HFS Horizons Report

Healthcare Payer Service Providers, 2022

An assessment of healthcare payer service providers by “Why, What, How, and So What”

November 2022

AUTHORS:
Rohan Kulkarni, Practice Leader, Healthcare and Life Sciences Research
Mayank Madhur, Associate Practice Leader
Healthcare markets are shifting as funding shifts from fully funded commercial insurance to self-insured employers led while care delivery paradigms evolve, unleashing a generational opportunity for service providers in the US and globally.

Rohan Kulkarni, Practice Leader, Healthcare and Life Sciences Research

Healthcare payers have visibility across the end-to-end value chain, helping firms understand consumer care better, which can help reimagine the overall healthcare (payer+provider) value chain.

Mayank Madhur, Associate Practice Leader
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Introduction and the HFS value chain
Introduction

- Healthcare funding in the US is now predominantly underwritten by the government (Medicare and Medicaid) and self-insured employers, a significant shift away from fully insured commercial plans, driven by different care delivery models taking shape, changes in life expectancy, and evolving consumer expectations.

- The end of the pandemic has intersected with uber-inflation and a political climate that could see a reduction in government coverage, which could exacerbate the deteriorating economic environment as layoffs become commonplace. Elsewhere in the world, governments are stepping up their efforts to address healthcare challenges, such as in India with Ayushman Bharat or the proliferation of health insurance in different parts of the Middle East.

- The HFS Horizons: Healthcare Payer Service Providers 2022 report examines service providers’ role in the health insurance industry. We assessed and rated the healthcare service capabilities of 21 service providers across dimensions addressing “Why, What, How, and So What.”

- We based the assessment of services for health plans worldwide based on their underwriting, e.g., commercial, government, and self-insured employer.

- This report includes detailed profiles of each service provider, outlining their horizon placement, provider facts, and detailed strength and development opportunities.

- The report specifically focuses on industry-specific capabilities for service providers as defined in our value chain. It does not focus on horizontal IT or BPS services such as application management or finance and accounting outsourcing, which may be delivered to health plans.
21\textsuperscript{st}-century value chains must adapt to multi-dimensional challenges

**Digital manifestation:** Typical linear value chains reflect analog business paradigms vs. representing a multi-dimensional digital delivery mechanism fit for the 21st century.

**OneOffice™:** The multi-dimensional value chain makes OneOffice intrinsic to its delivery capability.

**Iterative transformation:** Digital reimagination can be effectively driven through industry value chains by making iterative and sustainable changes across multiple dimensions.
The HFS OneOffice™ — digital transformation in action

The HFS OneOffice™ is our vision for actionable digital transformation. At its heart is the core concept that emerging technologies combined with people, process, and data innovation can break down the silos that limit our success, dissolving barriers between the front and back office to create the only office that matters—OneOffice. It represents a mindset shift to collaborative cross-functional enterprise operations powered by an integrated stack of emerging tech that complements your core, natively automates your processes, enables your employees and customers, and powers your decisions—breaking down your legacy silos in the process.

Source: HFS Research, 2022
The OneOffice emerging tech platform — powering the journey to the OneOffice

Native automation
Design processes; learn from human interaction to keep improving.

People and process change
Assist and complement human expertise; continually learn from interactions and feedback

Data and decisions
Identify new opportunities from data and interactions; provide anticipatory insights and forecasts

Enterprise operations

Engagement AI
Workflow
Process orchestration

RPA
AIOps
Intelligent document processing

OneOffice applications
Process intelligence

Integration/IoT/Cloud (APIs)
Data optimization

Design thinking
Change management

Domain and industry expertise
Digital fluency skills

Information model
IoT
Compute
Hybrid cloud
Blockchain
Containers

Source: HFS Research, 2022, examples are representative
2 Market dynamics
All the attributes of the triple aim of care are heading in the wrong direction in the US…

Source: CDC

Improving health outcomes

Improving the experience

Reducing the cost of delivering health and care

Net increase in satisfaction by household income

Percentage of respondents

14%  20%  28%  40%

Under $25K  $25-75K  $75-150K  Above $150K

Sample: 2,411 US healthcare consumers
Source: HFS Research, 2022

Annual per capita health spending: USA vs. OECD

Source: OECD
...attracting participants across multiple heritages to develop and deliver innovative and effective solutions

