Everest Group PEAK Matrix™ for Healthcare Payer Digital Service Providers 2020

Focus on NTT DATA

January 2020

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PEAK MATRIX™

Introduction and scope

Everest Group recently released its report titled "Healthcare Payer Digital Services PEAK Matrix™ Assessment with Service Provider Landscape 2020" This report analyzes the changing dynamics of the healthcare payer digital services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 23 service providers on the Everest Group PEAK Matrix™ for Healthcare Payer 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 payer digital service providers based on their absolute market success and delivery capability. Everest Group also identified two service providers as the "2019 Healthcare Payer Digital Market Star Performers" based on the strongest forward movement demonstrated on the PEAK Matrix year-on-year.

Based on the analysis, **NTT DATA emerged as a leader**. This document focuses on **NTT DATA's** healthcare payer digital experience and capabilities and includes:

- NTT DATA's position on the Healthcare Payer Digital PEAK Matrix
- NTT DATA's year-on-year movement on the Healthcare Payer Digital PEAK Matrix
- Detailed Healthcare Payer Digital profile of NTT DATA

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 (2019)

Background and scope of the research

Enterprises have made digital adoption the bedrock of their growth strategy in recent years, to optimize processes, reduce costs, and deliver better customer experience, all in the pursuit of higher revenue growth. The healthcare payer industry is no exception. Digital technologies can make internal workflows more efficient, bring care outside hospitals, offer network management transparency & efficiency, and help reduce frauds.

To support enterprises on their digital journeys, service providers are ramping up capabilities through healthcare-specific partnerships and acquisitions. This, in turn, is driving the need for research and market intelligence on demand and supply trends in healthcare payer digital services. Everest Group's healthcare ITS research program addresses this market need by analyzing outsourcing trends and service provider capabilities in healthcare payer digital services.

In this report, we analyze the capabilities of 23 IT service providers specific to the healthcare payer sector globally. These service providers are mapped on the Everest Group PEAK Matrix™, which is a composite index of a range of distinct metrics related to a provider's capability and market impact. We focus on:
- Digital services market trends for healthcare payers
- The landscape of service providers for healthcare payer digital services
- Assessment of the service providers on several capability- and market success-related dimensions

Scope of this report:

Geography
Global

Industry
Healthcare payer

Services
Digital services

Healthcare payer digital services PEAK Matrix™ characteristics

Leaders:

Accenture, Cognizant, Infosys, NTT DATA, TCS, Optum and Wipro
Leaders have established themselves as front runners to support large healthcare payer customers that prefer service providers to help them achieve transformation through digital initiatives

- These players have balanced portfolios, are able to come up with innovative digital use-cases for healthcare firms, and continue to keep pace with the market dynamics through continued investments in technology and services capability development (internal IP/tools, M&A, partnerships, etc.)
- Leaders have showcased high levels of proactiveness in taking their innovations and next-generation service offerings to clients
- They tend to be the providers of choice for large healthcare firms looking for partners with a similar global footprint
- That said, the current Leaders face a stiff challenge from progressive Major Contenders in terms of both digital services capabilities and commercials. Hence, they need to focus on building effective solutions that leverage next-generation technology trends and also address the cost-takeout mandate

Major Contenders:

Atos, Capgemini, Citius Tech, Conduent, DXC Technology, emids, HCL Technologies, Hexaware, IBM, Mphasis, UST Global, and Virtusa
The Major Contenders segment comprises a varied mix of global MNCs, large- & mid-sized firms, and healthcare specialists

- While some have built meaningful capabilities to deliver a wide range of digital services across the healthcare LoBs and value chain, others focus on differentiating by specializing in specific areas within the healthcare domain
- The service portfolios of Major Contenders are not as balanced as compared to Leaders, and also tend to be less comprehensive in value chain coverage
- However, these players are offering the Leaders stiff competition by making high-profile investments and meaningful partnerships around digital offerings.
- For such players, an opportunity lies in engaging small and medium-sized buyers, especially since this market segment has not been addressed meaningfully by Leaders

Aspirants:

CGI, EPAM, HTC Global Services, Tech Mahindra
Aspirants are majorly focused on mid-sized clients with low focus on large and very large clients

- Aspirants lack meaningful digital capabilities for healthcare payers, exhibiting largely an opportunistic focus. Some of these players are developing the practice around strategic use cases to create traction
- Some of the players are trying to grow their healthcare businesses through industry-specific offerings

Source: Everest Group (2019)

