



Everest Group PEAK Matrix[®] for Healthcare Analytics Service Providers 2022

Focus on Optum
December 2021



Background of the research

In recent years, data-driven decision making has become the backbone of healthcare enterprises' growth strategy to reduce costs, enhance operational efficiency, deliver better member/patient engagement, and improve health outcomes. The pandemic has further accelerated the adoption of analytics as enterprises need to become more agile and meet the unprecedented demands faced by the healthcare ecosystem. Although payers are ahead of providers in leveraging analytics, the majority of the enterprises are yet to access the complete benefits of analytics initiatives due to the lack of right skillsets, adoption of analytics in silos, and inefficient data management practices. Service providers can help enterprises formulate the core vision for analytics, modernize their data landscape, derive insights, and provide the right set of recommendations to enable enterprise-wide decision making that drives business value.

In this context, we present an assessment of 25 service providers featured on the **Healthcare Analytics Services PEAK Matrix® Assessment 2022**. Each service provider profile offers a comprehensive picture of its services focus through a snapshot of its key strengths and limitations, as assessed by Everest Group. The assessment is based on Everest Group's annual RFI process for the calendar year 2021, interactions with leading service providers, client reference checks, and an ongoing analysis of the healthcare analytics services market.

In this report, we are focusing on:

- Market trends for healthcare analytics services
- Assessment of the service providers on several capability- and market success-related dimensions
- Enterprise sourcing considerations highlighting the strengths and limitations of each service provider

Scope of this report:



Geography
Global



Industry
Healthcare (payer and provider)



Services
Analytics services

Healthcare analytics services PEAK Matrix® characteristics

Leaders:

Accenture, Cognizant, Deloitte, EXL, NTT DATA, Optum, and TCS

- Leaders serve as strategic partners to enterprises and have established themselves as front runners to support the clients in their analytics initiatives
- They have made meaningful internal investments in building a balanced and comprehensive portfolio of analytics solutions and platforms to help clients achieve faster business outcomes
- Leaders demonstrate strong domain-centricity, thought leadership, and a focus on innovation. They leverage their technology partnership ecosystem to develop innovative healthcare-specific analytics use cases and show proactiveness in bringing these offerings to the clients

Major Contenders:

Capgemini, CitiusTech, DXC Technology, emids, GAVS, HCL Technologies, IBM, Infinite Computer Solutions, Infosys, PwC, SoftServe, Tech Mahindra, Virtusa, and Wipro

- Major Contenders demonstrate cost-competitiveness and client intimacy, and that has helped them maintain a strong base of satisfied clientele for their healthcare analytics services
- Compared to Leaders, most of the Major Contenders do not have a comprehensive analytics services portfolio; however, many of these players have the vision to offer end-to-end analytics offerings to clients. They are investing in building their IP and enhancing their partnerships with technology vendors to improve their analytics capabilities and increase their market foothold

Aspirants:

ACS Solutions, HGS, Infostretch, and UST

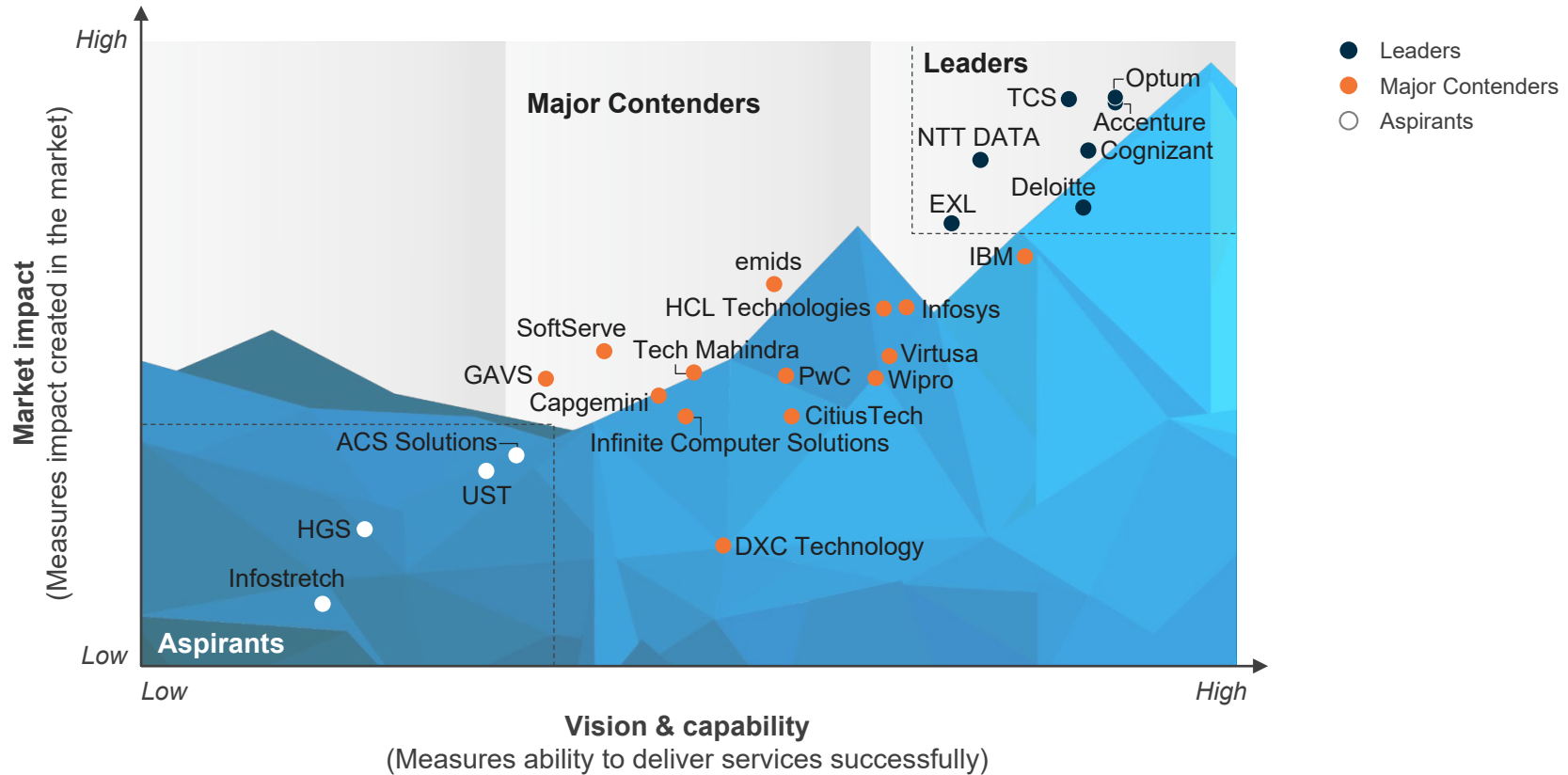
- Aspirants are trying to increase their market presence by building domain-specific offerings; however, these offerings are skewed toward payers or providers
- They need to build a more mature technology partnership ecosystem, and make strategic investments to broaden their analytics capabilities and develop solutions for both healthcare payers and providers

Everest Group PEAK Matrix®

Healthcare Analytics Services PEAK Matrix® Assessment 2022 | Optum positioned as Leader



Everest Group Healthcare Analytics Services PEAK Matrix® Assessment 2022¹












¹ Assessments for Citiustech, Deloitte, DXC Technology, IBM, Infostretch, Infosys, PwC, Tech Mahindra, UST, and Wipro exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers.

Source: Everest Group (2021).

Optum | healthcare analytics services profile (page 1 of 5)

Everest Group assessment – Leader

Measure of capability:  Low  High

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

Strengths

- Optum has a wide range of healthcare analytics offerings across the board in healthcare, covering all relevant areas of interest such as value-based care, revenue growth, operational excellence, and cost optimization; its Enterprise Intelligence Platform enables enterprises to integrate data as well as get advanced analytics capabilities and insights
- Optum’s investments to enhance its analytics capabilities by setting up the Managed Analytics Center of Excellence (CoE) powering innovation and making talent-related investments are steps in the right direction
- Optum’s strong domain expertise in healthcare gives them a competitive edge in the market. The company has made meaningful investments in making strategic acquisitions (acquisition of Change Healthcare and Advisory Board have enhanced its healthcare analytics and strategy consulting capabilities)
- Clients view Optum as a strategic partner and acknowledge its technical competency, domain expertise, and quality of talent as its key strengths