**IT services led**
- Augmenting core with consulting
- Underwriting risk
- Constrained to tactical KPIs

**Consulting led**
- Augmenting core with platforms
- Leveraging C-suite connections
- Willing to go beyond tactical KPIs

**BPO services led**
- Transactional services
- Limited platforms or technologies
- Tactical KPIs

**Healthcare focus led**
- Consulting, platforms, services
- Leveraging domain depth and expertise
- Creative contracts

**Healthcare challenges**
- The Triple Aim
- Health outcomes
- Care experience
- Cost of care

**HFS research**
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Excerpt for EY
## Executive summary

| 1 | Shifting market | Funding for healthcare in the US has been shifting from fully funded commercial insurance to self-insured employer and government programs steadily for several years. Government (state and federal) and large employers have become the largest underwriters of medical risk. Consequently, traditional health insurance companies are changing from financial institutions to service providers. This fundamental shift will continue to strengthen co-opetition between health plans and service providers, requiring a different solution portfolio and go-to-market to address the evolving needs of a reconfigured market. |
| 2 | Connected enterprises and vertical integration | The shifting markets are forcing healthcare enterprises (payers and providers) and new entrants to create new business models that require a new level of vertical integration. Integrated delivery networks (IDN) such as Kaiser Permanente and UPMC have shown that the power of vertical integration through proliferation across the healthcare ecosystem has been limited. However, a new wave of vertical integration is reimagining how synergies could redefine the value proposition. This will require service providers to rethink their solution portfolio and go-to-market. |
| 3 | Disruption of health insurance | Digital-health-enabled primary care, a class of primary care that is delivered virtually and in person with varying degrees of specialization (women’s health, mental health, urgent care), often with a formulary and offered on a monthly subscription basis between $50 and $150 per person, is proliferating rapidly. Given consumers use primary care the most compared to acute care, these affordable plans could mean not needing health insurance for primary care. |
| 4 | Blurring industry lines | Traditional lines forming the healthcare ecosystem and the broader industry are blurring as more non-traditional entities (big tech, financial services, grocery chains) enter healthcare. These entities are driven by the economic opportunities of US healthcare spending of $4 trillion annually and the genuine desire to change what is not working. These entrants offer service providers an opportunity to expand their solution portfolio and go-to-market to potentially accelerate their growth. |
| 5 | For-purpose value chain | Healthcare provider choices are driven by the funding mechanism—health insurance. In 2020, enrollment in self-insured employers surpassed enrollment in plans underwritten by health insurers. It is likely that self-insured employers will seek direct-to-provider contracts both for primary (digital health enable virtual care) and acute care (VBC, center of excellence) to drive improved employee productivity instead of just reactive care. The shift in this market dynamic could make a positive change in aligning HCPs to health vs. just volume-driven sick care. |
| 6 | Regulations | Price transparency for HCPs means chargemaster on Google. Perhaps not immediately, but most certainly in the next three years, HCPs will continue to be under pressure to manage their financials and will be on the lookout for creative contracting (direct to employer), elimination of middle parties (forget claims processing by health plans), and expansion of their value proposition (think community orientation and health). Service providers need to invest in blue-sky thinking to direct and meet HCPs there instead of just addressing today’s problem. |
Healthcare coverage configuration has evolved, and it will continue to change materially over the coming decade.

An inflection point: Self-insured employer enrollment overtook commercial insurance in 2020.

Data: CMS, US Dept of Labor, CBO, Kaiser Family Foundation
Source: HFS Research, 2022
Health plans are now essentially a services business competing with service providers

At risk vs. administrative services at the six largest publicly traded health plans
Revenue by services 2019–2021, In percentage

Data: Company 10K reports
Source: HFS Research, 2022

More than 80% of business is services

Less than 20% of enrollment at risk

1. Shifting markets
Healthcare enterprises are driving extensive vertical integrations that offer service providers new opportunities

Health plan – care delivery integration (sample)

<table>
<thead>
<tr>
<th>Service lines</th>
<th>Optum</th>
<th>Highmark</th>
<th>GuideWell</th>
<th>Florida Blue</th>
<th>CVS</th>
<th>Cigna</th>
<th>EVERNORTH</th>
<th>Humana</th>
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</thead>
<tbody>
<tr>
<td>Health plan and payer services</td>
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<td>Medicaid</td>
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<td>Pharmacy benefit management (PBM)</td>
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<td>Provider-sponsored plans</td>
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<td>Accountable care organizations (ACO)</td>
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<td>Rehab</td>
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<td>Acute care</td>
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<td>Home care</td>
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<tr>
<td>Health and wellness</td>
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</table>

