Market Report | Healthcare BPS

Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2021

July 2021: Complimentary Abstract / Table of Contents

EGR-2021-53-CA-4514

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

Ankur Verma, Practice Director

Abhinav Aggarwal, Senior Analyst

Sukrit Mahajan, Analyst

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Background of the research

RCM Operations 2021

Healthcare providers in the US are mired in administrative inefficiencies, which is evident from the fact that on an average, administrative expenses account for 20-25% of their total spend, making revenue cycle management one of the key focus areas for the providers, as it affects their cash flows and top line. 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. This, combined with an ineffective RCM function, has led to 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.

2020, being a pandemic year, saw major disruptions in the provider industry, with most hospitals and health systems losing ~20% inpatient volumes and ~35% outpatient volumes relative to baseline levels, as per the American Health Organization. The year became a fight to survive, causing the industry to witness multiple acquisitions, partnerships, and mergers, which kept all stakeholders on their toes. With the financial pressures due to falling volumes, coupled with shift toward VBC models, changing regulations, and declining margins caused by the pandemic, the provider outsourcing industry, in fact declined by nearly 1-3% from the previous year.

Healthcare providers have traditionally been laggard in terms of leveraging outsourcing, let alone offshoring, but are now changing their stand about seeking help from third-party service providers. This led to a significant rise in client adoption throughout the market post the pandemic outbreak, with service providers – which fared well and maintained their business and quality standard – adopting new clients, taking on clients from other service providers, and increasing scope of work with existing clients. .

Scope of this report:

Geography
Global

Service providers
28

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 – services

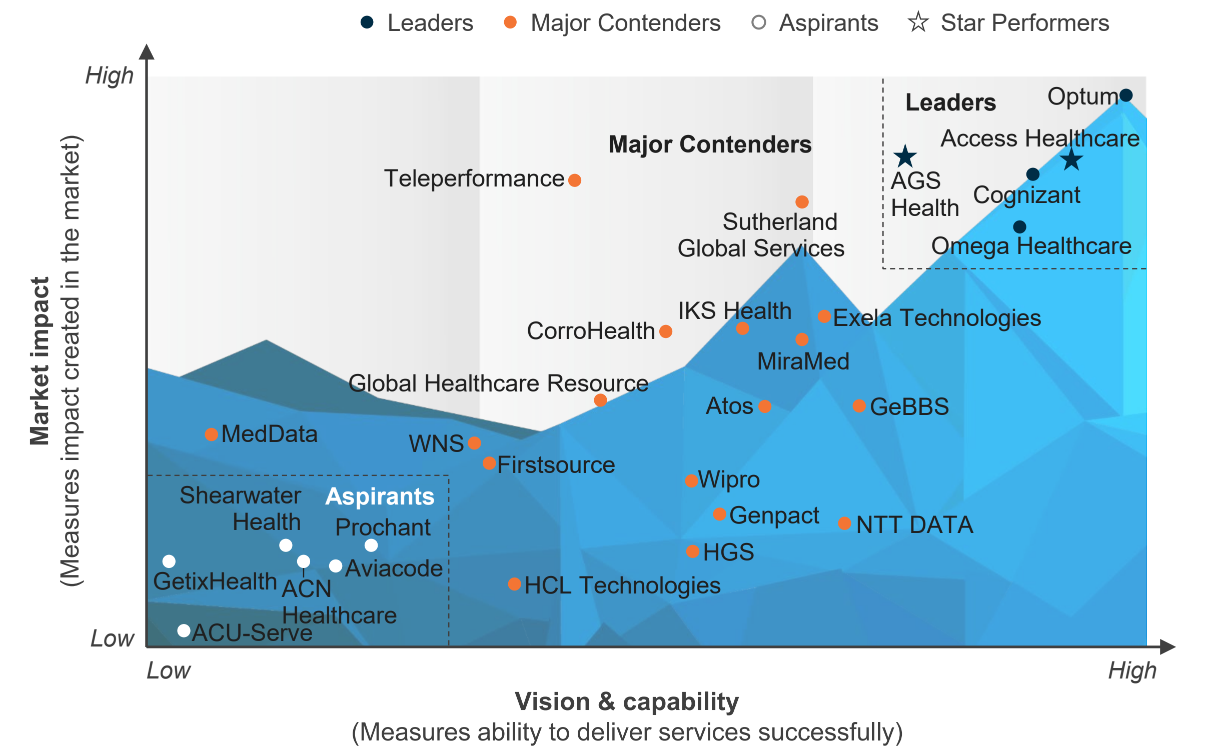
- Everest Group classified 28 RCM BPS providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix® is a framework to assess the overall vision and capability and market impact of service providers
  - **Leaders:** There are five service providers in the Leaders category – Access Healthcare, AGS Health, Cognizant, Omega Healthcare, and Optum
  - **Major Contenders:** The Major Contenders category has 17 service providers – Atos, CorroHealth, Exela Technologies, Firstsource, GeBBS, Genpact, Global Healthcare Resource, HCL Technologies, HGS, IKS Health, MedData, MiraMed, NTT DATA, Sutherland Global Services, Teleperformance, Wipro, and WNS
  - **Aspirants:** ACN Healthcare, ACU-Serve, Aviacode, GetixHealth, Prochant, and Shearwater Health 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 2019 - December 2020) on the PEAK Matrix®. Access Healthcare and AGS Health are Star Performers on the RCM operations Everest Group PEAK Matrix® for 2021