Limitations

- Optum should proactively pitch risk sharing / outcome-based models to the clients to further enhance its credibility in the market. Clients are increasingly looking for innovative commercial constructs, especially in renewal deals
- Clients have highlighted Optum’s need to work on its client management capabilities, specifically in terms of being proactive in communications and resolving client issues in a timely manner
- Despite significant investments in acquisitions, Optum lags behind peers in investments in forming strategic alliances with hyperscalers, enterprise platform, and BI vendors

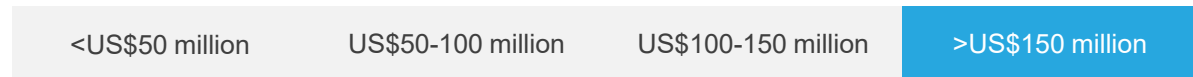
Optum | healthcare analytics services profile (page 2 of 5)

Overview

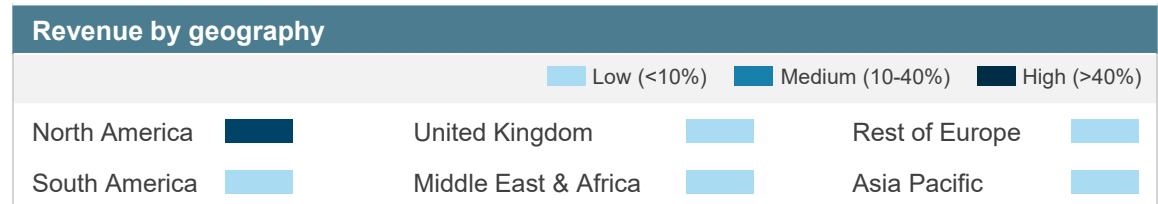
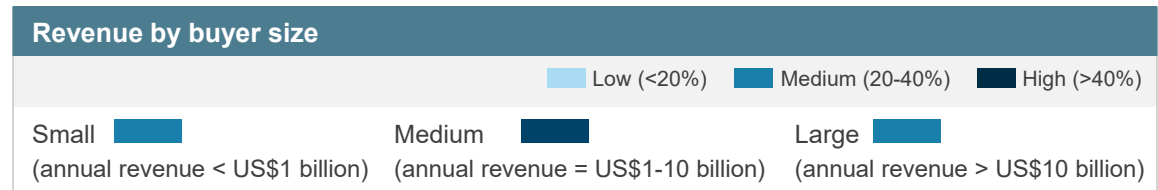
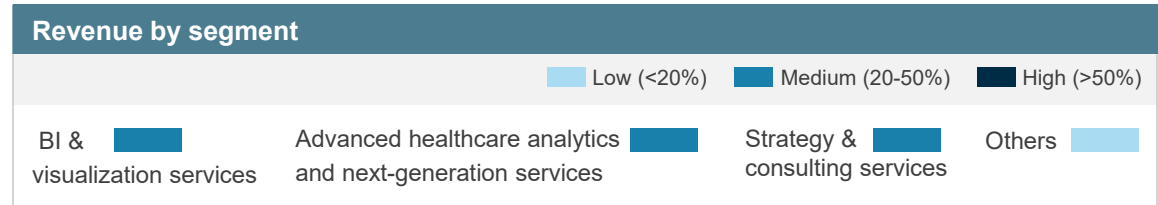
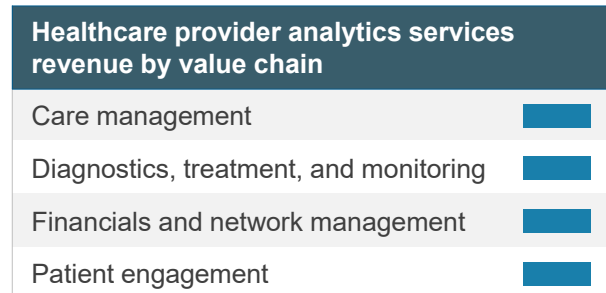
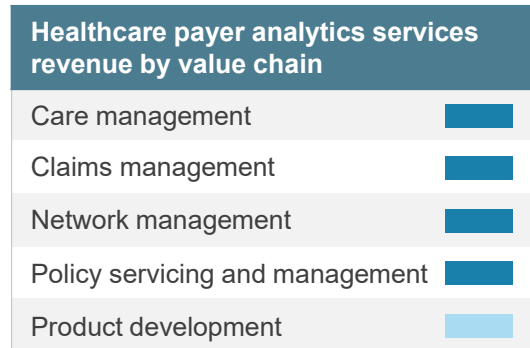
Company vision & strategy

