Everest Group PEAK Matrix® for Healthcare Payer Digital Service Provider 2022

Focus on HCL
May 2022

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Background of the research

Healthcare enterprises have made digital adoption the bedrock of their growth strategy to optimize processes, realize cost efficiencies, and enhance the member experience. With the healthcare industry evolving, enterprises are leveraging digital services to unlock prominent business use cases such as value-based care and population health management and to comply with changing regulations.

To support enterprises on their digital transformation journeys, service providers are ramping up capabilities through vertical-specific partnerships and acquisitions, investments in Centers of Excellence (CoE), training, etc. 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 demand themes and service provider capabilities in healthcare payer digital services.

In this report, we present an assessment of 26 healthcare ITS providers. 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 payer digital services market size and growth, digital services themes for healthcare payers, assessment of the service providers on several capabilities and market success-related dimensions, and Everest Group's independent remarks on service providers.

The full report features the following 26 leading service providers on the Healthcare Payer Digital Services PEAK Matrix:

- **Leaders:** Accenture, Cognizant, Infosys, NTT DATA, Optum, TCS, and Wipro
- **Major Contenders:** Atos, Capgemini, Conduent, Emids, IBM, Infinite Computer Solutions, Mindtree, Mphasis, Persistent Systems, SoftServe, UST, and Virtusa
- **Aspirants:** Ascendum, HTC Global Services, Tech Mahindra, and Vee Technologies
- **Star Performers:** CitiusTech, EPAM, and HCL

Scope of this report

Geography
Global (focus on US)

Providers
Healthcare payer

Services
Digital services

Healthcare payer digital services PEAK Matrix® characteristics

Leaders:

Accenture, Cognizant, HCL, Infosys, NTT DATA, Optum, TCS, and Wipro

- Leaders have established themselves as front-runners to support large payer accounts in their digital transformation journeys across various areas of the payer value chain such as claims management, network management, and policy servicing
- Leaders differentiate themselves through balanced portfolios, strong thought leadership, innovative digital solutions, and continued investments in technology and service capability development (internal IP/tools, CoEs, etc.)
- Enterprises prefer Leaders to be their strategic partners due to their strong healthcare experience and consulting expertise, understanding of the client's business, the ability to execute large-scale projects, and a robust partner ecosystem
- They have a strong innovation focus with significant investments in digital labs, partnerships, acquisitions, and collaborations to strengthen their capabilities and further build verticalized digital offerings around niche areas such as member engagement and coordinated care delivery

Major Contenders:

Atos, Capgemini, CitiusTech, Conduent, Emids, EPAM, IBM, Infinite Computer Solutions, Mindtree, Mphasis, Persistent Systems, SoftServe, UST, and Virtusa

- The service portfolios of Major Contenders are not as balanced as those of Leaders and tend to be less comprehensive in payer value chain coverage. However, Major Contenders are trying to bridge the gap with Leaders by making investments (e.g., partnerships with niche vendors and innovation labs) to scale up their offerings and increase value proposition
- Major Contenders' focus on being more client-centric, agile, and flexible is well acknowledged by enterprises. Clients get adequate face time with senior leadership and appreciate the responsiveness of the senior management

Aspirants:

