Everest Group PEAK Matrix™ for Healthcare Provider Digital Service Providers 2019

Focus on Optum

December 2018

Introduction and scope

Everest Group recently released its report titled "Healthcare Provider Digital Services PEAK Matrix™ Assessment with Service Provider Landscape – 2019: Providing Healthcare as a Digital Service in the Age of Consumerization." This report analyzes the changing dynamics of the healthcare provider digital services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group created its classification of 19 service providers on the Everest Group PEAK Matrix™ for healthcare provider digital services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of healthcare provider digital services service providers based on their absolute market success and delivery capability.

Based on the analysis, **Optum emerged as a Leader**. This document focuses on **Optum's** healthcare provider digital services experience and capabilities and includes:

- Optum's position on the healthcare provider digital services PEAK Matrix
- Optum's year-on-year movement on the healthcare provider digital services PEAK Matrix
- Detailed healthcare provider digital services profile of Optum

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Source: Everest Group (2018) unless cited otherwise

Everest Group PEAK Matrix™
Healthcare Provider Digital Services PEAK Matrix™ Assessment 2019 | Optum positioned as Leader

Everest Group Healthcare Provider Digital Services PEAK Matrix™ Assessment 2019 [1,2,3]
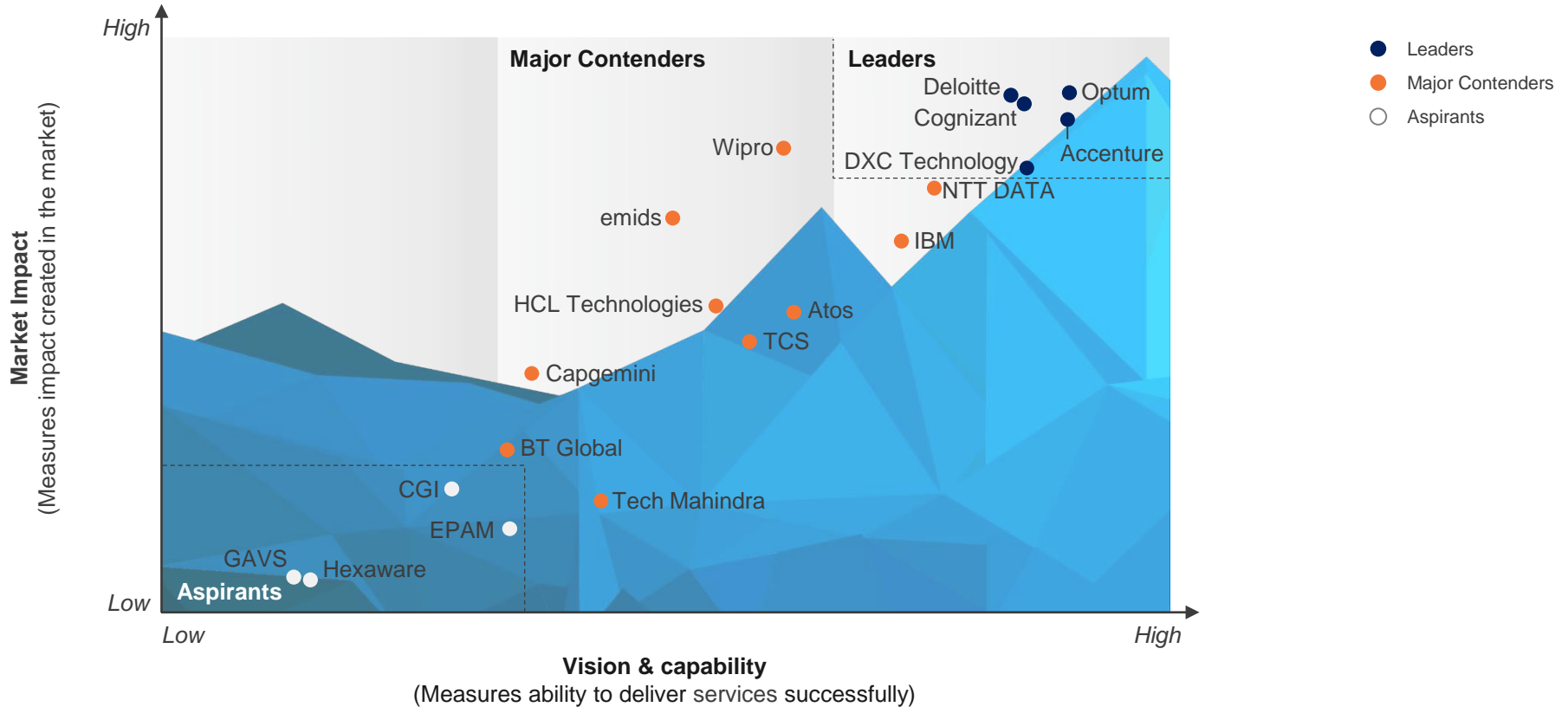
1 PEAK Matrix specific to digital services in the healthcare provider sector
2 Assessments for Accenture, BT Global Services, CGI, Deloitte, EPAM, GAVS, IBM, and Tech Mahindra exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with healthcare firms that are buyers of digital services
3 Following the acquisition of Syntel by Atos, in this study, we have collectively considered data for the two entities, i.e., Atos and Syntel, and have called the combined entity Atos

