



# Everest Group Services PEAK Matrix™ for Healthcare Payer BPO Service Providers

Focus on Conduent  
December 2017



Copyright © 2017 Everest Global, Inc.

*This document has been licensed for exclusive use and distribution by Conduent*

# Introduction and scope

---

Everest Group recently released its report titled “[Healthcare Payer BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018](#)”. This report analyzes the changing dynamics of the healthcare payer BPO landscape and assesses service providers across several key dimensions.

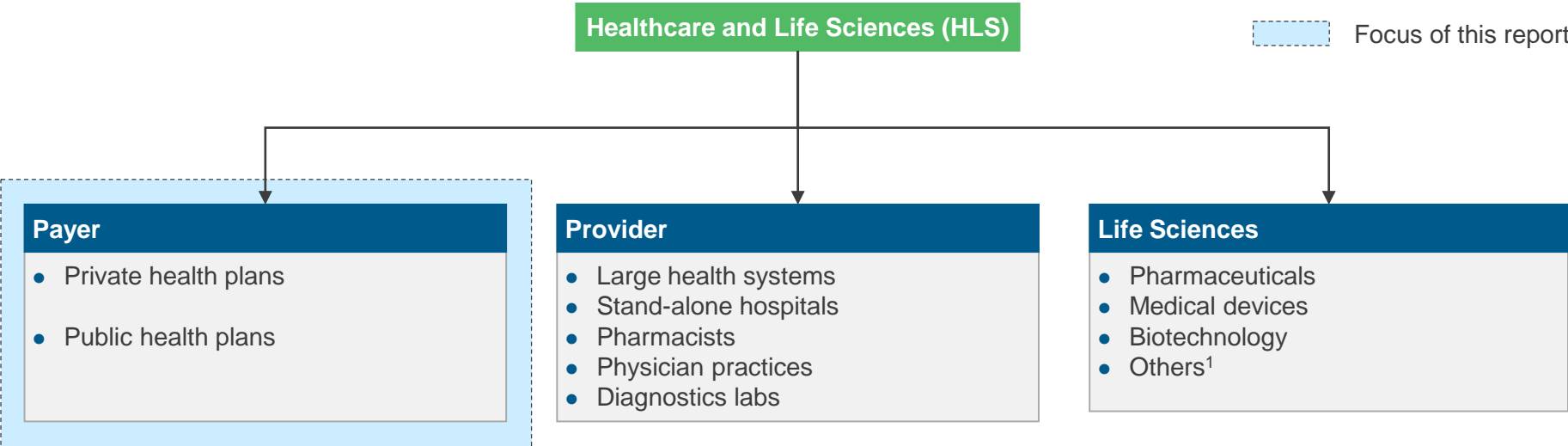
As a part of this report, Everest Group updated its classification of 25 service providers on the Everest Group Services PEAK Matrix for healthcare payer BPO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of healthcare payer BPO service providers based on their absolute market success and delivery capability.

Based on the analysis, **Conduent cemented its position as a Leader**. This document focuses on Conduent’s healthcare payer BPO experience and capabilities. It includes:

- Conduent’s position on the Everest Group healthcare payer BPO PEAK Matrix
- Detailed healthcare payer BPO profile of Conduent

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.