Source: HFS Research, 2022

- Healthcare enterprises are redefining value as consumer expectations evolve and financial pressures escalate.
- Consequently, they are accelerating integration across the payer and provider ecosystems to address the changing market dynamics.
- With increasing control of the ecosystem, they expect to influence the triple aim of care (cost of care, health outcomes, and experience of care) in a real and sustainable manner.
- Vertical integration is also providing healthcare enterprises the opportunity to replace revenues they are losing due to competition and shrinking margins.
Subscription-based digital-health-enabled primary care can disrupt health insurance for primary care

<table>
<thead>
<tr>
<th></th>
<th>Individual insurance plans</th>
<th>Subscriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Typical</td>
<td>High deductible (HDHP)</td>
</tr>
<tr>
<td>Average annual premiums</td>
<td>$5,256</td>
<td>$1,632</td>
</tr>
<tr>
<td>Average deductibles</td>
<td>$1,945</td>
<td>$1,700</td>
</tr>
<tr>
<td>Average subscription</td>
<td></td>
<td>$900</td>
</tr>
<tr>
<td>Total cost to consumer</td>
<td>$7,201</td>
<td>$3,332</td>
</tr>
</tbody>
</table>

• According to the Kaiser Family Foundation, the average health insurance benchmark premium (silver plan) on the US exchange marketplace is $438 per month in 2022; the average deductible is $1,945.

• Health consumers can choose the combination of subscription-based primary care and a high deductible health plan (HDHP) that could translate into a savings of about $3,000, or 40% lower than the benchmark plan for an individual.

Digital health primary care is about to disrupt health plans

Data: Kaiser Family Foundation, Government Employees Health Association (GEHA)
Source: HFS Research, 2022
Increasing proliferation of non-traditional healthcare enterprises is a new market for service providers

- The $4 trillion US healthcare market is attractive given the opportunities due to inefficiencies, poor outcomes, and increasing costs.
- Consequently, enterprises across various industries like big tech, financial services, grocery, and others have begun to make investments to address some of the healthcare opportunities.
- While the investments and value propositions are evolving by enterprise, there are encouraging signs of positive disruptions (Amazon’s acquisition of One Medical).
- This market segment of disrupters is likely to be both exciting and material in its influence on the healthcare markets.

Source: HFS Research, 2022
Healthcare-aligned service providers are generally mature, with some greenfield opportunities

Relative maturity of healthcare services

<table>
<thead>
<tr>
<th>Service Provider</th>
<th>Sales, marketing, and member management</th>
<th>Compliance, billing, and reporting</th>
<th>Provider data and network management</th>
<th>Care and medical management</th>
<th>Member services</th>
<th>Product and underwriting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>2.8</td>
<td>1.5</td>
<td>2.7</td>
<td>2.7</td>
<td>2.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Medicare</td>
<td>2.8</td>
<td>2.7</td>
<td>2.5</td>
<td>2.6</td>
<td>2.4</td>
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<tr>
<td>Medicaid</td>
<td>2.8</td>
<td>2.5</td>
<td>2.5</td>
<td>2.7</td>
<td>2.4</td>
<td>2.3</td>
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<tr>
<td>Self-insured</td>
<td>2.7</td>
<td>2.4</td>
<td>2.4</td>
<td>2.6</td>
<td>2.6</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Sample: 16 out of 21 service providers covered in this report
Source: HFS Research, 2022
Service providers are predominantly mature, with services in the middle and back office with opportunities in the front office.

