



Healthcare Provider State of the Market – Trends, Service Provider Performance in 2019, and Outlook for 2020

Healthcare IT Services

State of the Market Report – March 2020: Complimentary Abstract / Table of Contents

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Background and methodology

The healthcare provider industry now, more than ever before, is expected to improve care outcomes, keep pace with the changing regulatory policies, and stay competitive in the face of unconventional industry disruptions, all the while keeping healthcare costs in check. Providers have been subject to the entry of BigTech players that have leveraged their core business and technology strengths to bring innovative solutions to the healthcare industry. The ongoing transition in the healthcare industry has seen consolidation of providers through hospital and health system mergers, collaboration between payers and providers, and an increase in the number of accountable care organizations. Consumer-centric healthcare policies, rising wellness-consciousness, and the increasing need for efficient information exchange have all shaped expectations of the “new-age” consumer, placing the provider at a critical juncture to adopt emerging technologies and cater to the rising consumer needs.

In 2020, we expect providers to adopt newer methods of care delivery, with a keen focus on telehealth and telemedicine to enable remote health monitoring and management. Improving customer experiences through applications, extending adoption of value-based care, and tapping into latent data assets will be some of the other prime focus areas for providers.



The report talks about:

- Key themes seen in the healthcare provider market in 2019
- Healthcare provider IT services market size and growth
- Position of service providers based on Healthcare PEAK Matrix® assessments conducted in 2019
- Market outlook for 2020

Scope of this report:



Geography
Global (with focus on the US)



Industry
Healthcare provider industry



Service providers
Service providers / product vendors who were featured in Everest Group’s Healthcare PEAK Matrix® services assessments in 2019

Background and methodology

This report examines the global 2019 healthcare ITS service provider landscape and covers themes expected to garner greater interest in 2020. It focuses on the key global healthcare provider market trends in the healthcare provider industry, market size and analysis of multiple segments of the provider market, and provides a snapshot of the service provider Peak Matrix™ assessment carried out in 2019.

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

Industry trends

Key healthcare provider trends witnessed in 2019

- BigTech claiming space in healthcare: BigTech entering the healthcare space with their technological advantage
- Providers adopting value-based care : Increasing adoption of value-based care and outcome-based models
- Advent of business models of coexistence: Provider collaboration and healthcare landscape convergence on the rise
- Rise in consumerism: Consumer interests and demands capturing provider focus

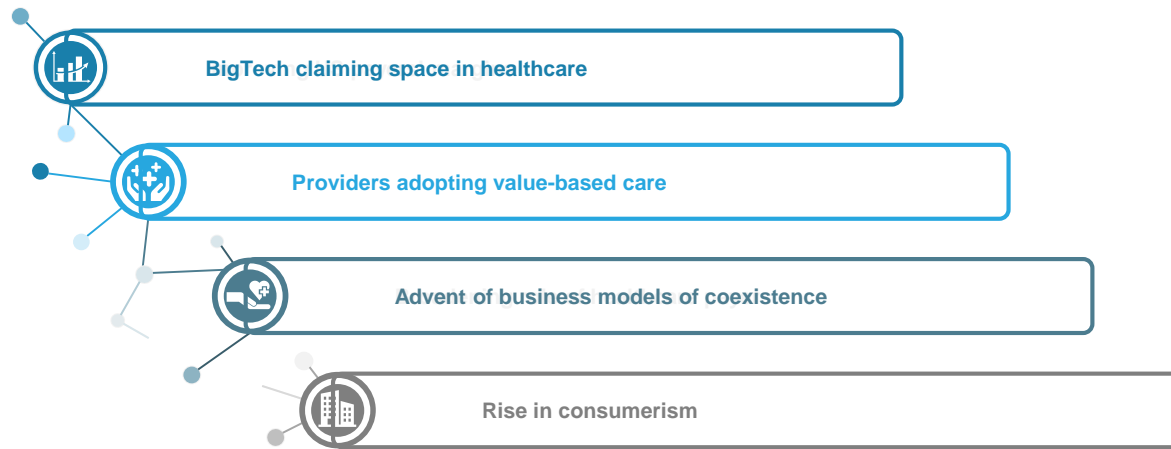
Outlook for 2020

Emerging trends to watch for in the healthcare provider space include

- Data monetization: Data exchanges uncovering potential for monetization of healthcare data
- Cloud adoption: Providers increasingly shifting to cloud for next gen data management capabilities
- Telemedicine and telehealth: Essential cost cutting and care improvement imperatives leading to rise of telehealth
- Rising stringency of healthcare policies: Stricter regulations and policies compelling providers to undertake new initiatives