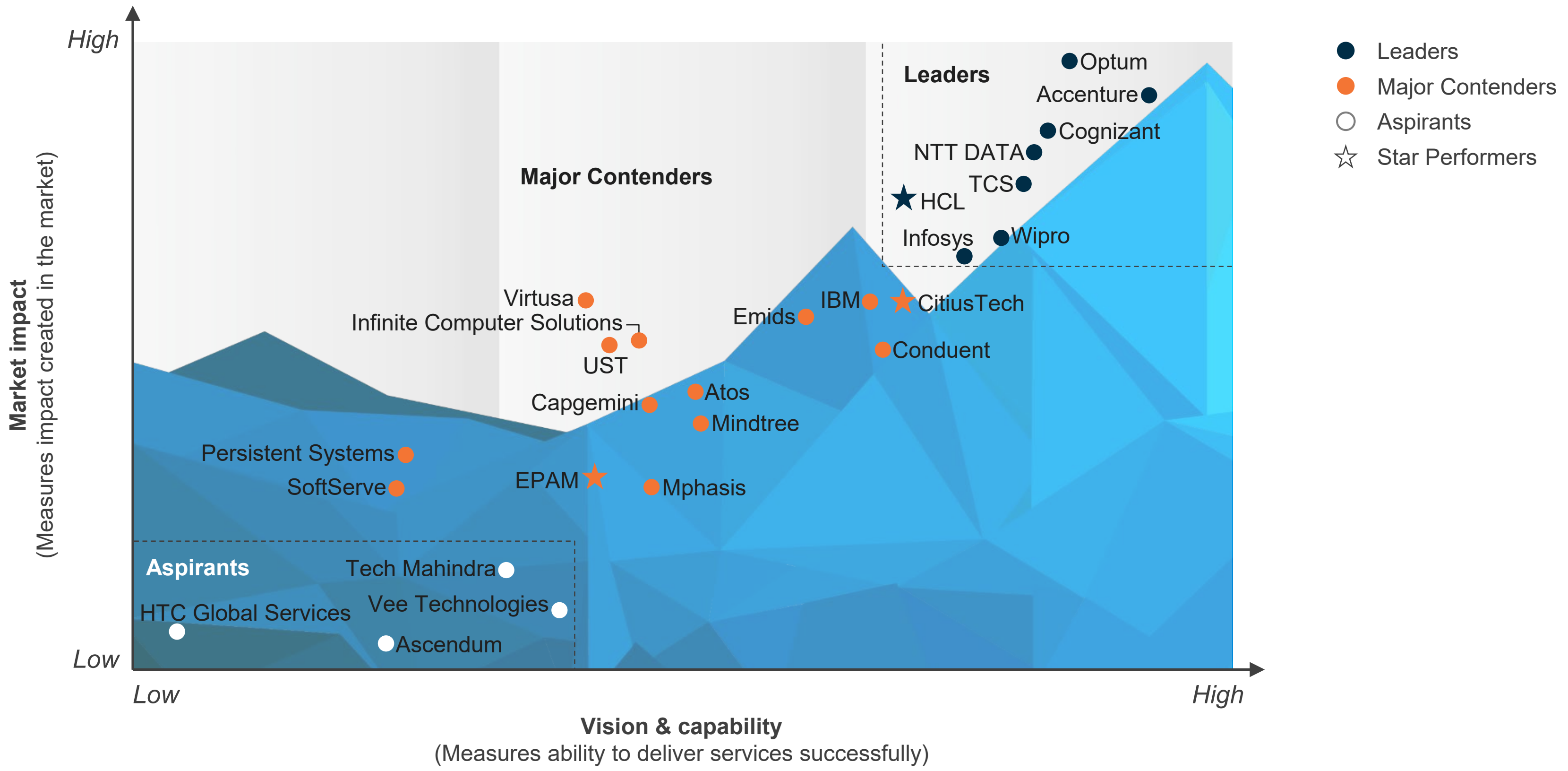
Ascendum, HTC Global Services, Tech Mahindra, and Vee Technologies

- Aspirants need to build a more mature partnership ecosystem – on both the horizontal and vertical front – to enhance their technical and domain expertise, and co-innovate and build more payer-specific solutions addressing multiple areas within the payer value chain
- Aspirants should look to enhance thought leadership and invest in marketing efforts backed by relevant case studies and proof points to enhance their vertical story and mindshare in the payer market

Everest Group PEAK Matrix®

Healthcare Payer Digital Services PEAK Matrix® Assessment 2022 | HCL positioned as Leader and Star Performer

Everest Group Healthcare Payer Digital Services PEAK Matrix® Assessment 2022[1]



1 Assessments for Ascendum, Capgemini, Conduent, HTC Global Services, IBM, Tech Mahindra, and Vee Technologies, excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, provider public disclosures, and Everest Group's interactions with insurance buyers.

Source: Everest Group (2022)

HCL | healthcare payer digital services profile (page 1 of 4)

Overview

Company mission/vision statement

HCL's visions for payer digital services is to drive transformation for its clients across the value chain, while also enhancing the member experience. It will look to leverage its strategic investments (e.g., partnerships, acquisitions, and COEs) and continue to augment its capabilities, to enhance its offerings and support its clients on their digital transformation journey.