Optum's vision is to provide innovative solutions to support its clients' needs in growth, clinical, and population health priorities and support them to gain and retain a competitive advantage through strong analytics capabilities. Its strategy is to develop new analytics rules, including additional disease state groupings, new clinical predictive models, new data visualization tools, investment in new third-party data assets, and additional options for moving from insight to action. The company aims at balancing planned feature development with customer requests and ensuring that its product teams work with industry leaders to stay current on market trends.

Healthcare analytics services revenue



Adoption by LoBs



Optum | healthcare analytics services profile (page 3 of 5)

Offerings

Proprietary solutions for healthcare analytics (representative list)	
Solutions	Details
Provider growth analytics	<p>Solutions combine the analytics and support necessary for hospitals and health systems to grow their market, whether from a service, physician, or consumer perspective:</p> <ul style="list-style-type: none"> • Strategic planning analytics to support every step of the planning process, from business development guidance through implementation • Physician relationship management analytics to help target high-value providers, plan and track outreach, and measure effectiveness across initiatives • Capacity planning analytics to help align spend with demand, optimize network access, and promote efficient care delivery • Network planning analytics to help optimize provider network design based on quality and supply/demand analysis • Consumer acquisition analytics to help acquire and retain patients effectively by linking consumer and clinical data
Provider clinical performance analytics	<p>Solutions identify cost and quality improvement opportunities for hospitals to reduce clinical supply costs, improve operating room efficiency, and confidently predict clinical and financial risk:</p> <ul style="list-style-type: none"> • Population care analytics to help improve clinical and financial performance and strengthen patient relationships • Patient care management to help identify high- and rising-risk patients and align programs and resources to improve clinical outcomes • Hospital care analytics to help optimize hospital spend and processes to lower costs while providing quality care • Surgical analytics to help combine cost and clinical outcomes data to right-size procedural supply costs
Payer performance analytics	<p>Solutions enable payer organizations to develop a comprehensive view into the current state and future actuarial risk of patient populations and the effectiveness of provider networks:</p> <ul style="list-style-type: none"> • Pharmacy claims analytics to help facilitate accurate and faster risk prediction, identification, and stratification leading to a more complete view of a health plan's membership • Consumer data and SDoH analytics to augment traditional data sources and view members holistically to improve care and reduce costs • Actuarial services to help evaluate and estimate uncertain risks, accurately predict health spend, and reduce the total cost of care • Population health management analytics to help apply predictive analytics, clinical insight, and member segmentation

Optum | healthcare analytics services profile (page 4 of 5)

Recent developments

Key events (representative list)		
Event name	Type of event	Details
Optum Managed Analytics CoE	Investment	Optum's talent model focuses on scale, speed, and depth; its capabilities span Value-Based Care (VBC), growth enablement, operational excellence, and financial stewardship in order to support healthcare enterprises with analytics and insights. Its operating model produces accurate insights; and its Enterprise Intelligence Platform helps future-proof clients' analytics aspirations by building and deploying a cohesive, scalable, and flexible enterprise technology stack.
Modernization of analytics platform	Investment	The company spent US\$5 million+ labor cost on training team members and modernizing its analytics platform and aims to completely operate in cloud by end of 2021.
Point of care integration	Initiative	Optum has strong focus to embed/integrate enriched analytical data directly into point of care of systems, e.g., EMR and digital marketing applications.