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Strengths

- Offerings related to value-based care and cost takeout for healthcare providers
- Significant focus on analytics, user experience, and data management

Areas of improvement

- Optum needs to consider its price competitiveness, especially when compared to India-heritage players
- Needs to improve organizational setup when it comes to communication between different teams serving the same client, and work on better integration of the products portfolio

Healthcare provider digital services revenue

<US$50 million	US$50-100 million	US$100-150 million	>US$150 million

Scope of coverage for healthcare provider digital services

Analytics, AI/ML, automation, blockchain, cloud, social, NLP, mobile apps, and patient engagement
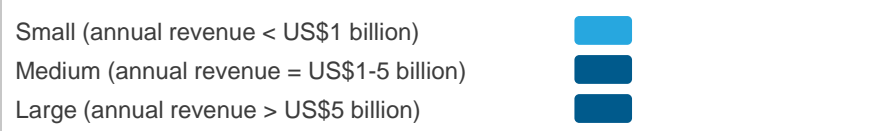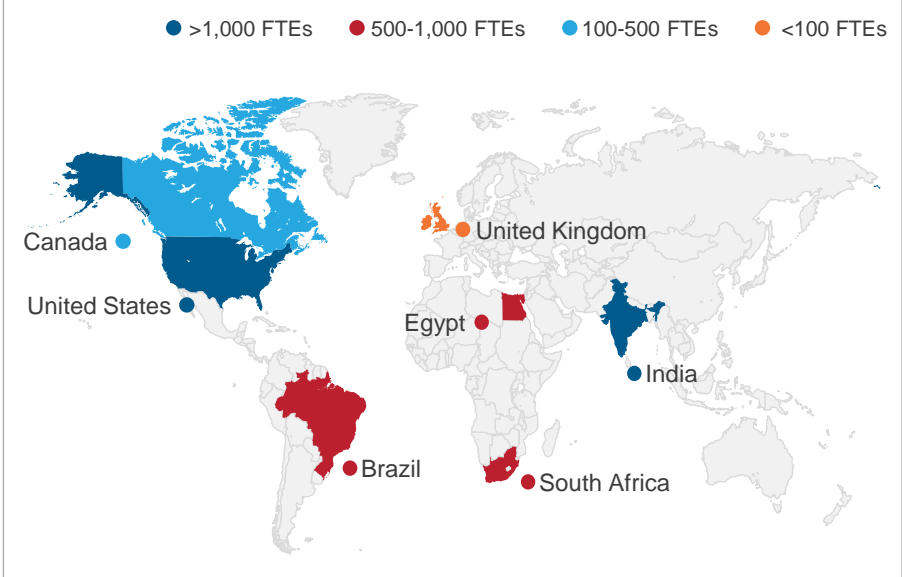
Adoption by LOBs

Legend: High | Medium | Low

LOB	Level	LOB	Level
Large health systems	High	Diagnostic labs	Low
Stand-alone hospitals/clinics	Medium	Physician practices	Low
Pharmacies and PBMs	High		

Provider IT services focus by value chain

Legend: High | Medium | Low

Value chain	Level	Value chain	Level
Patient engagement	High	Financial and network management	High
Care management	High	Compliance	Medium
Diagnostics, treatment, and monitoring	Medium		

Adoption by buyer groups

Legend: High | Medium | Low

Buyer group	Level
Small (annual revenue < US$1 billion)	Medium
Medium (annual revenue = US$1-5 billion)	High
Large (annual revenue > US$5 billion)	High

Healthcare provider IT services delivery map

Legend: >1,000 FTEs | 500-1,000 FTEs | 100-500 FTEs | <100 FTEs

- Canada — 100-500 FTEs
- United States — >1,000 FTEs
- United Kingdom — <100 FTEs
- Egypt — 500-1,000 FTEs
- India — >1,000 FTEs
- Brazil — 500-1,000 FTEs
- South Africa — 500-1,000 FTEs

Source: Everest Group (2018)

Offerings

Vision and strategy for healthcare provider digital services

Helping health systems, and clinical and ambulatory leaders to grow, transform, and improve care quality, while addressing increasing risks and margin threats by providing solutions for optimizing revenue cycle and operations, advancing infrastructure, and enhancing patient experience.