# Everest Group's definition of HLS includes the following three segments



**Notes**

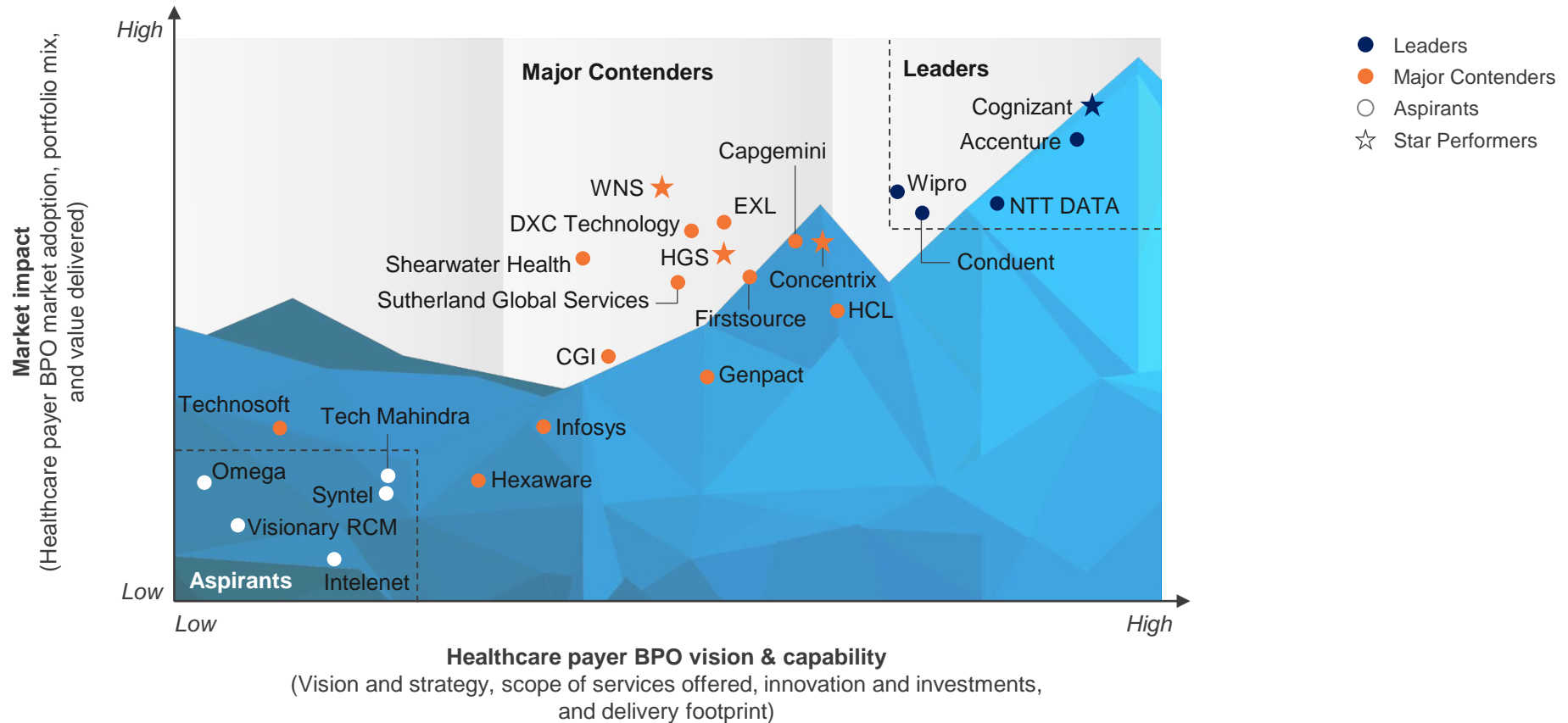
- There are multiple operating-model alternatives ranging from internal shared services / Global In-house Centers (GICs) to third-party outsourcing. This package focuses primarily on third-party models
- This package covers vertical-specific BPO within the Healthcare Payer space. It does not include coverage of horizontal business processes such as F&A, HR, procurement, and contact centers

<sup>1</sup> includes companies such as healthcare data & information services and medical products distribution

# Everest Group PEAK Matrix™

## Healthcare Payer BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018

Everest Group Healthcare Payer BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018



1 Service providers scored using Everest Group's proprietary scoring methodology given on pages 11 and 12

Note: Assessment for Technosoft and Visionary RCM excludes service provider inputs on this particular study, and is based on Everest Group's estimates, which leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage, service provider public disclosures, and interaction with buyers

Source: Everest Group (2017)

# Conduent (page 1 of 5)

## Healthcare payer BPO – Everest Group assessment

Measure of capability: Best-in-class Very high High Medium high Medium Medium low Low Not mature

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered <sup>1</sup>	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall

### Strengths

- With capabilities across both Medicaid and commercial plans, Conduent is one of the rare entities to serve both sides of the market
- With ~10% of FTEs located nearshore, it is one of the few players in the healthcare space to possess significant nearshore capabilities, providing it with an ability to distribute the workload as per the client's need as well as service a Spanish-speaking population
- With access to a diversified client set, Conduent has access to abundant data set, which can be leveraged to drive initiatives such as population health
- Buyers appreciate good relationship management capabilities, stable senior leadership, and robust training programs as key strengths exhibited by the service provider