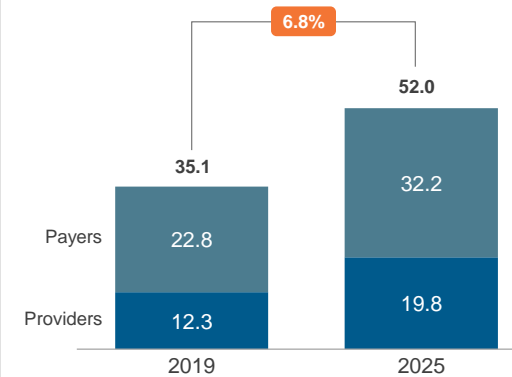
This study offers a deep dive into key aspects of the healthcare provider market; below are four charts to illustrate the depth of the report

Leading trends in the Healthcare provider industry

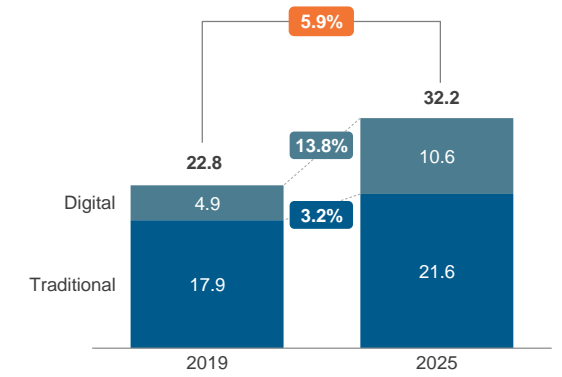


Sizing and analysis of the Healthcare IT services market

Global healthcare IT services market
US\$ billion, 2019-25



Global payer IT services market; digital vs. traditional
US\$ billion, 2019-25



Deal Renewal Analysis

Enterprise/ associations	Service provider	Deal value (US\$ million)	Deal duration	Deal scope
CMS	DCCA DIGITAL CLAIMS COORDINATOR ASSOCIATION OF CANADA	60	February 2015 – February 2020	Technical support services, to test the functionality across Medicare claims processing systems
NHS SCOTLAND	advanced	0.47	June 2016 - June 2020	IT application (systems integration); implement a business analytics application
AWA AMERICAN WELLNESS ASSOCIATION	PIVOTAL HEALTH	N/A	September 2016 - September 2020	Support for small business, consumer, health insurance and wellness benefits for AWA members
CMS	GENERAL DYNAMICS	75	March 2016 - March 2021	Support, maintain, and provide IT application services
MOLINA HEALTHCARE	Infosys	18	March 2019 - March 2021	Manage IT infrastructure functions, including IT operations, end-user services, and datacenters
Harvard Pilgrim HealthCare	perotsystems	1000	April 2008 - April 2021	Support and maintenance of IT infrastructure, business applications, and administrative business operations
CMS	NORTHROP GRUMMAN	92	May 2016 - May 2021	Provide technical and business expertise to identify and prevent fraud, waste, and abuse of the Medicare trust fund