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Everest Group PEAK Matrix™
Healthcare Payer Digital Services PEAK Matrix™ Assessment 2020 | NTT DATA positioned as Leader

Everest Group Healthcare Payer Digital Services PEAK Matrix™ Assessment 2020
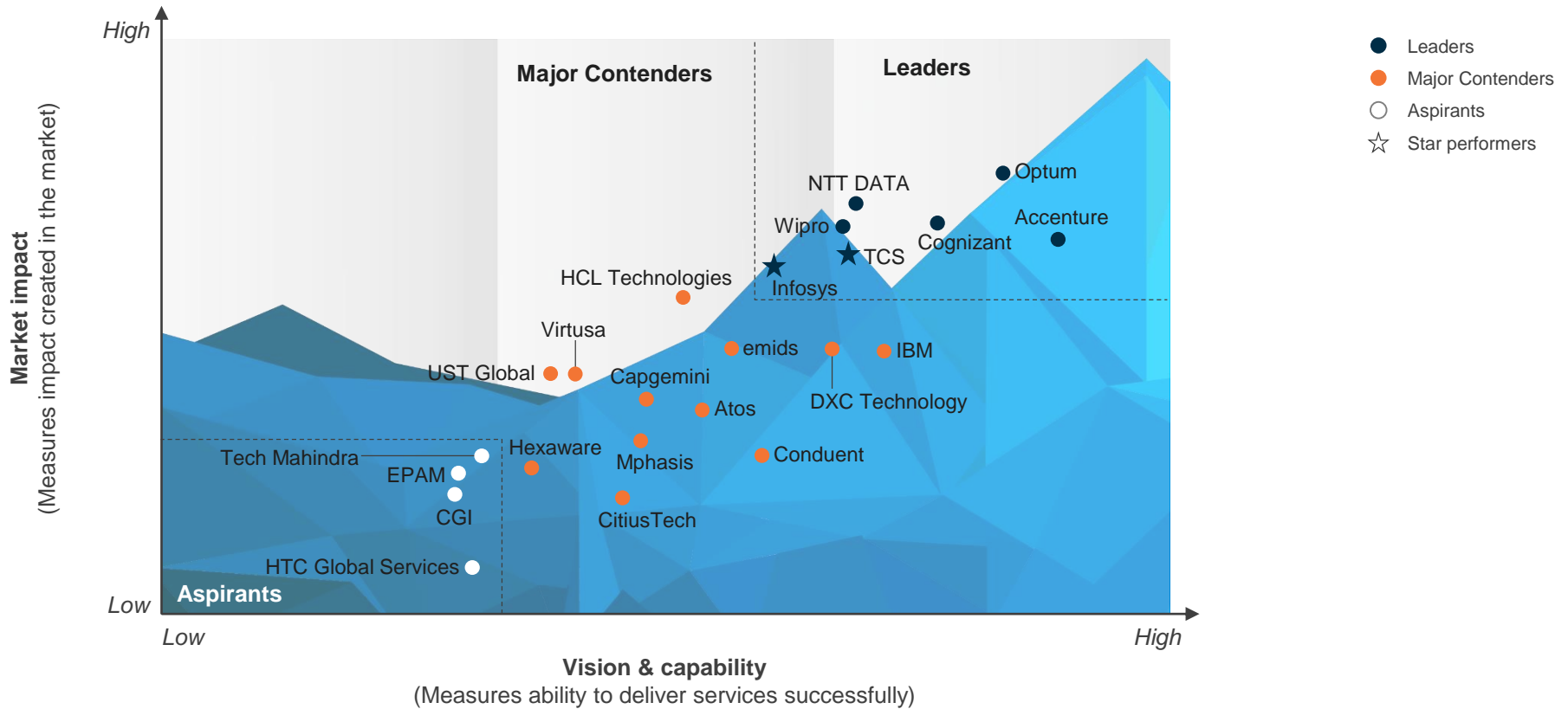
Note 1: PEAK Matrix specific to healthcare payer digital services

Note 2: Assessments for Accenture, CGI, Citius Tech, Conduent, EPAM, HTC Global Services, and IBM excludes 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

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Overview

Strengths

- Strong platform play with a focus on end-to-end services
- Strong focus on business-first approach rather than just offering technology solutions

Areas of improvement

- Ramp up capabilities outside North America
- Expand its digital services by embedding next-generation technologies and services across its legacy relationships