### Areas of improvement

- With the separation from Xerox less than a year behind it, the service provider experienced a flat growth rate. As things stabilize, the service provider should refocus on revenue expansion as an immediate priority
- A skewed focus towards transactional activities, such as CCO, print & mail, and initial claims processing, also poses a challenge. Conduent needs to aim at other adjacent processes in order to move up the value chain and reinvigorate growth
- Buyers also pointed out that high churn at the associate level is an area that the service provider needs to improve

<sup>1</sup> Value delivered score and overall PEAK matrix positioning adversely impacted for those service providers who did not provide adequate information

# Conduent (page 2 of 5)

## Healthcare payer BPO – overview

**Company profile:** Conduent is the world's leading provider of diversified business process services with capabilities in transaction processing, automation, and analytics. Conduent works with both government and commercial customers in assisting them to deliver quality services to the people they serve. This includes multi-industry offerings such as customer care, transaction processing, finance & accounting, and human resources, as well as industry-focused offerings in areas such as healthcare, financial services, transportation, retail, and telecommunications.

### Key leaders

- **Ashok Vemuri**, Chief Executive Officer
- **Pratap Sarker**, Group Chief Executive, Financial Services and Healthcare
- **Jeff Hechemy**, General Manager, Healthcare Payer

**Headquarters:** Florham Park, New Jersey, United States

**Website:** [www.conduent.com](http://www.conduent.com)

### Suite of services

- Claims management
- Member engagement
- Network management
- Care management
- Payment integrity services
- Care integration & Population health management services
- Medicaid managed care solutions

	2015	2016	2017
Revenue <sup>1</sup> (US\$ million)	Not disclosed		
Number of FTEs	~10,200	~11,020	~10,800
Number of clients	Not disclosed		

### Recent acquisitions and partnerships

- **2015:** Acquired RSA Medical, a health consumer engagement platform and services company, to strengthen consumer engagement and experience offerings
- **2015:** Acquired Healthy Communities Institute, a healthcare platform, to strengthen its healthcare business and expand offerings
- **2015:** Acquired inVentiv Patient Access Solutions (iPAS), an inVentiv health company, to expand its pharmacy solutions portfolio

### Recent developments

- Opened its new global headquarters at New Jersey, United States
- Developed a software-enabled service to help people improve their medication adherence by quickly identifying the major barriers they face, and delivering highly personalized support via the communication channel that the member finds most convenient and persuasive

<sup>1</sup> Represents revenue for 12 months ending June 30

Source: Everest Group (2017)

# Conduent (page 3 of 5)

## Healthcare payer BPO – key delivery locations



Source: Everest Group (2017)

# Conduent (page 4 of 5)

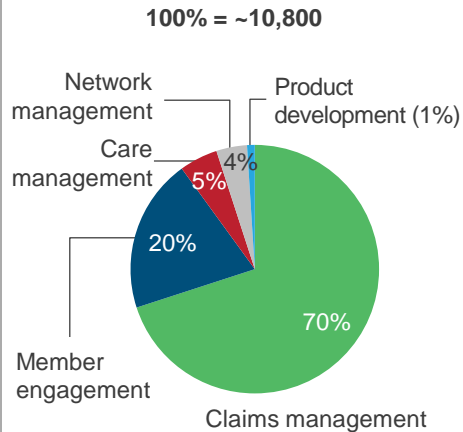
## Healthcare payer BPO – capabilities and key clients

### Key healthcare payer BPO engagements

Client name	Processes served	Region	Client since
Top 10 national payer client	Claims management, member engagement, and care management	North America	2016
State-based BCBS	Claims management, member engagement, and care management	North America	2016
Missouri POS/CCIP	Claims management and member engagement	North America	2016

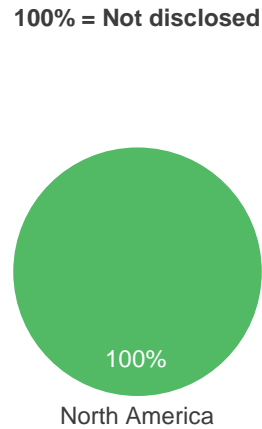
#### Healthcare payer BPO FTE mix by segment