Emerging themes for 2020

- Data monetization**
The healthcare industry's ever-growing repository of untapped data, both from clinical and non-clinical sources, may finally be a part of monetization use cases in the near future. The emergence of a data exchange platform is likely to spur revenue generation for companies holding data assets. At the same time, healthcare companies, researchers, and innovators may begin to realize improved innovation with requisite data up for purchase through data exchange platforms
- Cloud adoption**
A sharp increase in affinity to shift to cloud platforms is evident in the provider landscape. Cloud platforms with the ability to incorporate changes (such as regulatory, storage space, and functional modifications) and improve data handling capabilities are a requisite to enable providers to efficiently manage data, especially while incorporating and handling EHR data. Keeping the converging healthcare landscape in mind, the use of cloud-based platforms for management of disparate data sources allows for seamless collaboration across multiple stakeholders
- Telemedicine and telehealth**
There has been an uptick in the demand for telemedicine and telehealth (teleconsultation, telecoaching, telemonitoring, and teletherapy) to enable remote healthcare management and better access to care. To execute these new business models, challenges such as outdated reimbursement and payment models, inadequate technological infrastructures, restrictive policies, and resistance to change have to be solved. While there are many obstacles to the implementation of telemedicine/telehealth, the healthcare provider space has already seen some positive results – in the form of cost savings and a vision of expanded care in the long term
- Rising stringency of healthcare policies**
Regulatory policies turning more stringent (such as CMS hospital price transparency requirements recently announced and effective from January 1, 2021) will mount pressure on providers to disclose cost and price sharing information to patients. Providers will be looking to establish efficient channels and methods to inform their customers and improve transparency of their current price plan details

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 State of the Market – Key Trends, Service Provider Performance in 2019, and Outlook for 2020	March 2020
Provider Digital Services PEAK Matrix® Assessment 2020	Q2 2020
State of the Market – Provider Digital Services	Q2 2020
Provider Digital Services – Service Provider Profile Compendium	Q2 2020
Salesforce Health Cloud Services PEAK Matrix® Assessment 2020	Q3 2020
State of the Market – Salesforce Health Cloud services	Q3 2020
Salesforce Health Cloud Services – Service Provider Profile Compendium	Q3 2020
Healthcare Specialists PEAK Matrix® Assessment 2020	Q3 2020
State of the Market – Healthcare Specialists	Q4 2020
Healthcare Specialists – Service Provider Profile Compendium	Q4 2020

Thematic Healthcare ITS reports

Release date

Big Tech in Healthcare: What it Means for CIOs?	November 2019
A Platform-based Roadmap for Healthcare Payers	Q1 2020
Unpacking the Rise of Telehealth	Q2 2020
Data Monetization in Healthcare	Q3 2020

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

Additional healthcare ITS research references

The following documents are recommended for additional insight into 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 with Service Provider Landscape 2020** ([EGR-2019-45-R-3456](#)); December 2019. Healthcare challenges, such as changing business and care delivery models to support patient-centricity and consumerism, growing competition from both within and outside the industry, and increasing regulatory pressures, are leading to increased investments in data and technology by enterprises. Point-to-point upgrades, coupled with high technical debt levels, have increased security vulnerabilities to a large extent. The past few years have seen some of the biggest attacks on healthcare enterprises resulting in theft of millions of patient records. In this research, we present fact-based trends impacting the IT security services market, along with assessment and detailed profiles of 13 healthcare IT service providers featured on the healthcare IT security services PEAK Matrix
- 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. In this report, Everest Group assesses the healthcare investments of 11 large technology firms. We analyze BigTechs’ role across payer and provider value chains, their healthcare investments and initiatives, the ecosystem-driven approach they are taking to gain headway in healthcare, and the challenges they face in the domain – especially care delivery
- 3. Guidebook for Blockchain Adoption in Healthcare and Life Sciences: A Compilation of Insights from 40+ Blockchain Projects** ([EGR-2019-46-R-3103](#)); October 2019. Healthcare and Life Sciences (HLS) industry is adopting blockchain technology as a lever to redefine processes and drive efficiency and transparency. It has witnessed adoption of multiple use cases such as cold chain logistics, device condition provenance flow, provider credentialing, and healthcare record interoperability. The industry is witnessing a phasing out of the hype that has surrounded blockchain technology, which is allowing real enterprise blockchain use cases with pragmatic business value to see the light of the day. In this report, we have analyzed 40+ blockchain projects to identify blockchain adoption journey in the HLS industry. We have identified and listed 15 use cases across the HLS industry to bring out proof points of blockchain adoption. This report suggests that HLS enterprises will need to partner with blockchain ecosystems to scale beyond proof of concepts

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About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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