Healthcare Payer digital services revenue

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

Scope of digital services for payer digital

Mobility cloud, data and intelligence, social media, cybersecurity, automation, IoT, telehealth and virtual care, database platform as a service, advanced analytics
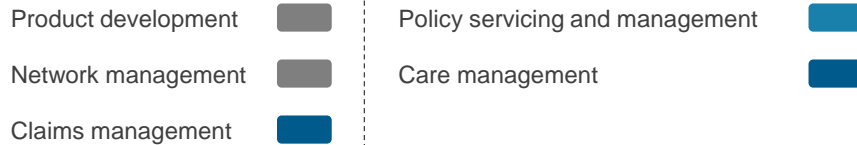
Payer digital services focus by subvertical
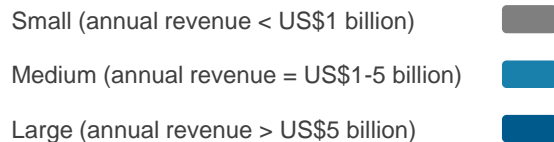
High (>50%) Medium (20-50%) Low (<20%)

Public health plans	Low	Private health plans	High

Adoption by LOBs

High (>25%) Medium (15-25%) Low (<15%)

Product development	Low	Policy servicing and management	Medium
Network management	Low	Care management	High
Claims management	High		

Adoption by buyer groups

High (>30%) Medium (20-30%) Low (<20%)