### Relative maturity of healthcare services

<table>
<thead>
<tr>
<th>Category</th>
<th>Sample: 16 out of 21 service providers covered in this report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product and underwriting</td>
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<tr>
<td>Provider data and network management</td>
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<tr>
<td>Sales, marketing, and member management</td>
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<tr>
<td>Care and medical management</td>
<td></td>
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<tr>
<td>Member services</td>
<td></td>
</tr>
<tr>
<td>Compliance, billing, and reporting</td>
<td></td>
</tr>
</tbody>
</table>

#### Service Levels
- **3 = Mature**
- **2 = Competitive**
- **1 = Under-penetrated**

### Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Maturity Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-rating and quoting</td>
<td>1.9</td>
</tr>
<tr>
<td>Network design</td>
<td>2.4</td>
</tr>
<tr>
<td>Account setup</td>
<td>2.5</td>
</tr>
<tr>
<td>Credentialing and provider data managament</td>
<td>2.6</td>
</tr>
<tr>
<td>Enrollment management</td>
<td>2.9</td>
</tr>
<tr>
<td>Benefits management</td>
<td>2.6</td>
</tr>
<tr>
<td>Utilization management</td>
<td>2.6</td>
</tr>
<tr>
<td>Case management</td>
<td>2.9</td>
</tr>
<tr>
<td>Member and provider management</td>
<td>2.6</td>
</tr>
<tr>
<td>Adjudication and coordination</td>
<td>2.8</td>
</tr>
<tr>
<td>Claims management</td>
<td>2.8</td>
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<tr>
<td>Coordination of benefits</td>
<td>2.6</td>
</tr>
<tr>
<td>Invoicing and collections</td>
<td>2.5</td>
</tr>
<tr>
<td>Population health and wellness</td>
<td>2.5</td>
</tr>
<tr>
<td>Encounter management</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Source: HFS Research, 2022
Quality of service delivery, expertise, and experience hold the most importance for health plans when selecting their provider

Which of the following options was the singularly most important when selecting this provider?

- Quality of service delivery: 28%
- Industry domain expertise and experience: 24%
- Existing relationship: 8%
- Ability to provide a broad range of services across my business value chain: 8%
- Others: 8%
- Ability to provide innovative solutions: 4%
- Financial stability and secure future: 4%
- Absolute price of service: 4%
- Reference clients: 4%
- Capability in digital technologies (social, analytics, mobile, interactive tech): 4%
- Advisory capability and thought leadership: 4%

Sample: Healthcare reference survey, n = 25
Source: HFS Research, 2022
Research methodology
21 service providers covered in this report

Note: All service providers are listed alphabetically.
The ability to influence the triple aim of care and grow sustainably is enabled by service provider core competency and orientation.

Ability to influence the triple aim of care is reflected by the proximity to the center.
Sources of data

This report relied on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on the healthcare services capabilities of the providers covered in our study. Sources are as follows:

**RFIs and briefings**
Each participating vendor completed a detailed RFI. HFS conducted briefings with executives from each vendor.

**Reference checks**
We conducted reference checks with 30+ active clients of the study participants via phone-based interviews and detailed surveys.

**HFS vendor ratings**
Each year, HFS fields multiple demand-side surveys in which we include detailed vendor rating questions. For this study, we leveraged our fresh from the field HFS Pulse Study data.

**Other data sources**
Public information such as press releases and websites.
Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners.
The HFS Horizons: Healthcare Payer Service Providers, 2022 report evaluates providers’ capabilities across a range of dimensions to understand the Why, What, How, and So What of their healthcare services offering.

<table>
<thead>
<tr>
<th>Assessment dimension (weighting)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value proposition: The Why? (25%)</strong></td>
</tr>
<tr>
<td>• Impacting the triple aim of care (cost, health outcomes, and experiences)</td>
</tr>
<tr>
<td>• Breaking down the barriers to connect the healthcare ecosystem and bridging the healthcare ecosystem</td>
</tr>
<tr>
<td>• Optimizing the value chain</td>
</tr>
<tr>
<td><strong>Innovation capabilities: The What? (25%)</strong></td>
</tr>
<tr>
<td>• Creating the next-generation value chain</td>
</tr>
<tr>
<td>• Enabling technologies intelligently</td>
</tr>
<tr>
<td>• Designing creative commercial models</td>
</tr>
<tr>
<td>• Transcending the line-item solution</td>
</tr>
<tr>
<td>• Addressing adjacencies</td>
</tr>
<tr>
<td><strong>Go-to-market strategy: The How? (25%)</strong></td>
</tr>
<tr>
<td>• Value and outcome-based solutions and services</td>
</tr>
<tr>
<td>• Co-innovate and co-create scalable solutions</td>
</tr>
<tr>
<td>• Ecosystem plays</td>
</tr>
<tr>
<td>• Thought leadership</td>
</tr>
<tr>
<td><strong>Market impact: The So What? (25%)</strong></td>
</tr>
<tr>
<td>• Scale and growth of Healthcare payer-native services</td>
</tr>
<tr>
<td>• Demonstrable client case studies</td>
</tr>
<tr>
<td>• Voice of the customer</td>
</tr>
</tbody>
</table>