Healthcare payer digital services revenue

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

(Highlighted: >US$150 million)

Key partnerships

amazon web services, boomi, CHANGE HEALTHCARE, Clarify HEALTH SOLUTIONS, Google Cloud, HEALTHEDGE, innovaccer, Microsoft

Revenue by line of business[1]

Low (<10%) | Medium (10-35%) | High (>35%)

Medicare Advantage (MA)	Medium
Medicaid managed care	Low
Private health plans	High
Public health plans	Low

Revenue by value chain element[1]

Low (<10%) | Medium (10-20%) | High (>20%)

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

Revenue by buyer size[1]

Low (<20%) | Medium (20-40%) | High (>40%)

Small (annual revenue < US$1 billion)	Low
Medium (annual revenue = US$1-10 billion)	High
Large (annual revenue > US$10 billion)	High

Revenue by geography[1]

Low (<15%) | Medium (15-40%) | High (>40%)

North America	High
United Kingdom	Low
Rest of Europe	Low
South America	Low
Asia Pacific	Low
Middle East & Africa	Low

1 All the revenue components add up to a total of 100%.

HCL | healthcare payer digital services profile (page 2 of 4)
Key offerings

Proprietary solutions (representative list)	
Solution name	**Details**
HCL Digital Experience	A digital member and patient experience platform that helps in resolving issues with respect to engagement, persistence, and therapy adherence to improve healthcare outcomes. It also helps in creating actionable insights for patient's management of chronic conditions
HCL's UNICA Digital Marketing Platform	A personalization and digital marketing platform that delivers personalized, relevant marketing messages across all channels at scale
Real Time Claims solution	An industry solution that integrates payer and provider EHR and claims management platforms for real time claims processing
Provider Lifecycle Management Solution	An end-to-end solution that automates provider lifecycle workflow automation, intelligence engine, and data management solutions to address provider data accuracy
DRYiCE – AI Ops for Healthcare	An AI solution suite for healthcare enterprises that provides unified reporting and dashboarding, automated incident remediation, hybrid cloud lifecycle management, workplace optimization, dynamic workload automation, and network automation
hAssist Conversational AI for Healthcare	A secure HIPAA-compliant, enterprise-grade conversational platform that enables healthcare and life science organizations to improve patient engagement and increase outcomes. Its AI-based voice and chat user experiences is delivered across channels to better engage with patients
Exacto Automation Solution	An AI/ ML digitization solution that automatically extracts information from a variety of information sources (fax, prescriptions, physical applications, and paper claims) and helps in reducing long invoice processing cycles, and time for order entry and member onboarding
hCloud – Cloud Transformation	An end-to-end platform that assesses application landscape of healthcare organizations and performs application treatment (refactor, rehost and retire) to migrate applications to cloud with adherence to healthcare regulations
hDATA – Actian Advanced Analytics	A healthcare data science and advanced analytics solution suite that helps in data integration and aggregation to enable better care outcomes through faster decision making
HCL Link Interoperability Solution	A unified healthcare solution for data transformation and integration provided by HCL Link Integration Platform. It can integrate various forms of data that comes from within organization, providers, labs, pharmacies, or other outside companies, in multiple formats and versions like EDI, HL7, FHIR, NCPDP, etc.
hSecure Cyber Security solution	A cyber security solution framework that is designed specifically to address healthcare security risks and enable healthcare enterprises to de-risk and streamline the information security and compliance environment

HCL | healthcare payer digital services profile (page 3 of 4)
Recent developments

Key events (representative list)

Development	Type	Year	Details
Starschema	Acquisition	2022	Acquired Starschema – a provider of data engineering services based in Budapest, Hungary. The strategic acquisition will bolster HCL's capability in digital engineering and increase its presence in Central and Eastern Europe
Google Cloud	Partnership	2021	Partnered with Google Cloud to co-innovate and build solutions for healthcare and life sciences industry. HCL's Google Cloud Native Labs will help accelerate these solutions with Google Cloud support, which is positioned to deliver solutions through its native data and AI offerings
AWS Business Unit	Investment	2021	Launched its Amazon Web Services Business Unit (AWS BU) to help enterprises worldwide accelerate their cloud transformation journey. The business unit will help businesses modernize their legacy systems and mainframe applications and reliably adopt cloud technologies
CMS Interoperability Solution	Partnership	2021	Partnered with SMILE CDR to launch a solution to address the CMS interoperability requirements
Innovaccer	Partnership	2021	Partnered with Innovaccer, a health cloud company, to accelerate digital health transformation. By combining Innovaccer's Data Activation Platform with HCL's Healthcare Data Accelerator (hDATA) suite, organizations can enable patient-centricity, cost-optimization, and compliance
HCL DX/Digital Experience	Investment	2021	Launched HCL Digital Experience for healthcare to empower customers to create, manage, and deliver integrated digital experiences
HCL Cloud Smart	Investment	2021	Invested in HCLCloudSmart – a suite of industry aligned offerings, capabilities, products, and platforms that can be consumed in a XaaS model to help customers make choices for a resilient and sustainable business
HCL Healthcare Innovation Lab	Investment	2021	Partnered with University of California (UCLA) to create a healthcare innovation lab that is dedicated to health technology innovations that will meet future healthcare challenges