Proprietary solutions (representative list)	
Solution name	**Details**
Analytic services	The solution provides analytics technology, applied expertise, and real-world data and tools
Revenue cycle management services	The various RCM solutions include patient financial experience, documentation and coding improvement, claims integrity & processing, and denial management & recovery
Rally Health	A digital consumer experience platform offers an integrated platform of services that solves the fundamental engagement challenges that customers face in a disconnected healthcare system. It helps people select health benefit plans for their families, assess their health, pursue wellness, and when care is needed, engage effectively with the healthcare system
Optum performance analytics	An analytics platform, powered by OptumIQ, that weaves together clinical and claims data assets with a set of social, demographic, behavioural, patient-reported, and quality outcomes data to give a comprehensive view of each patient, provider, and facility
Precheck myscript	An app for checking prescription coverage and price, including member out-of-pocket prescription costs at their selected pharmacy. The app has the functionality for full integration with EHR workflows
Optum Enterprise Data Platform (EDP)	A scalable healthcare data platform that acquires data from disparate sources and provides an organization the ability to integrate, create, disseminate, and manage data for all enterprise applications, processes, and entities

| **Recent activities** (representative list)	
Development	**Details**
Acquisition	In November 2017, Optum acquired Advisory Board to strengthen its existing capabilities in industry research, technology, and consulting services
Investments	Invested in Apervita, a cloud-based analytics platform; SHYFT Analytics, a cloud-based pharmaceutical research platform; Mindstrong Health, which uses ML to help patients assess their mental health disorders through their smartphones; and others. An amount of US$600 million is committed to fund digital healthcare firms
Partnerships	Partnered with FICO, Intel Corporation, Health Fidelity, MedeAnalytics, Crossix Solutions Inc, Mi7, Blockchain Healthcare Alliance, Cisco Systems, Medisafe, and Fibroblast, among others, to strengthen its mobility, cognitive, analytical, and digital capabilities in the healthcare segment