**Distinguishing service provider characteristics**

- **Horizon 1**
  - Ability to drive digital transformation to digitize legacy processes
  - Reduce cost of healthcare delivery

- **Horizon 2**
  - Ability to drive “OneOffice” mindset to break down the barriers imposed by the value chain
  - Ability to reduce the cost of healthcare delivery and improve the experience of care (providers and members)

- **Horizon 3**
  - Ability to drive “One Ecosystem” approach by finding completely new sources of value
  - Ability to reduce cost of healthcare delivery, improve the experience of care (providers and members), and influence health outcomes
  - Ability and willingness to address new or adjacent markets

- **Horizon 1+**
  - Ability to drive “OneOffice” mindset to break down the barriers imposed by the value chain
  - Ability to reduce the cost of healthcare delivery and improve the experience of care (providers and members)

- **Horizon 2+**
  - Strategy and execution capabilities at scale
  - Sophisticated capabilities across all value creation levers: talent, domain, technology, data, and partnerships with healthcare-specific players
  - A culture of innovation to develop IP
  - Adopting emerging tech to address complex industry challenges

- **Horizon 3+**
  - Major or outcome-based contracts or other creative contracts driven through leading solutions and healthcare expertise
  - Delivering healthcare specific transformation
  - Consistently co-innovating or co-inventing with healthcare enterprises

**Excerpt for EY**
Horizons results: Healthcare payer service providers, 2022
<table>
<thead>
<tr>
<th>Providers (alphabetical order)</th>
<th>HFS point of view</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accenture</strong></td>
<td>Humanizing healthcare is central to grounding digital to outcomes that matter</td>
</tr>
<tr>
<td><strong>Capgemini</strong></td>
<td>Driving differentiation by addressing challenges at the intersection of funding and care delivery</td>
</tr>
<tr>
<td><strong>Cognizant</strong></td>
<td>Enabling intuition engineering to anticipate and address needs digitally</td>
</tr>
<tr>
<td><strong>Deloitte</strong></td>
<td>Health equity at the core of addressing evolving market needs</td>
</tr>
<tr>
<td><strong>Emids</strong></td>
<td>Punching over its weight across segments with a bias toward engineering sustainable solutions</td>
</tr>
<tr>
<td><strong>EXL</strong></td>
<td>Smartly leveraging the immense power of analytics across clinical and financial processes</td>
</tr>
<tr>
<td><strong>EY</strong></td>
<td>Digitally delivering the future of wellness</td>
</tr>
<tr>
<td><strong>Firstsource</strong></td>
<td>Accelerating the development and proliferation of digital solutions with a focus on the triple aim of care</td>
</tr>
<tr>
<td><strong>Genpact</strong></td>
<td>Strength in transforming core legacy processes to help health plans drive better outcomes</td>
</tr>
<tr>
<td><strong>HCL</strong></td>
<td>Intersecting innovation and execution to address the current and the future with digital strengths</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Providers (alphabetical order)</th>
<th>HFS point of view</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Infosys</strong></td>
<td>A pivot to AI-based, platform-driven services attracts success</td>
</tr>
<tr>
<td><strong>KPMG</strong></td>
<td>Brand strength drives opportunities</td>
</tr>
<tr>
<td><strong>Mphasis</strong></td>
<td>Powered by creative commercial constructs driven by delivery successes</td>
</tr>
<tr>
<td><strong>NTT DATA</strong></td>
<td>Driving strong at the intersection of innovation and execution</td>
</tr>
<tr>
<td><strong>Optum</strong></td>
<td>Depth and breadth of capabilities powers outcomes across all attributes of the triple aim</td>
</tr>
<tr>
<td><strong>PwC</strong></td>
<td>Impacting the triple aim of care globally through advisory services</td>
</tr>
<tr>
<td><strong>TCS</strong></td>
<td>Empathy-driven digital delivery enables addressing all attributes of the triple aim</td>
</tr>
<tr>
<td><strong>UST</strong></td>
<td>Strong legacy admin delivery with the assets to drive IoT and emerging tech possibilities</td>
</tr>
<tr>
<td><strong>Virtusa</strong></td>
<td>Serving healthcare through its expertise in digital engineering</td>
</tr>
<tr>
<td><strong>Wipro</strong></td>
<td>A solutions portfolio second to none, built digitally and delivered across modalities</td>
</tr>
<tr>
<td><strong>WNS</strong></td>
<td>Increasing sophistication of healthcare digital solutions allows WNS to punch above its weight class</td>
</tr>
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</table>
**HFS Horizons — healthcare payer service providers’ positioning**