Number of FTEs



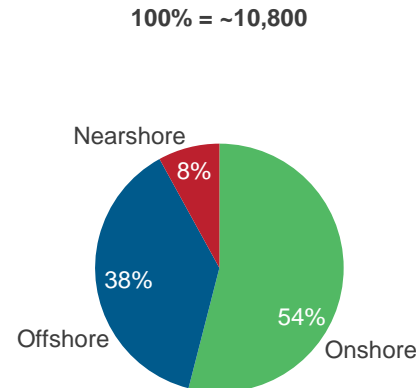
#### Healthcare payer BPO revenue mix by geography

Revenue in US\$ million



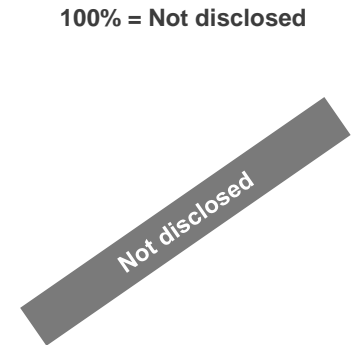
#### Healthcare payer BPO FTE split by delivery location

Number of FTEs



#### Healthcare payer BPO number of clients by buyer size<sup>1</sup>

Number of active clients



<sup>1</sup> Buyer size is defined as large (>US\$10 billion in revenue), medium (US\$5-10 billion in revenue), and small (<US\$5 billion in revenue)

Note: Based on contractual and operational information as on June 2017

Source: Everest Group (2017)



## Conduent (page 5 of 5)

# Healthcare payer BPO – technology solutions/tools

Solution name	Processes served	Year launched	Description	No. of BPO clients
Claim Overpayment Audit and Recovery (COAR)	Claims payment integrity	2016	A predictive analytics capability that detects, enables investigation, and recovery of errant claims. Identifies root causes of claim leakage	Not disclosed
Program Integrity Validator (audit and compliance)	Claims management and policy servicing & management	2016	A claims management solution that includes automated provider verification and validation, with ongoing monitoring; predictive modeling tools that identify fraudulent or abusive activities; member eligibility data verification and risk identification for medical and social factors; fraud abuse and detection systems that analyze claims data throughout the program	Not disclosed
LINK (CIS)	Member engagement and care management	2015 (part of Acquisition)	An analytics-driven platform that supports data automation and rules engine workflow to drive efficiency in resolving “transactional” issues, improve quality, consistency, and operating efficiency	Not disclosed
Medication adherence	Care management and claims management	2014	A software-enabled service to help clients enhance their medication adherence	Not disclosed
FWA detection system (audit and compliance)	Claims management	2013	A tool that utilizes advanced predictive analytics methodologies to identify abusive behavior by providers and/or recipients	20+
Transactional Content Manager (TCM)	Claims management and member engagement	2012	A web-based Enterprise Content Management (ECM) solution specializing in document management and transaction content management. It handles content upload, reporting, security, archiving, and retention, and integrates with other data-driven systems such as ERP or CRM systems	20+