HCL | healthcare payer digital services profile (page 4 of 4)

Everest Group assessment – Leader and Star Performer

Measure of capability: Low High

Market impact				Vision & capability				
Market Adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services	Innovation & investments	Delivery Footprint	Overall

Strengths

- HCL is leveraging its partner ecosystem to co-innovate and adopt a joint go-to-market strategy to enhance market access; for instance, it recently partnered with Google Cloud to establish a CoE for developing healthcare and life sciences solutions for addressing areas such as interoperability, data governance, and security
- It made significant investments in developing vertical-specific IPs (hDATA, interoperability solution, etc.) to enable healthcare clients to adhere to mandates and unlock use cases
- Clients cite the technical and domain expertise of resources and talent management (reskilling/upskilling, attrition management, etc.) as key areas of strength

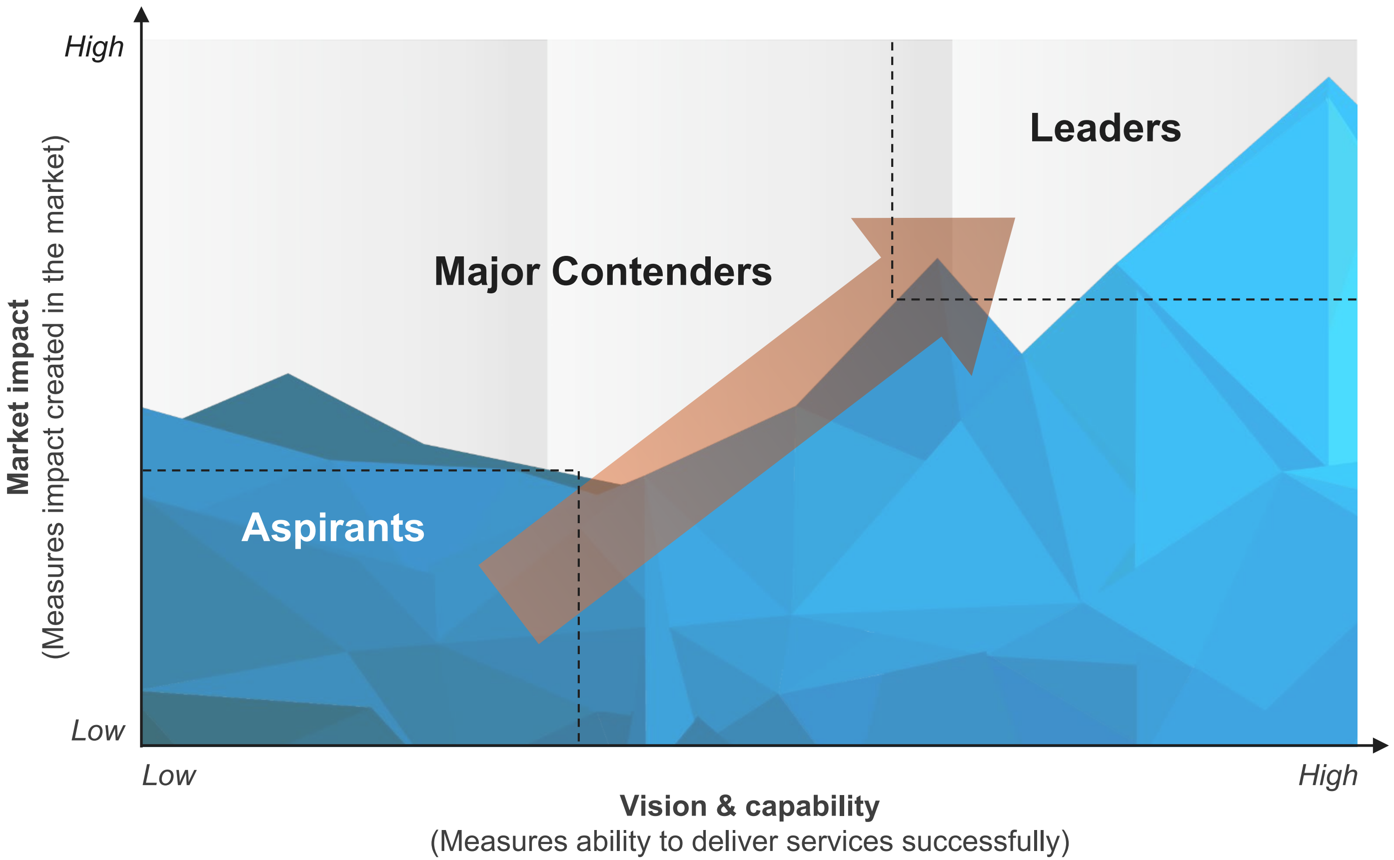
Limitations

- While HCL is building thought leadership and positioning itself as an innovation partner (strategic investments in CoEs and labs), clients still view it as an execution partner; it should look to evolve its image as a strategic advisor that can effectively deliver value in end-to-end transformation deals for its clients
