	December 2020
Healthcare Specialists PEAK Matrix® Assessment 2021	December 2020
<b>Exploring Technology Frontiers to Unlock Superior Value from Operations: Revenue Cycle Management (RCM) Solutions State of the Market Report 2021</b>	<b>December 2020</b>
State of the Market – Salesforce Healthcare services	Q1 2021
Healthcare Specialists – Service Provider Profile Compendium	Q1 2021

### Thematic Healthcare ITS reports

	Release date
Big Tech in Healthcare: What it Means for CIOs?	Nov 2019
Unpacking the Rise of Telehealth	July 2020
Data Monetization in Healthcare	July 2020
Platform-based Modernization of Healthcare Payer	September 2020

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