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

Healthcare payer digital services delivery map

>1,000 FTEs 500-1,000 FTEs 100-500 FTEs <100 FTEs

United States
Mexico
India
Philippines

Overview

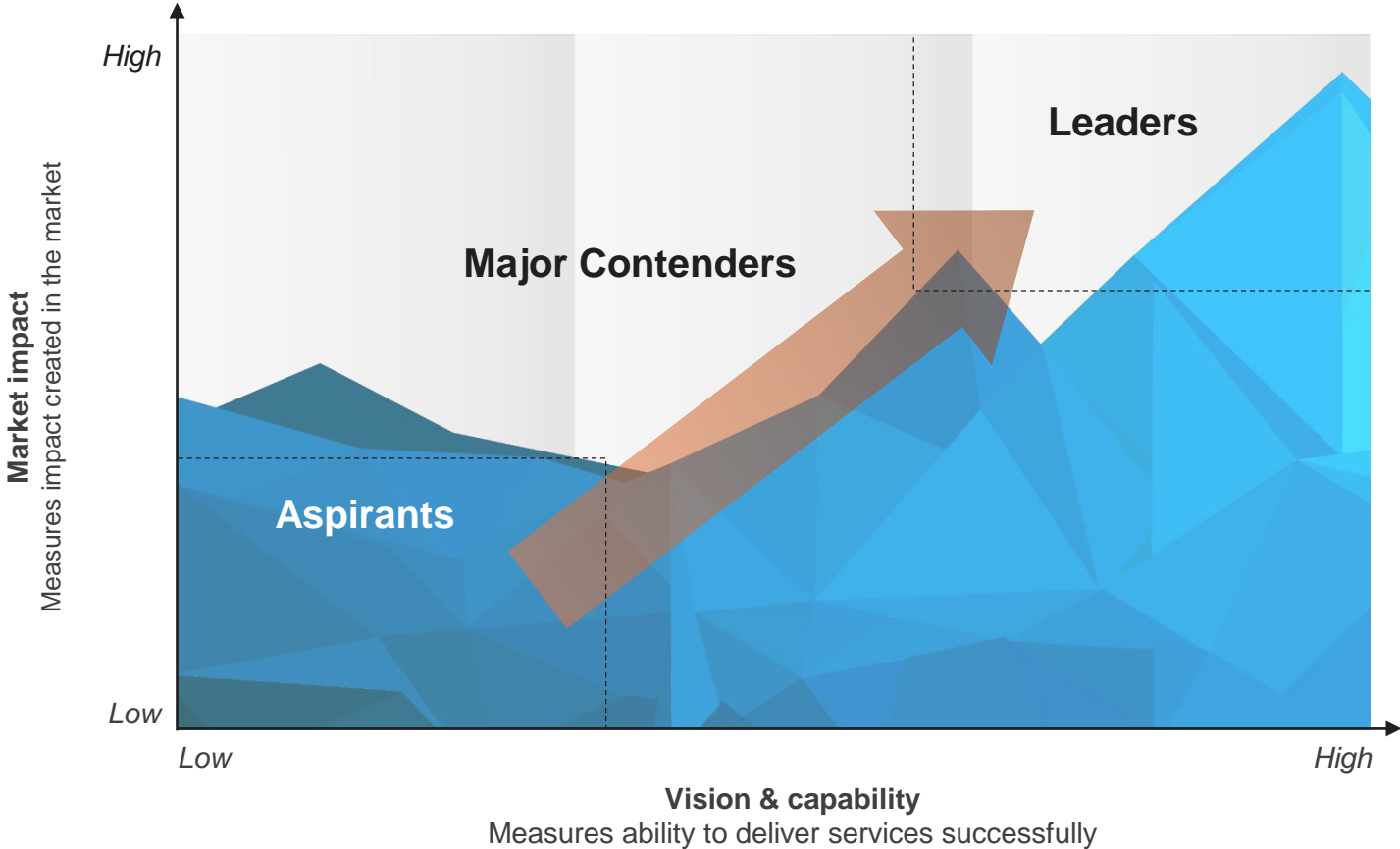| Proprietary solutions (representative list)	
Solution	**Details**
NTT DATA Business Insights Engine	It is a multi-modal next generation data and intelligence platform that has a flexible data stack to allow clients to incrementally add data regardless of data type (structured, unstructured, etc.) & formats
NTT DATA Connected Health	It is a solution that provides great flexibility to caretakers (such as an RN) or operational monitoring staff (such as a safety officer), including custom health thresholds, views, and charts/diagrams. In addition, the community messaging functionality is available allowing for real-time messaging to a specific monitored individual or the entire community.
Provider Data Management Solution	It is an end to end solution to increase the quality and effectiveness of provider network data to reduce the overall cost of care. It includes: provider engagement-claims, eligibility, benefits, autos, workflow, notifications, etc., provider data management-data cleansing, workflow, golden record, contracts, etc.
NTT DATA Robotic Context Processor	It is a cognitive automation engine that utilizes built-in optical character recognition and natural language processing technology for comprehending complex legal documents to resolve onboarding challenges faced by the healthcare industry
Health plan payment integrity solution	It provides toolsets for screening, scoring, and coordinating benefits to detect fraudulent claims and improve payment integrity
Enrollment and billing solution	It is an open architecture, cloud-enabled integration solution enabling secure, real-time, quality transactions between health plans, providers and Federal/State systems. This solution is offered for private exchanges and can be implemented as an on-premises or cloud-based tool for core enrollment and billing functions
Integrated NTT DATA statistics tool	It provides capabilities to create 'What-if' analysis reports, check business rules/regulatory compliance, and reduced validation/test efforts by using Premium Quote data spreadsheets
Social Media	NTT DATA can help clients build their brand with a social media presence and help promote their portal and their brand with social media channels. NTT DATA is an industry leader in using social media to engage with and understand consumers. We can help with social media strategy development, a listening command center, and consulting to help clients make effective use of social media channels
NTT DATA Nucleus	It is a cloud-based intelligent enterprise platform, which brings together NTT DATA's analytics, processes and operations into a single foundation to accelerate innovation for clients.
Healthcare digital consumer solutions	It covers Program Strategy & Design Services, Clinical Consulting Services, Digital Engagement Services, Technology Services, Care Support Services (BPO) services. Customer/User Experience (CX/UX) Consulting. It includes member and provider engagement, member mobile application, shopping/enrollment, broker, employer, & employee portals

Recent activities (representative list)		
Development	**Type**	**Details**
Multiple partnership	Partnership	In 2016, Codebaby (Idavatar) partnered with NTT DATA consumerism solutions to leverage their virtual avatar solutions and services
Healthcare Blue Book		In 2016, partnered with Healthcare Blue Book to leverage its cost transparency solutions and services
Google		In 2016, partnered with Google to leverage its maps and web analytics solutions and services
App Dynamics		In 2016, partnered with App Dynamics to leverage its application monitoring solutions and services
Alfresco		In 2016, partnered with Alfresco to leverage its document management solutions and services
Umbraco		In 2016, partnered with Umbreco to leverage its web content management solutions and services
Microsoft		In 2016, partnered with Microsoft to leverage its application platform and database
NTT DATA's Connected Wellness Health	Investment	In 2016, launched NTT DATA's Connected Wellness Health to bring extended research and development efforts in emerging technologies, such as connected healthcare wearables, robotics, and artificial intelligence
NTT DATASense – IoT Analytics Platform		In 2016, launched NTT DATASense – IoT Analytics Platform combined with deep expertise in IoT technologies to enhance customer experiences across industries

