



Everest Group PEAK Matrix[®] for Revenue Cycle Management (RCM) Operations Service Provider 2021

Focus on Optum
August 2021



Background of the research

RCM operations 2021

Healthcare providers in the US are mired in administrative inefficiencies, which is evident from the fact that on an average, administrative expenses account for 20-25% of their total spend, making revenue cycle management one of the key focus areas for the providers, as it affects their cash flows and top line. COVID-19 has further added to their woes with the deferral of elective procedures and rising uninsured and unemployed population, affecting their collections and consequently margins. This, combined with an ineffective RCM function, has led to many physician groups closing shops or getting acquired, and even the larger providers struggling to stay afloat. The need for an effective and efficient RCM function to save costs and prevent revenue leakages, is now more important than ever.

2020, being a pandemic year, saw major disruptions in the provider industry, with most hospitals and health systems losing ~20% inpatient volumes and ~35% outpatient volumes relative to baseline levels, as per the American Health Organization. The year became a fight to survive, causing the industry to witness multiple acquisitions, partnerships, and mergers, which kept all stakeholders on their toes. With the financial pressures due to falling volumes, coupled with shift toward VBC models, changing regulations, and declining margins caused by the pandemic, the provider outsourcing industry, in fact declined by nearly 1-3% from the previous year.

Healthcare providers have traditionally been laggard in terms of leveraging outsourcing, let alone offshoring, but are now changing their stand about seeking help from third-party service providers. This led to a significant rise in client adoption throughout the market post the pandemic outbreak, with service providers – which fared well and maintained their business and quality standard – adopting new clients, taking on clients from other service providers, and increasing scope of work with existing clients.

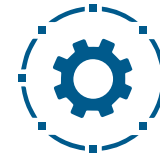
Scope of this report:



Geography
Global



Service providers
28



Services
RCM business process
services

Everest Group RCM operations – services PEAK Matrix® characteristics

Everest Group classified 28 RCM operations providers on the Everest Group PEAK Matrix® into the three categories of Leaders, Major Contenders, and Aspirants. The PEAK Matrix® is a framework to assess the absolute market success and overall capability of service providers.

Leaders:

There are five service providers in the Leaders category – Access Healthcare, AGS Health, Cognizant, Omega Healthcare, and Optum

Major Contenders:

The Major Contenders category has 17 service providers – Atos, CorroHealth, Exela Technologies, Firstsource, GeBBS, Genpact, Global Healthcare Resource, HCL Technologies, HGS, IKS Health, MedData, MiraMed, NTT DATA, Sutherland Global Services, Teleperformance, Wipro, and WNS

Aspirants:

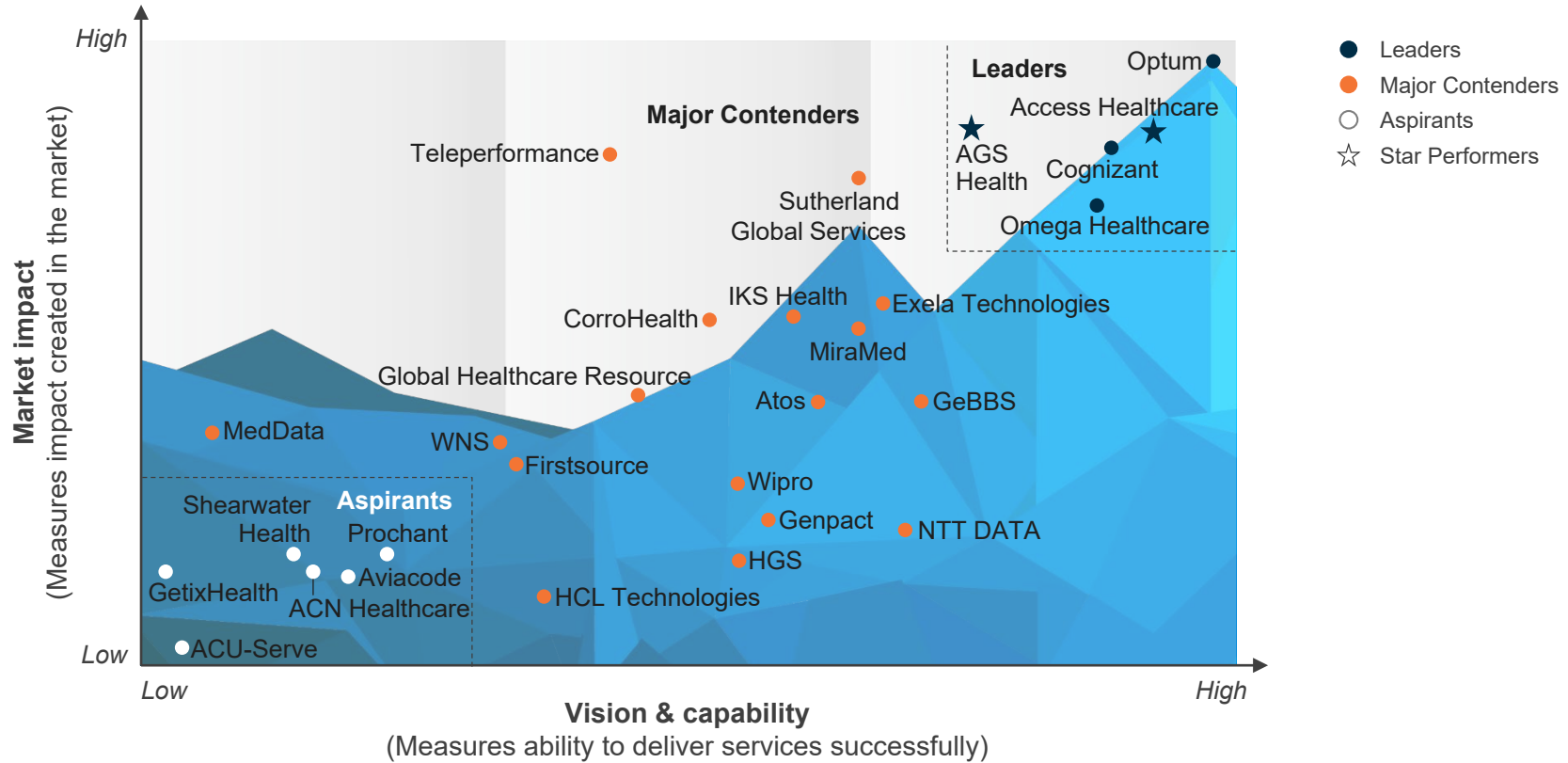
ACN Healthcare, ACU-Serve, Aviacode, GetixHealth, Prochant, and Shearwater Health are Aspirants on the PEAK Matrix® for RCM operations

Everest Group conferred the Star Performers title on providers that demonstrated the strongest forward and upward movement on the PEAK Matrix®. Access Healthcare and AGS Health are Star Performers on the RCM operations Everest Group PEAK Matrix® for 2021.

Everest Group PEAK Matrix®

Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2021 | Optum positioned as Leader

Everest Group Revenue Cycle Management (RCM) Operations – Services PEAK Matrix® Assessment 2021^{1,2}



1 Assessments for ACN Healthcare, ACU-Serve, Aviacode, CorroHealth, Firstsource, GeBBS, GetixHealth, Global Healthcare Resource, HCL Technologies, MedData, and Prochant, 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.

2 Analysis for Omega Healthcare is based on its capabilities before it acquired Himagine Solutions.

Source: Everest Group (2021).

Optum | RCM operations profile (page 1 of 6)

Overview

Company overview

Optum is a health services innovation company. It creates simple, effective, and comprehensive solutions for organizations and consumers across the health system by integrating consumer experience, clinical expertise, data and analytics, and embedded technology into all its services. Optum provides end-to-end technology and managed services to optimize the revenue cycle from pre-registration to final payment. Optum360 is the revenue cycle-focused division of Optum.

Key leaders

- Rick Hardy, Chief Executive Officer, OptumInsight
- Sue Arthur, Chief Operating Officer, OptumInsight
- Paul Emerson, Chief Executive Officer, Provider Market

Headquarters: Eden Prairie, Minnesota, the United States
Website: www.optum.com

Suite of services:

- Patient access
- Medical billing
- Claims management
- AR management

RCM operations	2018 ¹	2019 ¹	2020 ¹
Revenue (US\$ million)			
Number of FTEs	Not disclosed		
Number of clients	Not disclosed		

