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

Focus on NTT DATA
June 2022

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
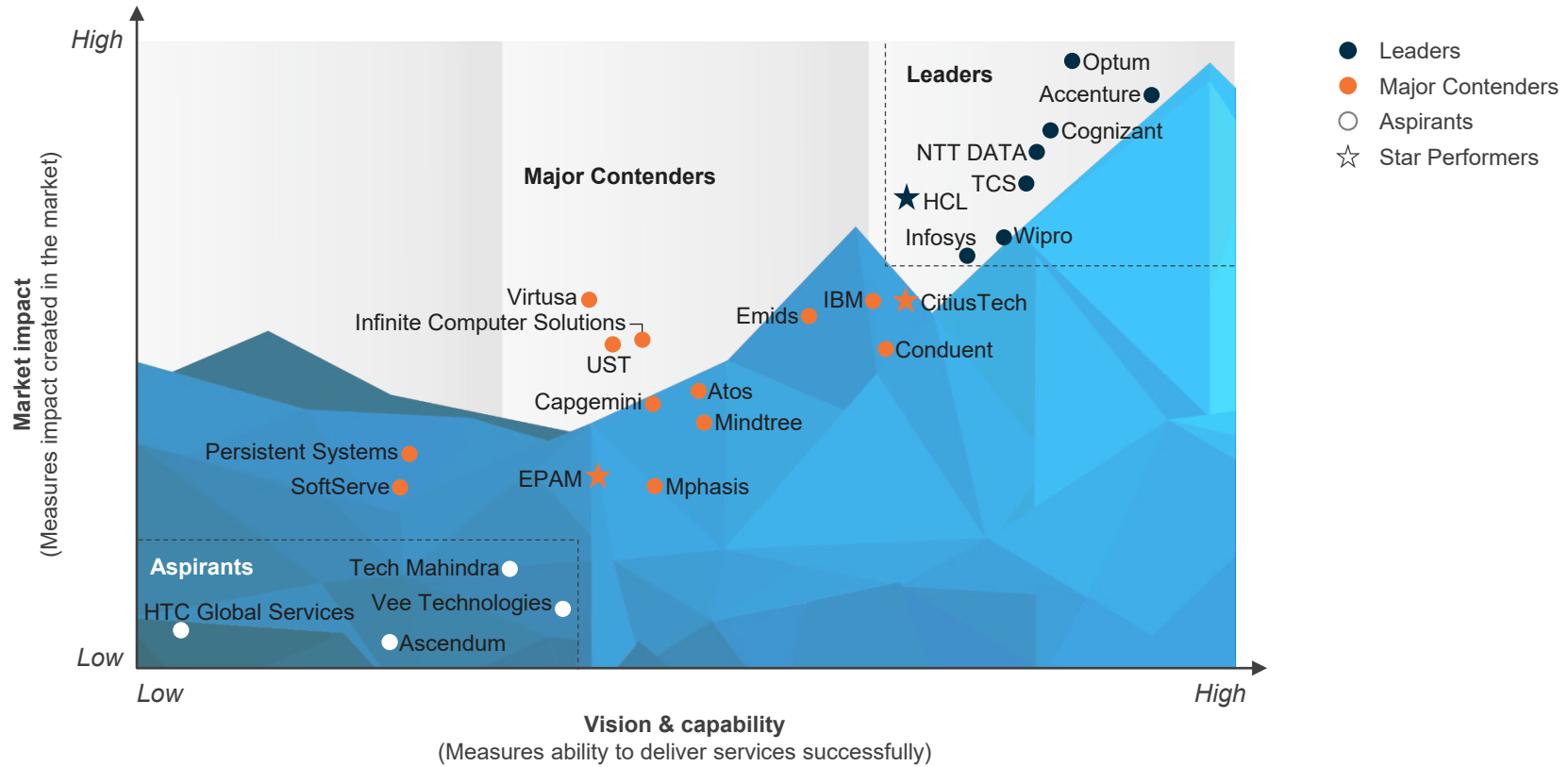
Aspirants:

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 | NTT DATA positioned as Leader

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

Legend:
- ● Leaders
- ● Major Contenders
- ○ Aspirants
- ☆ Star Performers

Axis labels:
- Vertical: **Market impact** (Measures impact created in the market), Low to High
- Horizontal: **Vision & capability** (Measures ability to deliver services successfully), Low to High

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

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.
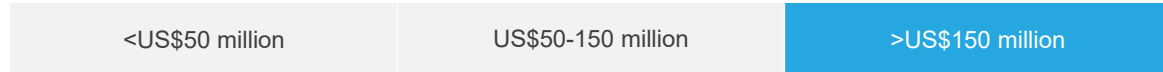
Source: Everest Group (2022)