**Horizon 1** — Functional transformation providers demonstrate
- Ability to drive digital transformation to digitize legacy processes
- Reduce cost of healthcare delivery
- Primarily focused on implementation
- Offshore-focused execution with strong technical skills and partnerships
- Addressing legacy processes (claims, call center) and tactical operational challenges for health plans
- Referenceable and satisfied clients for ability to execute

**Horizon 2** — Enterprise business transformation providers demonstrate
- Horizon 1+
- Ability to drive a “OneOffice” mindset to break down the barriers imposed by the value chain
- Ability to reduce the cost of healthcare delivery and improve the experience of care (providers and members)
- Ability to support clients on their healthcare transformation journey
- Global capabilities with strong consulting skills and partnerships with all major players (industry agnostic)
- Platform assets—built ground up + augmented through inorganic assets
- Addressing outcomes through proprietary and or industry standard technologies (platforms, applications) driven through domain experience
- Underwriting risk of implementations and technology enablement
- Referenceable and satisfied clients for the ability to innovate

**Horizon 3** — Healthcare native transformation providers demonstrate
- Horizon 2+
- Ability to drive the “One Ecosystem” approach by finding completely new sources of value specific to healthcare
- Ability to reduce the cost of healthcare delivery, improve the experience of care (providers and members), and influence health outcomes
- Ability and willingness to address new and adjacent market strategy and execution capabilities at scale
- Sophisticated capabilities across all value creation levers: talent, domain, technology, data, and partnerships with healthcare-specific players
- A culture of innovation to develop IP
- Adopting emerging tech to address complex industry challenges
- Majority of outcome-based contracts or other creative contracts have driven through leading solutions and domain expertise
- Consistently co-innovating or co-inventing with healthcare enterprises
- Referenceable and satisfied clients driving new business models based on the partnership

Note: All service providers within a “Horizon” are listed alphabetically
EY profile: Healthcare payer services
EY: Digitally delivering the future of wellness

Strengths
- Organization: EY’s healthcare payer practice is part of the firm’s Health Sciences and Wellness industry market organization, covering payers, providers, and the life sciences (biopharma, medtech, and biotech).
- Growth: EY has been showing strong growth of nearly 20% CAGR over the last three years. It has strong relationships with clients and expanding partnerships. Its global presence translates into delivery and commercial models that help drive differentiation.
- Capabilities: Value-based care as a service is unique in its construct, as Medicare and commercial plans continue to require significant transformation. EY’s broad set of platforms allows it to extend its value across the triple aim of care (cost, health outcomes, and experiences).
- Talent management: A comprehensive training suite delivered in person and virtually to develop industry-specific expertise at every level of an individual’s career, rounded off with mentorships and an EY-sponsored MBA. A further strength comes from recruiting nearly 40% of the healthcare workforce the healthcare industry.
- Outcomes: EY measures value as a function of its value across its clients, people, social impact, financial, and diversity and inclusivity. It also uses regular industry KPIs to measure operational outcomes across financial and experiential dimensions.

EY’s Connected Health Cloud:
- IT vs. BPS revenue: Not disclosed
- Project versus annuity based: Low
- Sustainability meter: High

Development opportunities
- Organization: Segmenting and addressing the market by funding categories (Medicare, Medicaid) will further enhance the strength of the brand and its capabilities.
- Growth: As healthcare funding in the US shifts, EY should explore addressing the rapidly growing self-insured market directly.