- While HCL is perceived as a cost-friendly player by clients, it should look to proactively explore and pitch risk-based pricing models
- It should strive to engage with all LoBs to increase market presence and maintain a more diverse client base

Appendix

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

Everest Group PEAK Matrix



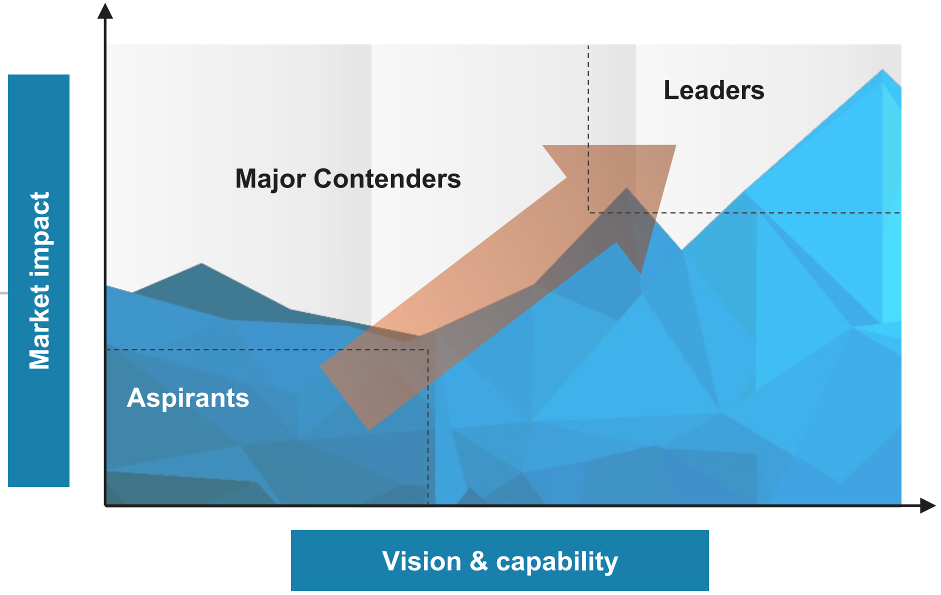
Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption
Number of clients, revenue base, YoY growth, and deal value/volume

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

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



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 subsegments/processes

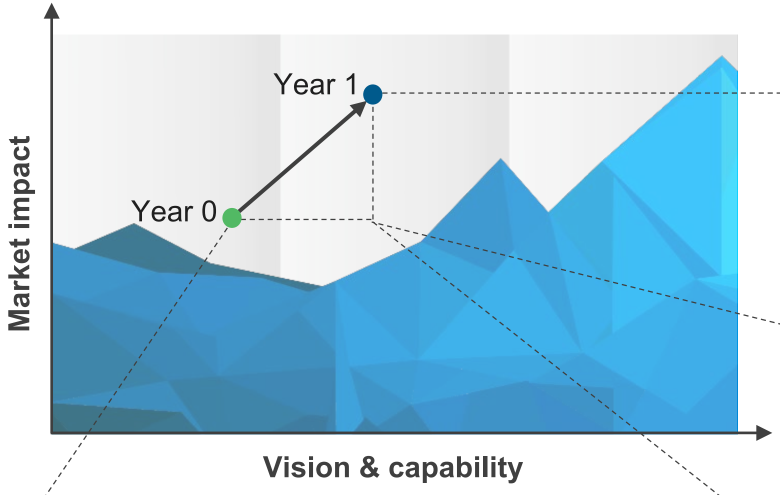
Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

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



In order to assess advances on **market impact**, we evaluate each 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 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 providers whose improvement ranks in the top quartile and award the Star Performer rating to those 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 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 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 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

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