Appendix

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

Everest Group PEAK Matrix

Y-axis: **Market impact** — Measures impact created in the market (Low → High)

X-axis: **Vision & capability** — Measures ability to deliver services successfully (Low → High)

Categories shown: Aspirants, Major Contenders, Leaders

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Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions
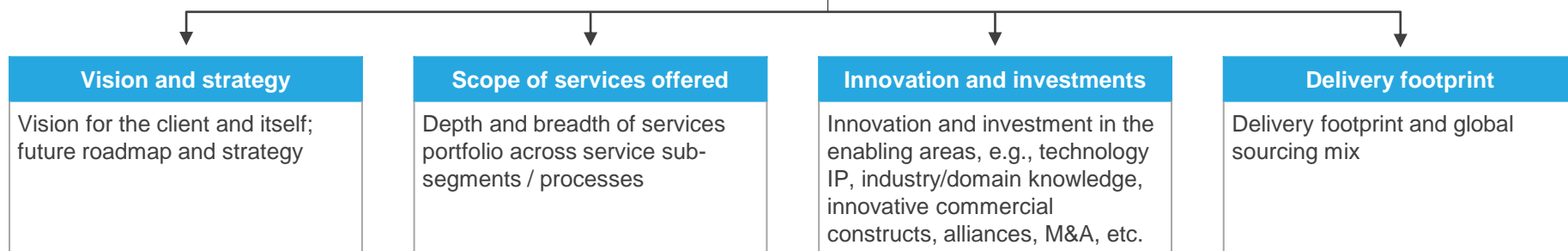
Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

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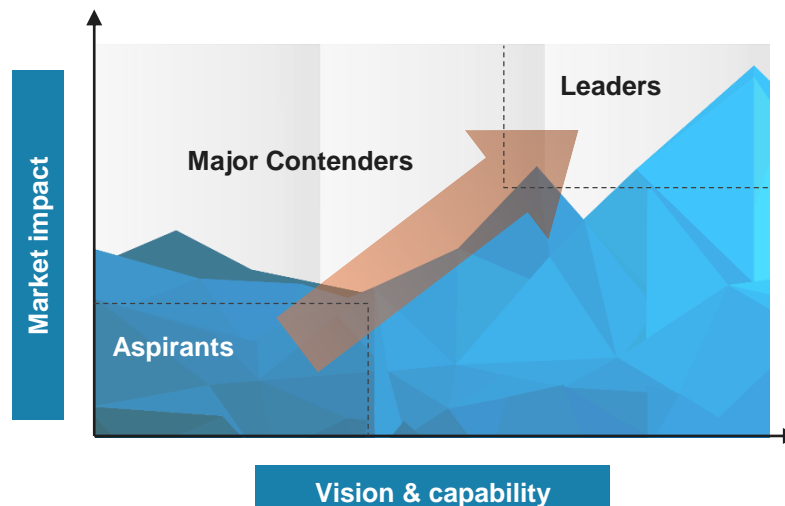
Vision & capability
Measures ability to deliver services successfully. This is captured through four subdimensions

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

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix™

Methodology
Everest Group selects Star Performers based on the relative YOY improvement on the PEAK Matrix

Market Impact (y-axis)
Year 1
Year 0
Vision & capability (x-axis)
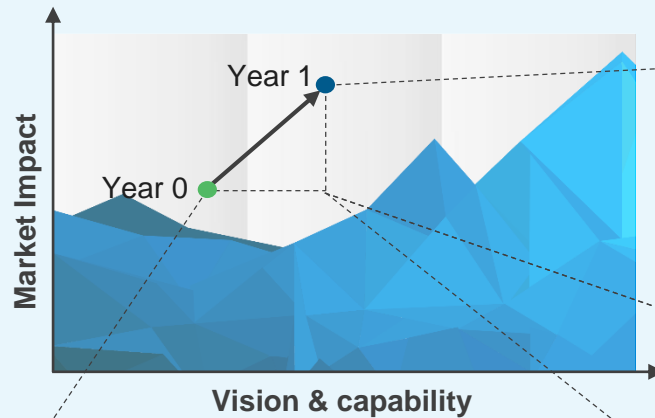
In order to assess advances on **market impact**, we evaluate each service provider's performance across a number of parameters including:
- Yearly ACV/YOY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each service provider's performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

We identify the service providers whose improvement ranks in the top quartile and award the Star Performer rating to those service providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YOY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

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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