NTT DATA | healthcare payer digital services profile (page 1 of 4)
Overview

Company mission/vision statement

NTT DATA's vision and strategy for payer digital services is to accelerate health plans' digital transformation journey by providing solutions that enable value-based care initiatives, reduce the cost of healthcare, and enhance member/provider experience.
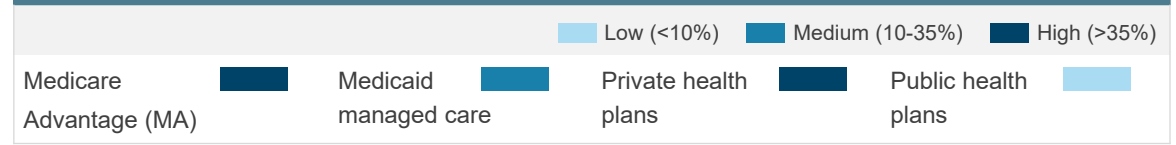
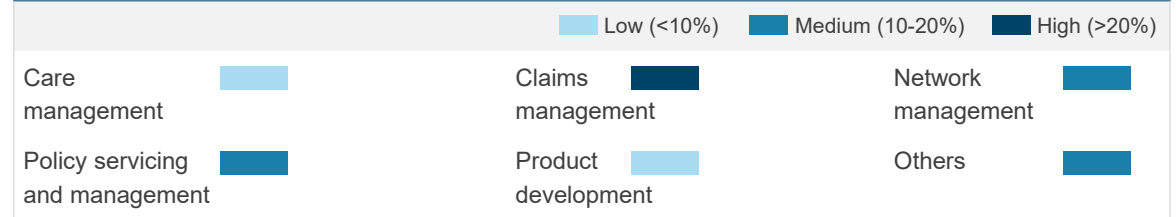**Healthcare payer digital services revenue**

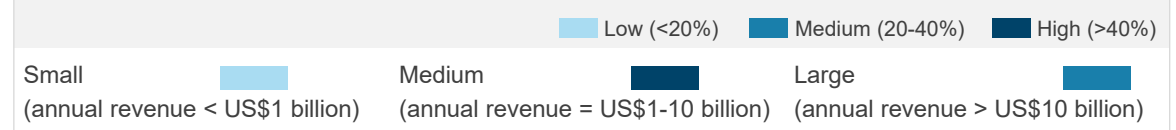| <US$50 million	US$50-150 million	>US$150 million

Key partnerships

Automation Anywhere — blueprism — amazon web services — CISCO — DELL — Google Cloud

Microsoft — salesforce — servicenow — snowflake — UiPath

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

Revenue by line of business[1]

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

| Medicare Advantage (MA) | High | Medicaid managed care | Medium | 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) | Medium |

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 |

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

Proprietary solutions (representative list)	
Solution name	**Details**
Enrollment and Billing solution	An open architecture, cloud-enabled integration solution that enables secure, real-time transactions between health plans, providers, and Federal/State systems. This solution is offered for private exchanges and can be implemented as an on-premises or cloud-based tool for core enrollment and billing functions
NTT DATA AI for Chronic Disease Care Management solution	An AI-based chronic disease prediction and intervention solution for personalized care management that tracks health condition prevalence, severity, and progression in member populations across multiple stages, to enable health systems make timely decisions and drive better outcomes
NTT DATA Statistica tool	A tool that provides capabilities to create what-if analysis reports, check business rules/regulatory compliance, and reduce validation/test efforts by using Premium Quote data spreadsheet(s). It can also be used to produce enrollment and finance analysis reports from production (de-identified) data
Nucleus Intelligent Enterprise platform	A cloud-based software platform that combines NTT DATA's intellectual property, third-party tools, and open-source solutions to automate the deployment and consumption of its offerings with a suite of use case-focused applications. It also enables data integration, automation, and AI to improve patient experience and care
NTT DATA Medical Cost Manager (MCM) solution	A solution that provides insights to the health plan's payment integrity at an enterprise level by bringing a holistic or unified 360-degree view of high value data products. Medical Cost Manager includes built-in add-ons that use Natural Language Processing (NLP) and Fast Healthcare Interoperability Resources (FHIR) technologies to provide advanced interpretation of clinical data
NTT DATA Business Insights Engine (BIE)	A pre-built, configurable Azure/Snowflake-based health plan data hub that consists of pre-built data ingestion pipelines and microservices, leveraging a standardized health plan-specific canonical data model (or can leverage custom) with complete / configurable 360 views for member, provider, claims, and executive dashboards
Data Cloud for Healthcare	A platform, that is built on Snowflake's Data Cloud, which provides three analytics-driven solutions – a personalized patient care platform, health data bank, and the Business Insights Engine – to help healthcare organizations achieve improved engagement, access, and outcomes across the continuum of care
Digital BPaaS for Health Plans	An offering that delivers modular, end-to-end business process-as-a-service across the front-, middle- and back-office functions to foster digital consumerism experiences with real-time analytics and automated multi-channel customer support
Digital health platform	A platform that gives real-time actionable information and enables users to be more engaged and effective in care administration and utilization, resulting in higher satisfaction and lower operating costs