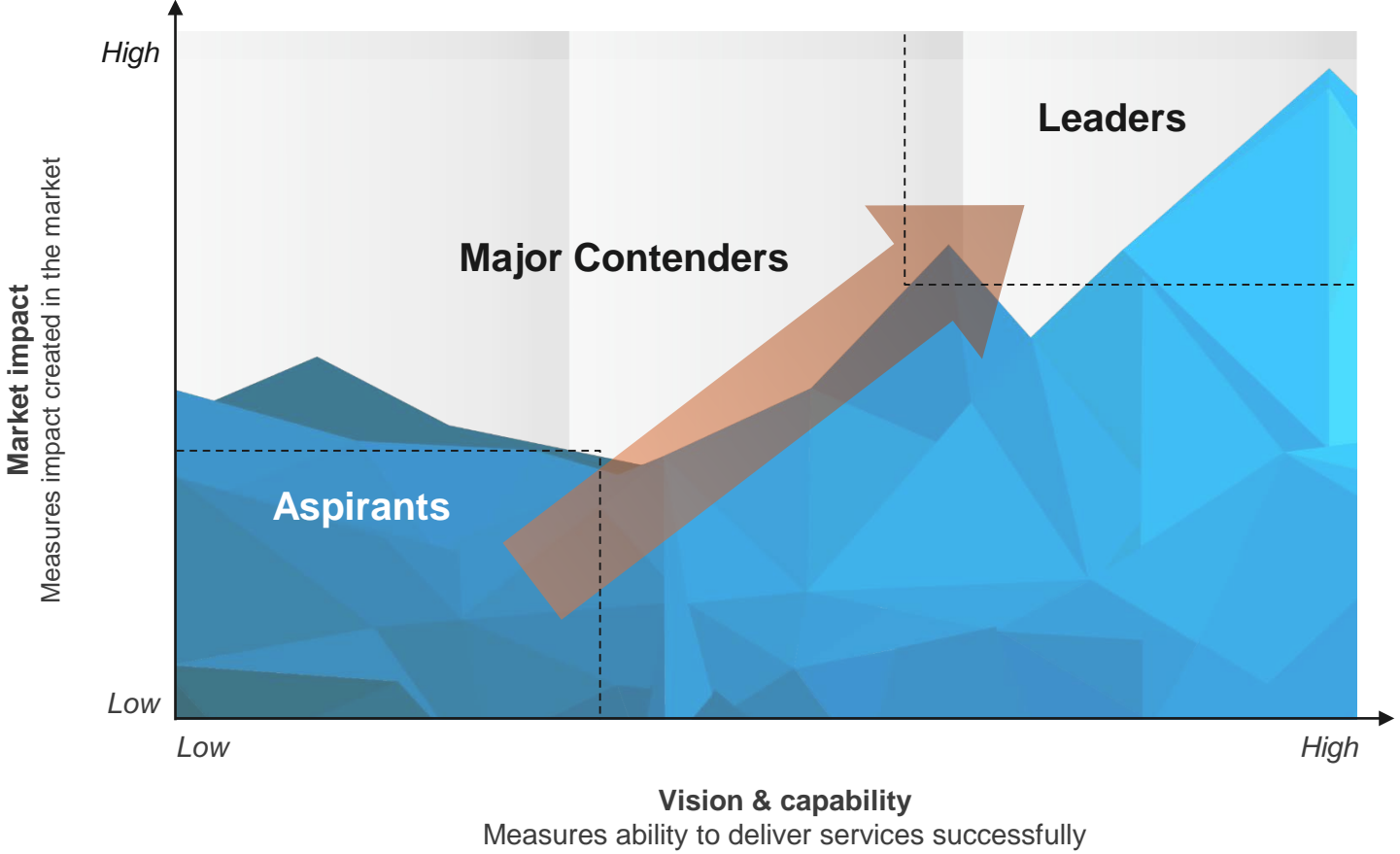
Source: Everest Group (2017)

---

# 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

Measures impact created in the market – captured through three subdimensions

**Market adoption**

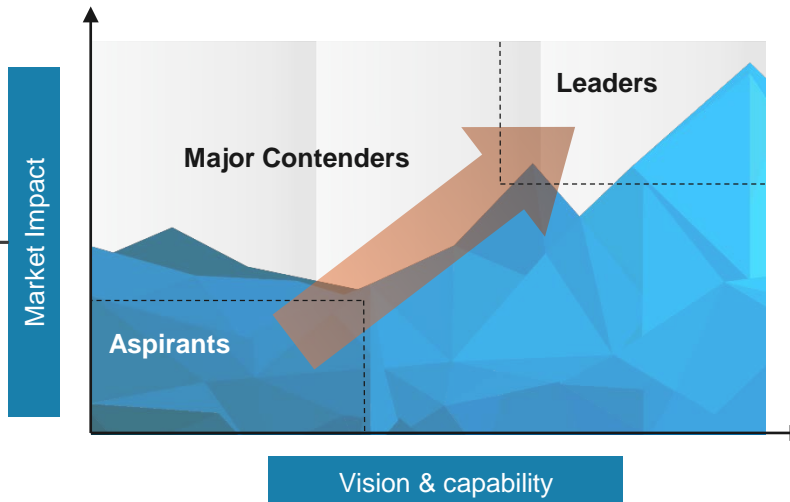
No. of clients, revenue base, and YOY growth, deal value/volume