Key insights in RCM operations – services market shares

- The market "Leaders" account for nearly 40% of the RCM operations market
- Cognizant, Firstsource, MiraMed, and Optum accounted for more than 50% of all the clients in the RCM operations market
- CorroHealth, IKS Health, Shearwater Health, Teleperformance, and Wipro registered the highest Year-on-Year (YoY) revenue growth
- Medical billing and A/R management continues to be the largest and most competitive space

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 2021[1,2]



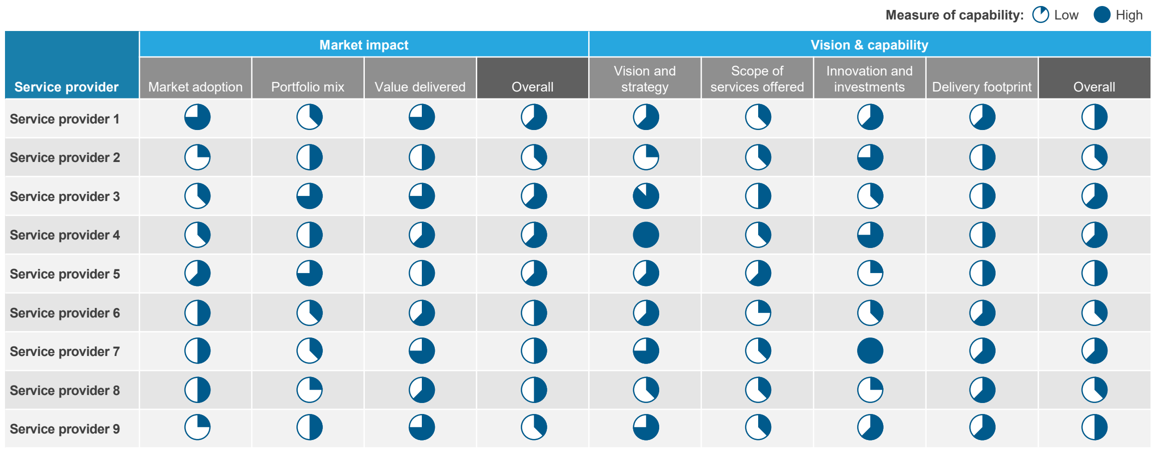
1 Assessments for ACN Healthcare, ACU-Serve, Aviacode, CorroHeath, Firstsource, GeBBS, GetixHealth, Global Healthcare Resource, HCL Technologies, MedData, and Prochant, exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers.

2 Analysis for Omega Healthcare is based on its capabilities before it acquired Himagine Solutions.

Source: Everest Group (2021).

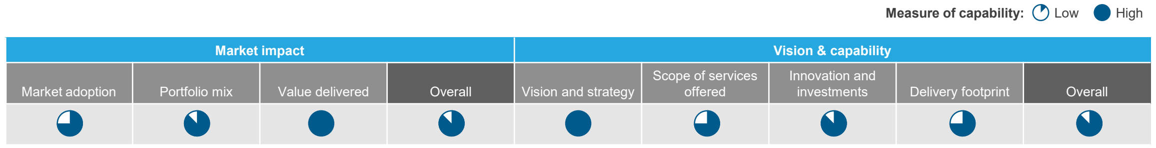
Capability assessment

Illustrative example



Everest Group's remarks on service providers

Illustrative example



Strengths

- Service provider 1, has a robust delivery presence in Asia Pacific and North America with multiple delivery centers in India, the Philippines, and US, enabling it to service client requirements efficiently
- It has a good number of health network as well as physician clients across US

Limitations

- Service provider 1 lacks offerings in patient access and clinical documentation which might hamper its ability to win large end-to-end deals
- While having strong presence in health network and physician group clients, service provider 1's negligible involvement in HME/DME client segment prevents it from being able to serve the entire RCM market

Research calendar

Healthcare BPS

Published | Planned | Current release

Flagship reports	Release date
Healthcare Payer Operations – Services PEAK Matrix® Assessment 2020	June 2020
Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2020	September 2020
Exploring Technology Frontiers to Unlock Superior Value from Operations: Revenue Cycle Management (RCM) Solutions State of the Market Report 2021	December 2020
Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2021	**July 2021**
Intelligent Automation (IA) in Healthcare – Solutions PEAK Matrix® Assessment 2021	Q3 2021
Revenue Cycle Management (RCM) Operations Services Provider Compendium	Q3 2021
Healthcare Analytics – Services PEAK Matrix® Assessment 2021	Q3 2021
Revenue Cycle Management (RCM) Operations State of the Market Report	Q4 2021

Thematic reports	Release date
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
Breaking Viewpoint: UnitedHealth Group's Optum Acquires Change Healthcare	January 2021
Modularity in Medicaid Management Information Systems – Has the Silver Bullet Hit its target?	March 2021
Business Process as a Service (BPaaS) in Healthcare: The Way Forward to Maximize Value and Improve Outcomes	June 2021
Decoding Revenue Integrity: Viewpoint exploring key demand patterns emerging in revenue integrity market	Q1 2022

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Dallas (Headquarters)
info@everestgrp.com
+1-214-451-3000

Bangalore
india@everestgrp.com
+91-80-61463500

Delhi
india@everestgrp.com
+91-124-496-1000

London
unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto
canada@everestgrp.com
+1-647-557-3475