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

Key events (representative list)			
Development	**Type**	**Year**	**Details**
Hackathon for AI Innovations in Healthcare	Initiative	2022	Launched AI hackathon to.bring developers and tech enthusiasts from across the world together to create innovative healthcare solutions, with a focus on using Artificial Intelligence (AI) to improve outcomes of detection and management of diseases
Vectorform	Acquisition	2022	Acquired Vectorform, a digital transformation and innovation company based in Detroit ,to further build its commitment to expanding its global digital engineering and design thinking capabilities, and accelerating clients' current and future digital transformation programs
CoE and Innovation Centers	Investment	2021	Partnered with the state of Tennessee and the city of Nashville to open a digital innovation and delivery center in Nashville (Tennessee, USA). The delivery center focuses on healthcare and manufacturing digital technology, including analytics and automation
Nexient	Acquisition	2021	Acquired Nexient, a cloud-native company, to expand its transformation, modernization, and cloud application development experience
Hashmap	Acquisition	2021	Acquired Hashmap, a Snowflake premier partner, to augment its technical expertise with modern data platforms to support analytics, artificial intelligence, and machine learning. Together, the companies will help clients gain insights from their cloud data and accelerate digital enablement
Health and Wellbeing Initiative	Initiative	2021	Launched a health and wellbeing initiative in collaboration with other NTT group companies to help healthcare providers, insurers, life science, and government organizations leverage cutting-edge technology with personalized data to improve precision care models
Acorio LLC	Acquisition	2020	Acquired Acorio LLC, a ServiceNow elite partner, to add new capabilities in the fast-growing ServiceNow ecosystem and unique industry approaches to help clients enable automated and intelligent digital workflows

NTT DATA | healthcare payer digital services profile (page 4 of 4)
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	Innovation & investments	Delivery Footprint	Overall
◕	◕	◔	◕	◕	◕	◕	◓	◕

Strengths

- NTT DATA partnered with niche HealthTech vendors (e.g., Teladoc Health and R1 RCM) to build Nucleus for Healthcare – a single platform that provides data integration, automation, and AI to enable clients to unlock use cases such as personalized engagement, population health management, and Revenue Cycle Management (RCM)

- It made strategic partnerships, acquisitions, and investments to strengthen its digital capabilities; for instance, it acquired Nexient, a cloud-native company, to enhance its agile, cloud-native application design and development and acquired Hashmap to enhance analytics, AI, and ML solutions

- Clients cite NTT DATA's price competitiveness as a major strength; clients also appreciate the service provider's willingness to engage in innovative price constructs such as risk-sharing and outcome-based models

Limitations

- It should focus on creating a stronger brand recall in the healthcare consulting space by leveraging its global brand name and displaying strong thought leadership in the healthcare sector

- While NTT DATA has made significant investments in enhancing its digital portfolio, it could focus on demonstrating more proof points of leveraging those capabilities in healthcare engagements

- While NTT DATA's project delivery is well-received by clients, clients cite proactiveness in bringing forth innovative solutions as an area of improvement