Maturity of capabilities across the healthcare payer services value chain

<table>
<thead>
<tr>
<th>Development</th>
<th>Customer experience</th>
<th>Clinical operations</th>
<th>Technology operations</th>
<th>EY Connected Health Cloud</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature</td>
<td>2.3</td>
<td>2.3</td>
<td>2.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Emerging</td>
<td>2.3</td>
<td>2.2</td>
<td>2.3</td>
<td>2.7</td>
</tr>
<tr>
<td>Not a focus</td>
<td>2.7</td>
<td>2.3</td>
<td>2.3</td>
<td>2.7</td>
</tr>
</tbody>
</table>

*Self-assessment

- Number of healthcare payer service
  - Clients: 4,000+ payer and provider clients
  - Of the top healthcare payer service providers, EY serves
  - Several large Midwestern payers
  - Fortune 5 US-based payer and diversified healthcare organization
  - Germany’s largest statutory health insurer
  - Largest payer organization in France
  - Leading Australian health insurer

- Healthcare payer services headcount: 12,830 (health sector overall)
- Delivery locations
  - EY has 700+ office locations in 150 countries worldwide. Its 22 regions are grouped under three geographic areas: Americas; Europe, Middle East, India and Africa (EMEIA); and Asia-Pacific.

- Approximately 50 wavepace centers globally, including EY’s Technology Experience Center in Seattle, WA; the Quantum Space in Munich, Germany; the AI lab in Wrocław, Poland, the Advanced Cyber Security Center in Tel Aviv, Israel; Nottingham Spirk in Cleveland, OH; and MxD Digital Manufacturing site in Chicago, IL

- Smart Health Analytics: EY’s solution to drive insights from healthcare data.
- Health Market Navigator: Proprietary EY tool that aggregates multiple healthcare data sets for market analysis.
- Member Experience: Helps payer & pay-vider clients improve their star ratings.
- Digital Operations: Improves automation, reduces admin expense across key payer mid-office and back-office functions.
- Value-Based Care-as-a-Service (VBC-aas®): Payer analytics platform for pricing value-based contracts and tracking associated patient outcomes.

Recently acquired firms (post 2020)
- FreshWorks Studio: Design & development consulting firm (Canada, 2022)
- Cambria Solutions: IT & management, state & local government focus (US, 2022)
- Clerestory Consulting: Workforce advisory consulting firm (US, 2022)
- T-Plus: Strategy consulting firm (South Korea, 2022)

Partnerships
- Implementation services: SAP, Anaplan, UPath, Celonis, Microsoft, Blackline Platform Enabled services: Microsoft, SAP, Service Now, UPath, Pega
- Orchestration service: EXL, V3, Adobe, Microsoft, Surety, Guidewire, Socotra
- Industry and domain technology platform alliances: Blue Prism, Deli, Microsoft, Nokia, ServiceNow, Pega SAP, UPath
- RiskPilot, SureModern, Sureify, Guidewire, Socotra

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- EY Connected Health Cloud: Aims to create open, connected technology ecosystems that help enable better patient experiences & health outcomes.
HFS Research authors
Mayank Madhur is an Associate Practice Leader at HFS Research, supporting different practice leads with a horizontal focus on IoT, Industry4.0, and Engineering. He also works with practice leads with a focus on industry verticals (mainly across healthcare; life sciences; manufacturing; retail and CPG; and travel, hospitality, and logistics).

He holds a certificate in Strategic Management from IIM Kashipur. Mayank holds a Master’s in Business Administration from Birla Institute of Technology and Science College, Pilani (BITS, Pilani University) and a Bachelor’s in Engineering in Electrical and Electronics from Jawaharlal Nehru National College of Engineering (Visvesvaraya Technological University), Karnataka.

Rohan leads the Healthcare practice at HFS, bringing to bear his vast experience across the healthcare ecosystem. His experience includes being the Head of Healthcare Strategy at multiple Fortune 500 companies, Product Management leader, and CIO at two health plans. He is passionate about the Triple Aim (improving health outcomes, reducing the cost of care, and enhancing the care experience) and believes that health and healthcare is a polymathic opportunity that intersects with every industry and facet of our lives. His well-rounded experience and passion bring a practical approach to his analyst role at HFS.

Rohan has an engineering degree from the University of Mysore, India, an MBA from the University of Dundee & the London School of Economics in the UK, and Product Management diploma from the Harvard Business School.
About HFS

Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand-side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries. Its analysts are respected for their no-nonsense insights based on demand-side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, Digital OneOffice™ and OneEcosystem™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation and Process Intelligence, Blockchain, the Metaverse and Web3. HFS has deep business practices across all key industries, IT and business services, sustainability and engineering.

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