Recent acquisitions and partnerships

- **2021:** Acquired Change Healthcare to provide software and data analytics, technology-enabled services and research, advisory, and revenue cycle management. This acquisition awaits final regulatory approvals
- **2020:** Acquired NaviHealth, a start-up developing a software platform, to help manage post-acute care
- **2019:** Partnered with John Muir Health to manage key non-clinical functions, including information technology, RCM, analytics, purchasing, and claims processing
- **2019:** Acquired Vivify Health, a start-up that offers a mobile, cloud-based platform for remote patient care management
- **2019:** Acquired DaVita Inc., an independent medical group, to build a next-generation, comprehensive, and coordinated healthcare organization; and improve patient health and experiences, while lowering costs across the continuum of care
- **2019:** Acquired Equian, a payment processing platform, to provide end-to-end payment integrity solutions, driving more efficient use of healthcare dollars for payers, providers, patients, and their communities
- **2019:** Acquired healthcare technology start-up PatientsLikeMe, which provides online services to connect patients with others who have similar conditions, while focusing on healthcare improvements and innovation

Recent developments

- **2019:** Invested in Vim, a San Francisco-based platform, fostering collaboration between healthcare providers and payers
- **2019:** Invested in Health at Scale, which is developing ML solutions for precision medicine. The technology matches patients with providers using AI
- **2019:** Invested in Kaia Health, which is developing a smartphone-based technology for chronic condition management

¹ 12 months ending December 31 of any particular year, i.e., from January 1, YYYY to December 31, YYYY

Optum | RCM operations profile (page 2 of 6)

Key delivery locations



Optum | RCM operations profile (page 3 of 6)

Capabilities and key clients

RCM operations mix by segment Number of FTEs 100% = Not disclosed	RCM operations revenue mix by geography Revenue in US\$ million 100% = Not disclosed	RCM operations FTE split by delivery location Number of FTEs 100% = Not disclosed	RCM operations split by engagement model Revenue in US\$ million 100% = Not disclosed
Not disclosed	Not disclosed	Not disclosed	Not disclosed

Key RCM operations engagements			
Client name	Processes served	Region	Client since
Bassett Healthcare	Patient access, medical billing, claims management, and A/R management	North America	2021
Palmetto Primary and Specialty Care Physicians	Medical billing, claims management, and A/R management	North America	2020
NorthBay Healthcare	AR management, medical billing and claims management	North America	2020
Boulder Community Health	Patient access, medical billing, claims management, and A/R management	North America	2020
John Muir Health	Patient access, medical billing, claims management, and A/R management	North America	2019
Excela Health	Patient access, medical billing, claims management, and A/R management	North America	2018
Cape Cod Healthcare	Medical billing, claims management, and A/R management	North America	2017
Quest Diagnostics	Medical billing, claims management, and A/R management	North America, the UK, and LATAM	2016
Dignity Health, now part of CommonSpirit Health	Patient access, medical billing, claims management, and A/R management	North America	2013
Westmed Medical Group	Patient access, medical billing, claims management, A/R management	North America	2012

Optum | RCM operations profile (page 4 of 6)

Technology solutions/tools

Name of the solution	Processes served	Year launched	Description	# operations clients
Computer Assisted Coding (CAC) Enterprise	Medical billing	Not disclosed	It is a comprehensive solution designed to work together as a single answer to hospitals' coding and clinical documentation improvement needs when licensed with Optum CDI 3D, both residing on a single integrated platform	Not disclosed
CAC professional	Medical billing	Not disclosed	It provides the essential tools for professional/ambulatory coding operations, streamlines processes, and drives accurate and efficient coding	Not disclosed
CDI 3D	Medical billing	Not disclosed	It proactively identifies clinical documentation deficiencies and potential quality events at the point of care for review. CDI 3D uses clinical intelligence to automate review of all cases for all payers, and provides prioritized work lists, a shared coding and CDI platform, and streamlined reporting	Not disclosed
Claims manager	Medical billing	Not disclosed	The platform is a claims editing solution that helps lower denials rates and identify unbilled revenue by automatically flagging claims for inaccurate coding and billing documentation prior to payer submission	Not disclosed
Intelligent EDI	Patient access, claims management, and A/R management	Not disclosed	It delivers eligibility checking, electronic claims submission, and management capabilities that help alleviate prolonged and error-prone claims feedback cycles to help organizations get paid quickly and accurately	Not disclosed
Outpatient charge capture	Medical billing	Not disclosed	The application uses proprietary algorithms and regulatory guidelines maintained by industry experts to facilitate hospital and clinic charge capture and code assignment	Not disclosed
Payment integrity compass	Claims management, A/R management	Not disclosed	It automates calculation of expected reimbursement to determine payment validity, recover payment defects, and model contracts with precision and speed	Not disclosed
Optum data exchange	Claims management	Not disclosed	The platform empowers payer-provider collaboration by acquiring digital clinical health data from any source in any format – from lab results to medications, discharge summaries to immunizations, and more. This data is brought together and standardized for secure exchange, making the healthcare system better for everyone	Not disclosed
Health post	Patient access	Not disclosed	The platform makes self-scheduling an appointment easy. It ensures there is no more waiting on hold, by making appointments that are convenient with providers of all types and booking in real-time, all in one place. It helps to customize search, find the best provider, and book an appointment	Not disclosed
Crimson medical referrals	Patient access	Not disclosed	The platform is a web-based, EMR-agnostic workflow platform that facilitates the referral process – connecting employed and independent PCPs, specialists, and hospitals by selecting the most appropriate providers based on specialty, network affiliation, insurance, location, and quality of care with smart search, and sending and receiving referrals easily among both in-network and independent providers	Not disclosed