Optum | healthcare analytics services profile (page 5 of 5)

Case studies

Case study 1

High-risk patient identification and resource optimization

Business challenge

The client, a community-based healthcare network in East Central Pennsylvania, sought:

- Strategy to proactively identify and drive high-risk patients to the right care management programs
- Strategic decisions about where surgical cases should be scheduled across network resources due to COVID-19-related capacity constraints
- Subject matter expertise to negotiate a series of new VBC agreements including Medicare Shared Savings Program (MSSP) track recommendations and financial risk evaluations

Solution

- Predictive analytics capabilities-enabled targeted, high-risk patient identification, including dynamic patient registries for centralized care interventions and COVID-19-related outreach
- Actuarial services supported strategic decisions on VBC contract selection and financial success optimization, plus COVID-19 resource utilization projections (hospital and ICU beds, ventilators, hospital physician supply, etc.) twice per week during surges in 2020
- Helped identify areas to consolidate surgery services and shift resources to preserve ICU demand in support of COVID-19 surge, providing a roadmap to scale operating room efficiencies in the long term

Impact

- Enabled business users via self-service BI capabilities for faster downstream integration
- Achieved ~35% decrease in Emergency Department (ED) visits and admissions, 3.7% lower medical spend than peers, and US\$7.4 million in shared savings
- Client saved 14.4 days in Length of Stay (LOS) in a week, saved 90% of surgical revenue (despite COVID-19-related utilization changes)
- Resulted in US\$11 million shared savings and nearly US\$20 million advanced alternative payment model bonus

Case study 2

Drive physician outreach strategy and geographical footprint expansion

Business challenge

The client, a 50-hospital healthcare system providing care across 9 states, needed:

- A data and analytics partner to drive physician outreach strategy, support service line growth, and expand its footprint within the West Florida region
- To drive greater marketing efficiency and better ROI measurement in the client's central region
- To assess the relationship between patients' social and economic needs, their level of engagement in health programs, and the impact on behavior, utilization, and risk profiles

Solution

- The client team leveraged Optum Market Advantage to identify a target list of physicians for outreach and generate new referrals in key service lines including spine, general surgery, and urology
- Initial work focused on driving Emergency Room (ER) volumes and capturing new patient revenue. Another campaign initiative focused on driving urgent care and primary care business and growing market share
- Provided clinical social determinants of health analytics and custom Social Determinants of Health (SDoH) propensity models to assist in developing new insights and better strategies for serving at-risk populations, reduce Total Cost of Care (TCOC), and improve identification and stratification models, among other use cases