Appendix

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

Everest Group PEAK Matrix
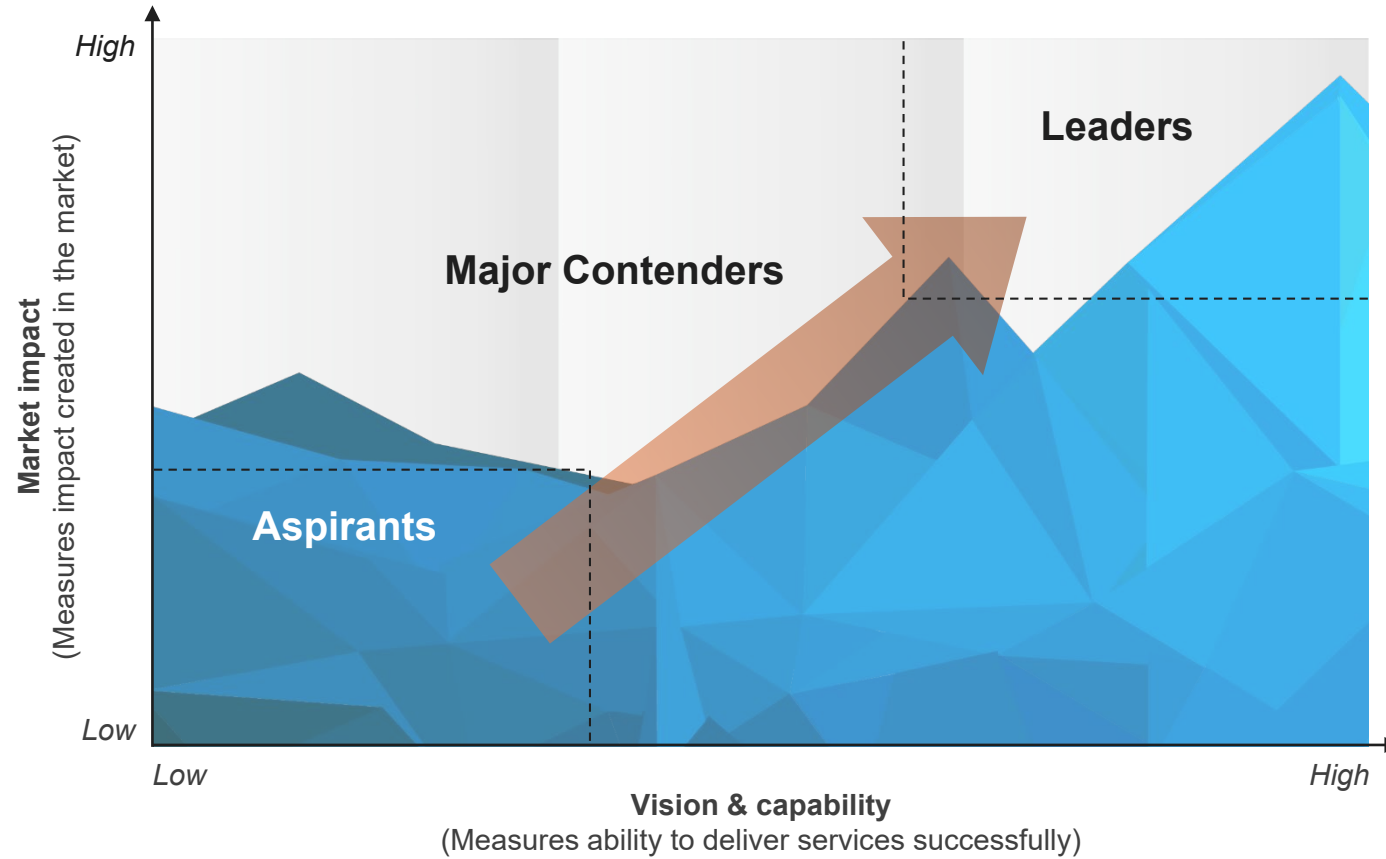
Services PEAK Matrix® evaluation dimensions