**Portfolio mix**

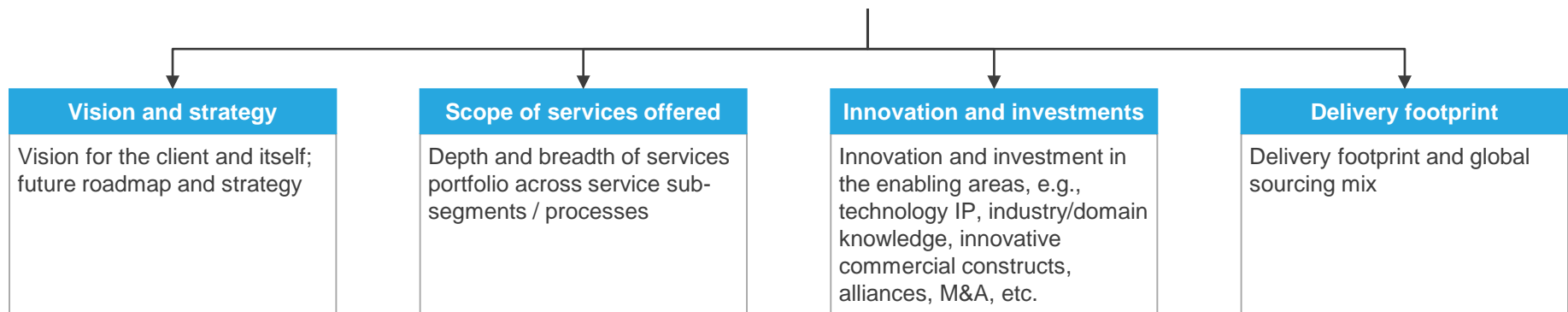
Diversity of client/revenue base across industries, geos, enterprise size class

**Value delivered**

Value delivered to the client based on customer feedback and other measures



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



## **Does the PEAK Matrix assessment incorporate any subjective criteria?**

Everest Group's PEAK Matrix assessment adopts an objective and fact-based approach (leveraging service provider 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 briefings

## **Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?**

No. PEAK Matrix highlights and positions only the best-in-class service providers in a particular functional/vertical services area. 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”?**

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 for their specific requirements. It also helps providers showcase their strengths in specific areas

## **Does PEAK Matrix assessment incorporate “customer satisfaction” as an evaluation criteria/metric?**

Everest Group does not have “customer satisfaction” as a separate metric in its PEAK evaluation framework. This is primarily because it is challenging to obtain interviews with a meaningful number of reference buyers for each service provider. Also, “customer satisfaction” is a highly subjective and opinion driven metric and there is no foolproof methodology to normalize this input. That said, we validate our PEAK results through buyer interaction and capture some consistent “spikes” or “lags” in performance through metrics such as “renewal rate”, etc.

## **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 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 to leverage their PEAK Matrix positioning, or “Star Performer” status ?**

- Providers can use their PEAK positioning or “star performer” rating in multiple ways including:
  - Issue a press release declaring their positioning/rating
  - Customized PEAK profile for circulation (with clients, prospects, etc.)
  - Quotes from Everest Group analysts could be disseminated to the media
  - Leverage PEAK 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](http://www.everestgrp.com).

### Dallas (Headquarters)

info@everestgrp.com  
+1-214-451-3000

### Bangalore

india@everestgrp.com  
+91-804-276-4533

### Delhi

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

### London

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

### New York

info@everestgrp.com  
+1-646-805-4000

### Toronto

canada@everestgrp.com  
+1-416-388-6765

## Stay connected

### Website



[www.everestgrp.com](http://www.everestgrp.com)

### Social Media



@EverestGroup



@Everest Group

### Blog

[Sherpas In Blue Shirts](http://www.sherpasinblueshirts.com)

[www.sherpasinblueshirts.com](http://www.sherpasinblueshirts.com)