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Appendix

Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability
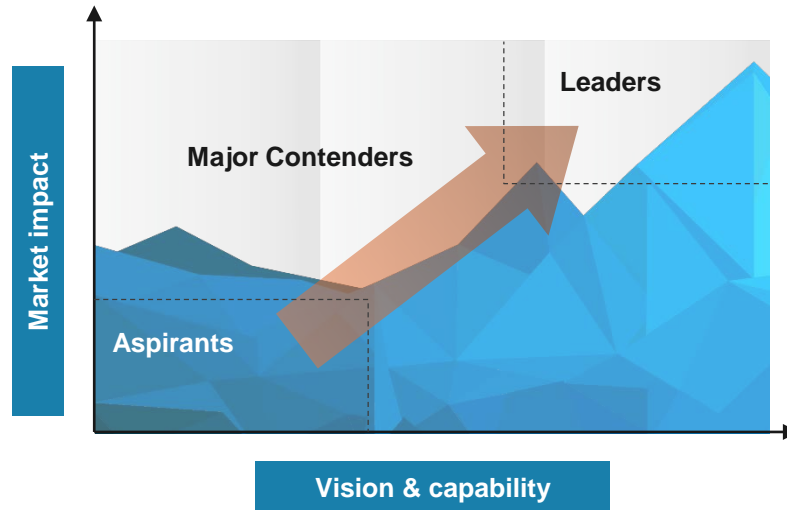
Everest Group PEAK Matrix
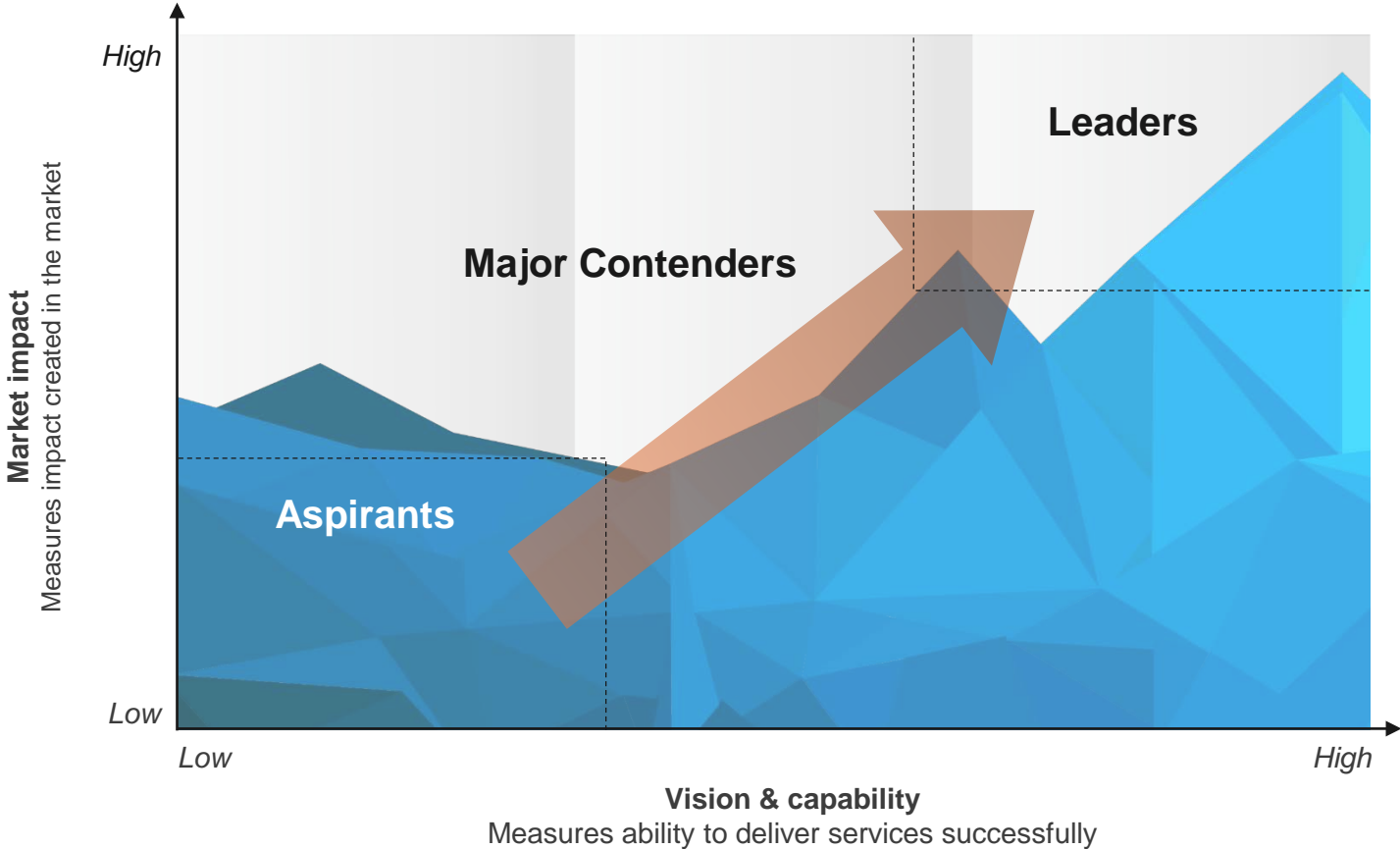
Services PEAK Matrix™ evaluation dimensions

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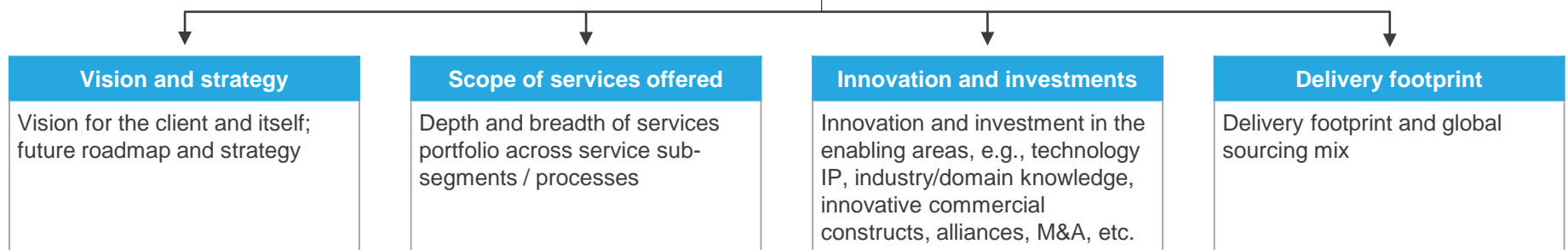Measures impact created in the market – captured through three subdimensions

Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

Portfolio mix
Diversity of client/revenue base across geos and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability

Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service sub-segments / processes

Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

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FAQs

Does the PEAK Matrix™ assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
● Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
● Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
● Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  – Issue a press release declaring their positioning. See citation policies
  – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
● The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises

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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