Optum | RCM operations profile (page 5 of 6)










Technology solutions/tools

Name of the solution	Processes served	Year launched	Description	# operations clients
Price estimation	Patient access	Not disclosed	The platform helps providers deliver accurate cost of care estimates based on factors such as individual health plan coverage, co-pay, and deductible amounts	Not disclosed
eFR	Claims management and A/R management	Not disclosed	The platform is a revenue recovery and denials management platform, which utilizes advanced workflow to manage and prioritize the receipt of final reimbursement for the provider services rendered	Not disclosed
Case advisor	Medical billing	Not disclosed	The platform is a utilization review technology platform that combines proven Artificial Intelligence (AI) technology, evidence-based medical research, a vast library of historical medical necessity reviews, and more than 20 years of expertise in AI and UR. It leverages clinically aware AI to serve both initial case stratification (sorting cases based on likelihood of inpatient status) and NLP-enhanced physician advisor case review, supporting a goal of giving all cases a proper review	Not disclosed
Robotic Process Automation (RPA)	Patient access, medical billing, claims management, and A/R management	Not disclosed	The platform uses industry standard tools (not Optum proprietary technology) to build RPA solutions. Optum automates repetitive, high-volume tasks in an efficient and standardized manner to complement and elevate revenue cycle staff productivity	Not disclosed
Enterprise ChargemasterExpert.com	Medical billing	Not disclosed	The platform reviews the chargemaster automatically to flag potential lost revenue, compliance problems, or coding issues that lead to billing errors. It combines a set of tools to automate chargemaster code validation, data reviews, analysis, and updates. It improves efficiency and productivity, while eliminating the costly issues that lead to billing rejections and denials	Not disclosed

Optum | RCM operations profile (page 6 of 6)

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 continued to thrive in a market adversely affected by COVID-19 by focusing on inorganic growth, including the acquisition of NaviHealth (a post-acute healthcare service company), PatientsLikeMe (a healthcare technology start-up), and the ongoing acquisition of Change Healthcare
- By leveraging its comprehensive offering on care management, clearinghouse services, and large scale in the payer market, Optum is uniquely positioned to generate insights about claims management and offer value-added services to its provider clients
- Optum follows a flexible engagement model, wherein it provides end-to-end RCM solutions as well as solves individual service or technology needs as required by the clients
- With consistent investment in technology and a strong pool of certified coders and US-registered nurses, Optum has been able to provide high standards of value to its customers