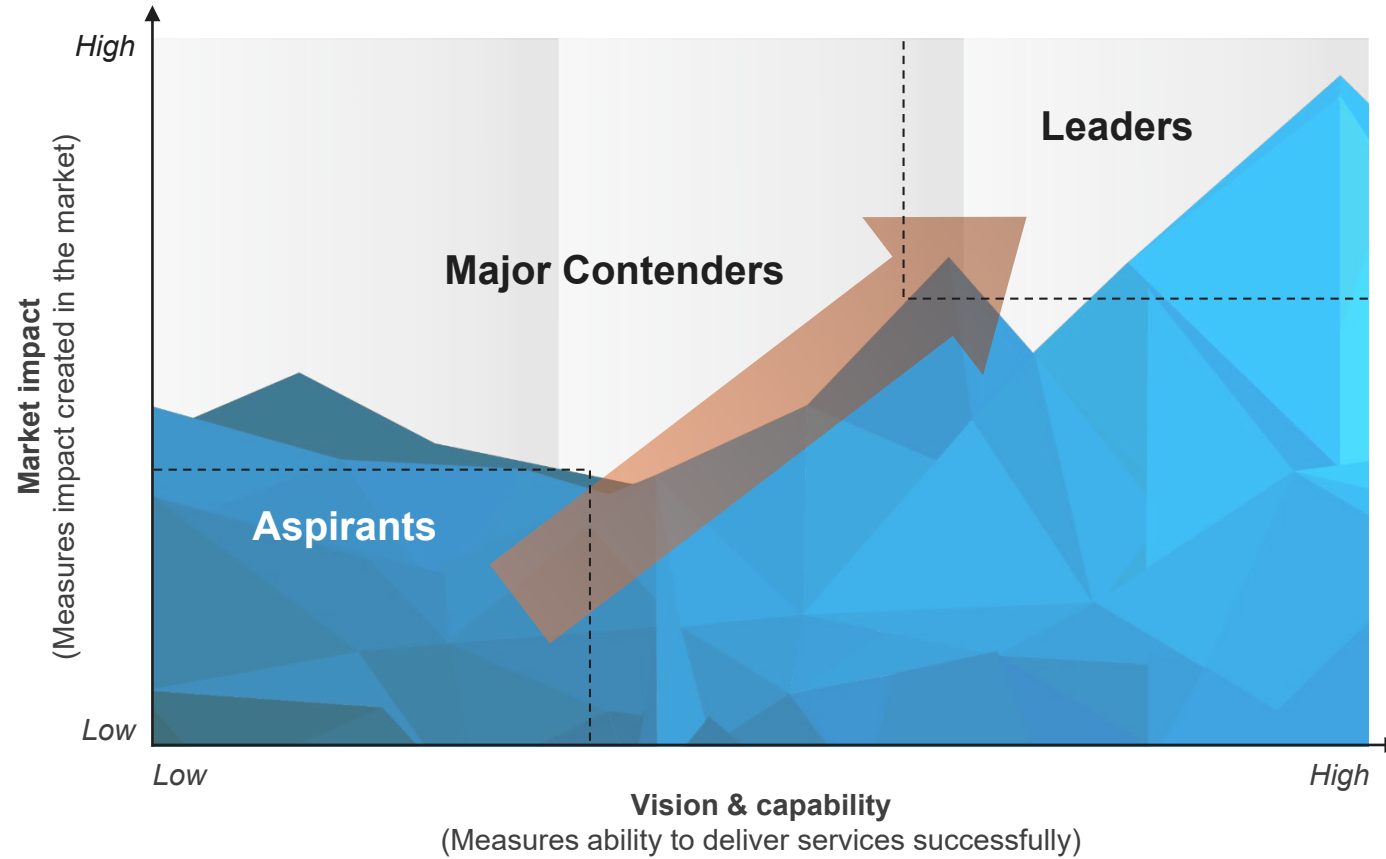
Impact

- Generated US\$13 million in net new referral revenue
- ER campaign generated a 135:1 ROI and is now expanding to another region

Appendix

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

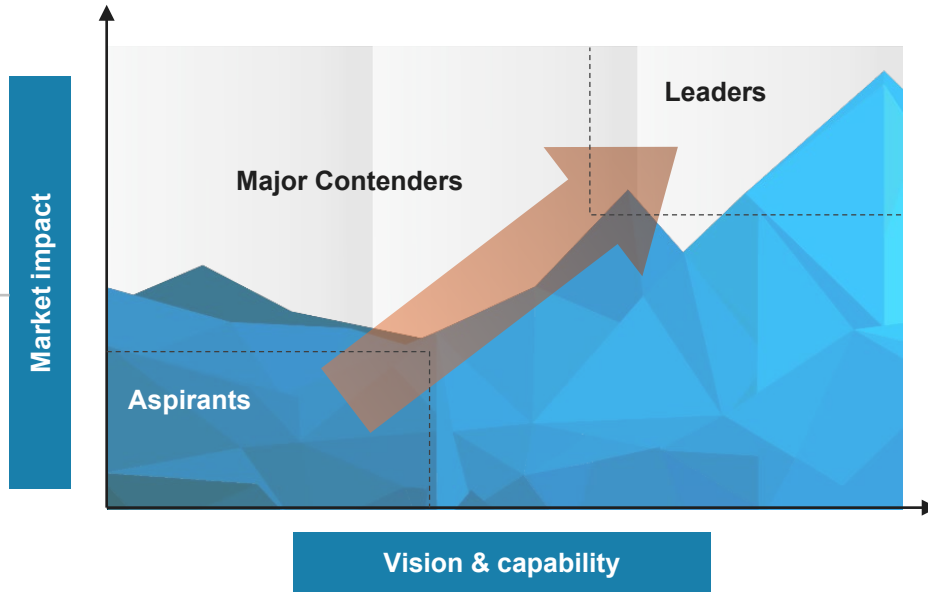
Everest Group PEAK Matrix



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

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



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