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

Market impact

Leaders

Major Contenders

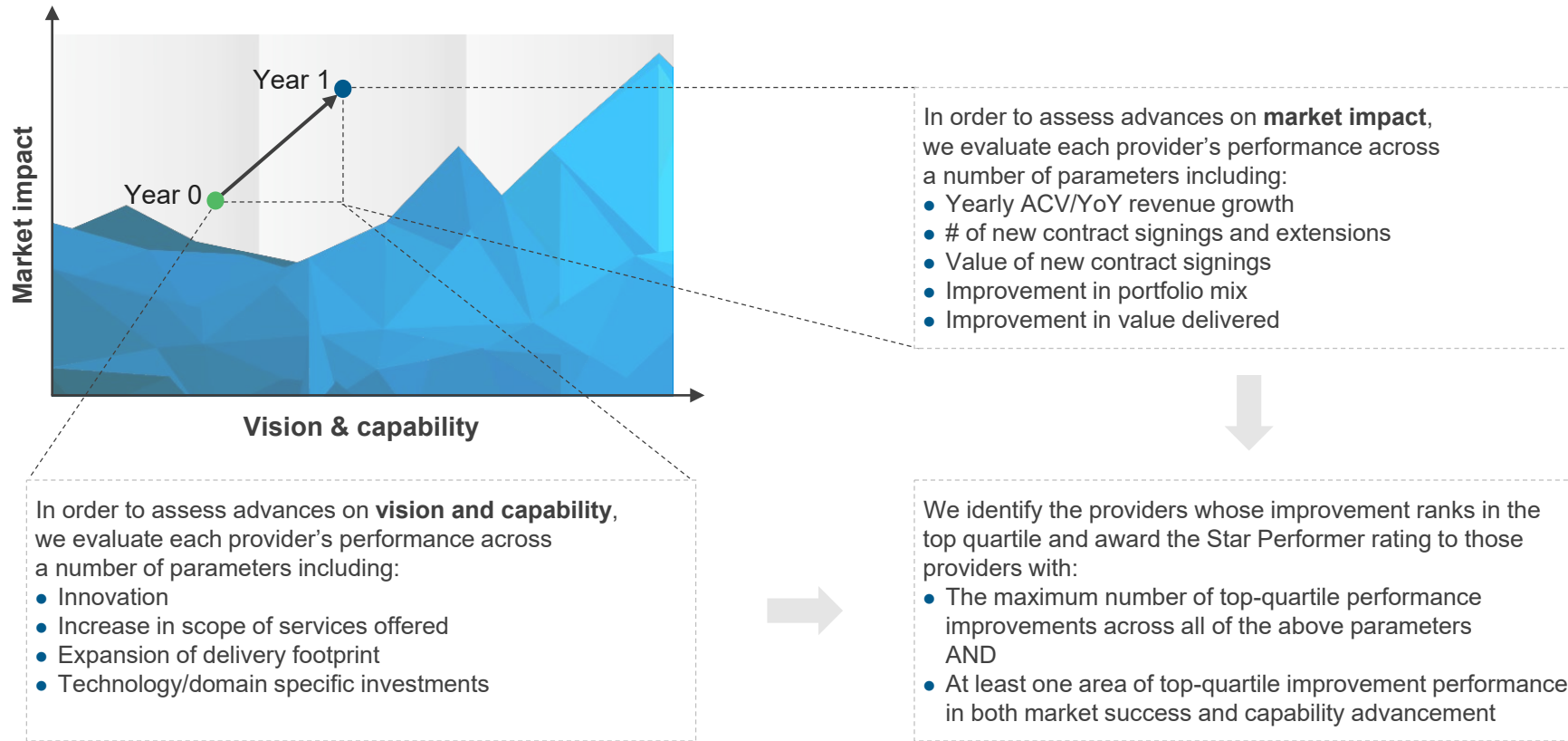Aspirants

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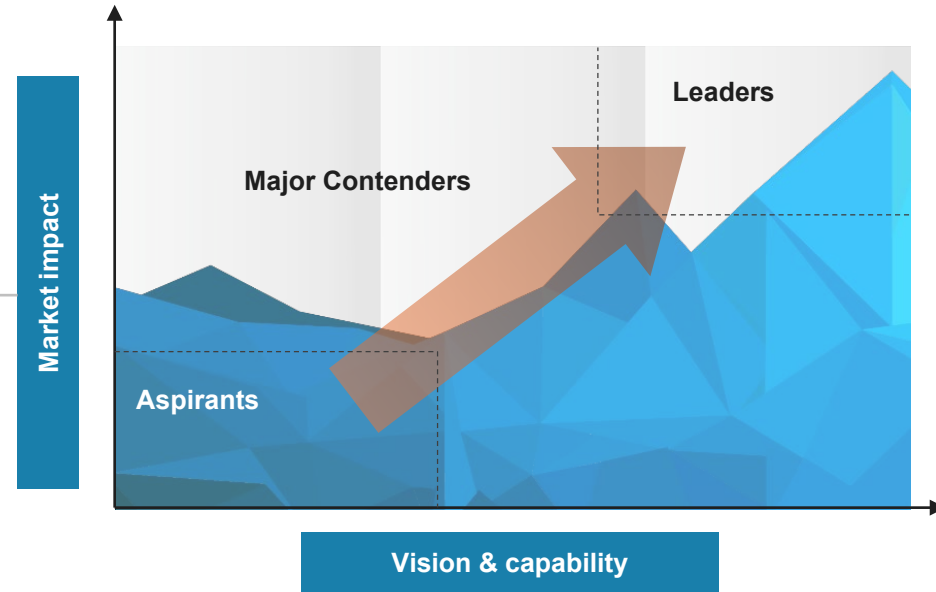
Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy

Vision for the client and itself; future roadmap and strategy

Scope of services offered

Depth and breadth of services portfolio across service 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

Everest Group®

With you on the journey

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