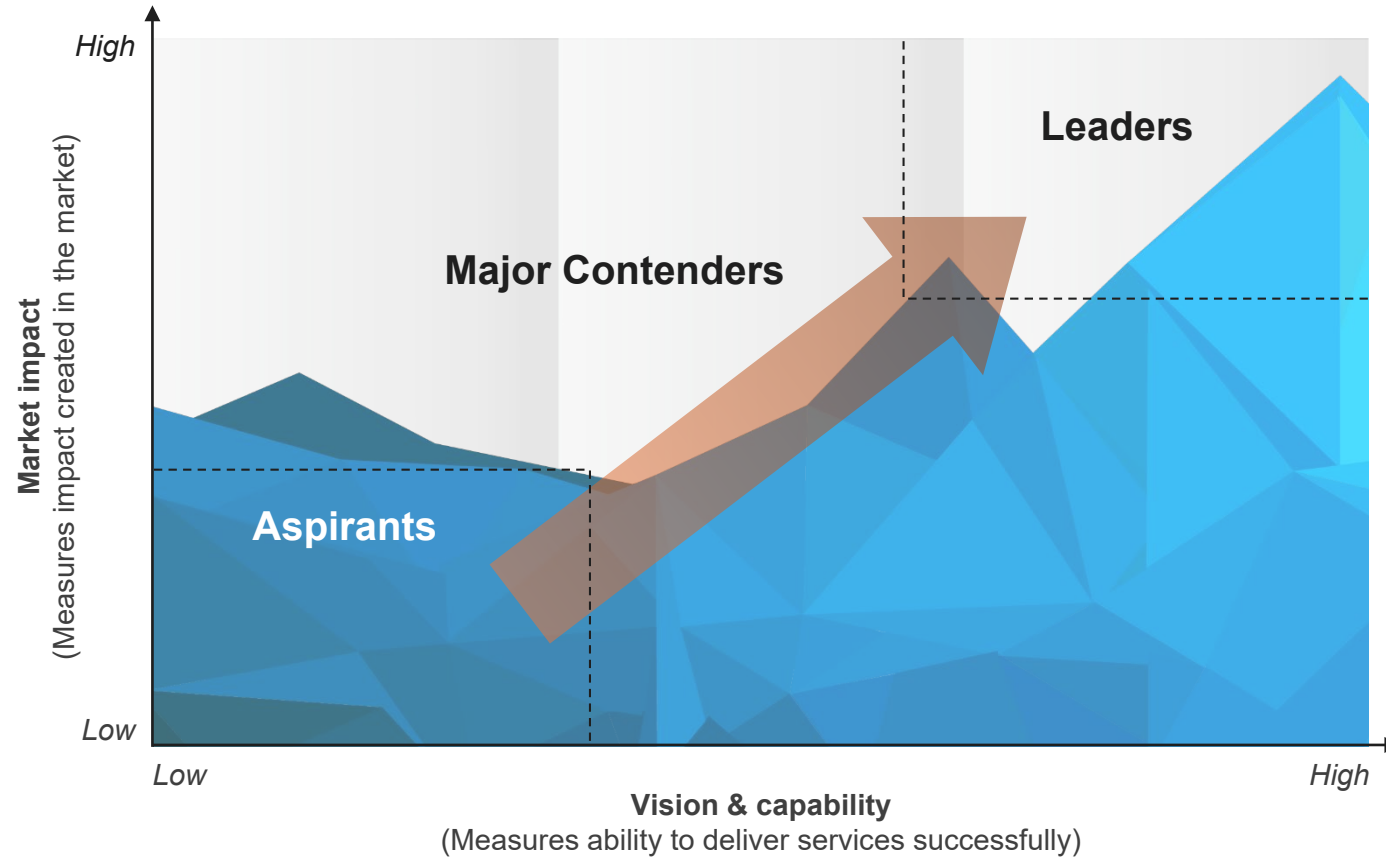
Limitations

- With offshore-based players gaining momentum and focusing on technology and process augmentation, Optum might find it challenging to compete with these players in terms of cost savings, which continues to remain a primary focus of enterprises
- COVID-19 led to an increase in the scope for outsourcing for the HME/DME segment, and some of its peers have begun to slowly realize its potential; however, Optum has a scant presence in this area. Additionally, it might find it difficult to establish a foothold with independent physicians, which continue to give precedence to cost savings

Appendix

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

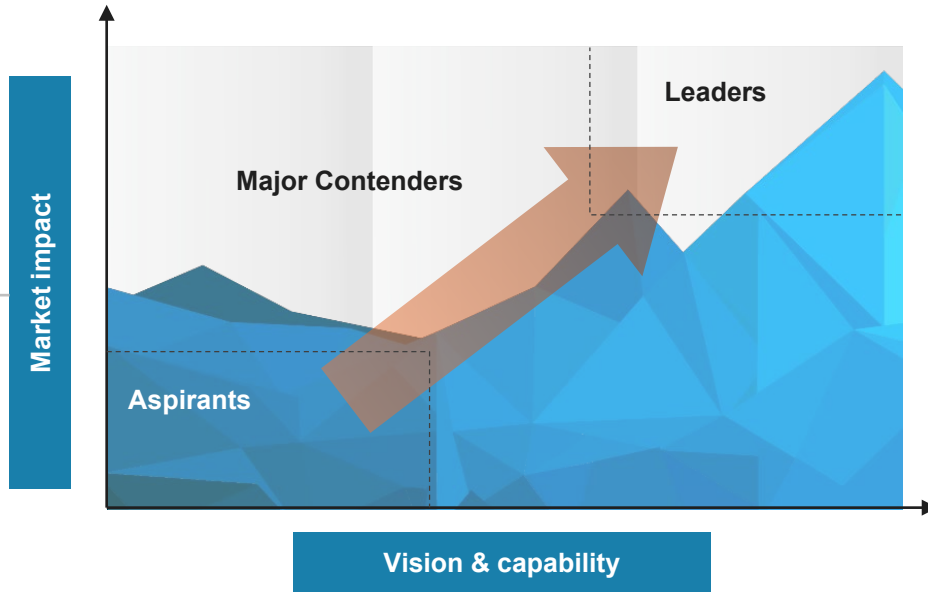
Everest Group PEAK Matrix



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



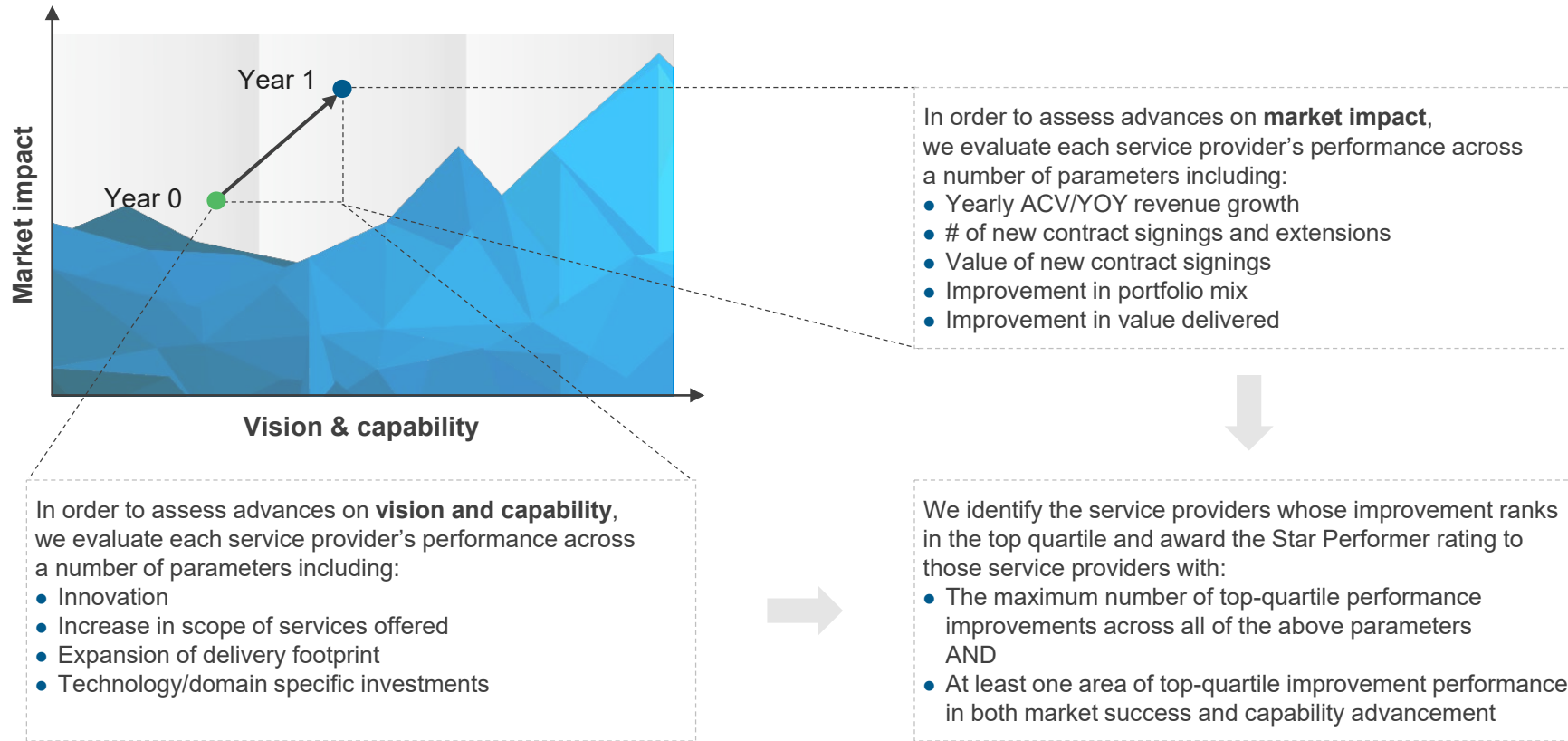
Measures ability to deliver services successfully. This is captured through four subdimensions

- 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



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 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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