Everest Group®

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

Focus on Cognizant

March 2022

Everest Group
PEAK MATRIX®

Background of the research
Healthcare Payer Operations 2022

The healthcare industry is one of the fastest-changing and most dynamic sectors, making it essential for organizations to constantly evolve and build on their foundational capabilities. The global pandemic has brought certain opportunities to the forefront such as telehealth, risk-based commercial models, and greater investment in care management, all coupled with an increased focus on digital initiatives, especially automation and analytics.

In order to achieve this, service providers are establishing strong ecosystem partnerships with leading third-party vendors, developing technology solutions, deploying innovative models such as Business-Process-as-a-Service (BPaaS) and payvider solutions for service delivery, and strengthening their consulting capabilities to provide end-to-end transformation for their clients.

In order to achieve their objectives in this regard, third-party support becomes vital, and hence, it becomes extremely important for healthcare payers to identify the right service providers to transform their business processes and help differentiate themselves. This report studies leading healthcare payer BPS providers and compares their capabilities in detail.

The full report includes the profiles of the following 32 leading healthcare payer BPS providers featured on the Healthcare Payer Operations PEAK Matrix® :

- **Leaders:** Accenture, Cognizant, Conduent, EXL, Firstsource, HGS Healthcare, NTT DATA, Optum, and Wipro
- **Major Contenders:** Apexon Health, Capgemini, CGI, Change Healthcare, Concentrix, Convey Health, CorroHealth, Exela Technologies, Gainwell Technologies, Genpact, HCL Technologies, Hexaware, Infosys, Mphasis, Shearwater Health, Sutherland Global Services, TCS, and WNS
- **Aspirants:** Atos, Omega Healthcare, Tech Mahindra, Teleperformance, and Virtusa

Scope of this report

Geography
Global

Service providers
32

Services
Healthcare payer BPS

Everest Group Healthcare Payer Operations PEAK Matrix® characteristics

Everest Group classified 32 healthcare payer BPS 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 nine service providers in the Leaders category – Accenture, Cognizant, Conduent, EXL, Firstsource, HGS Healthcare, NTT DATA, Optum, and Wipro

Major Contenders:

The Major Contenders category has 18 service providers – Apexon Health, Capgemini, CGI, Change Healthcare, Concentrix, Convey Health, CorroHealth, Exela Technologies, Gainwell Technologies, Genpact, HCL Technologies, Hexaware, Infosys, Mphasis, Shearwater Health, Sutherland Global Services, TCS, and WNS

Aspirants:

There are five service providers in the Aspirants category – Atos, Omega Healthcare, Tech Mahindra, Teleperformance, and Virtusa

Everest Group conferred the "Star Performers" title on providers that demonstrated the strongest forward and upward movement (June 2020 – June 2021) on the PEAK Matrix®. Accenture and EXL are Star Performers on the Everest Group Healthcare Payer Operations PEAK Matrix® Assessment 2022.

Everest Group PEAK Matrix®
Healthcare Payer Operations PEAK Matrix® Assessment 2022 | Cognizant positioned as a Leader

Everest Group Healthcare Payer Operations PEAK Matrix® Assessment 2022[1,2,3]
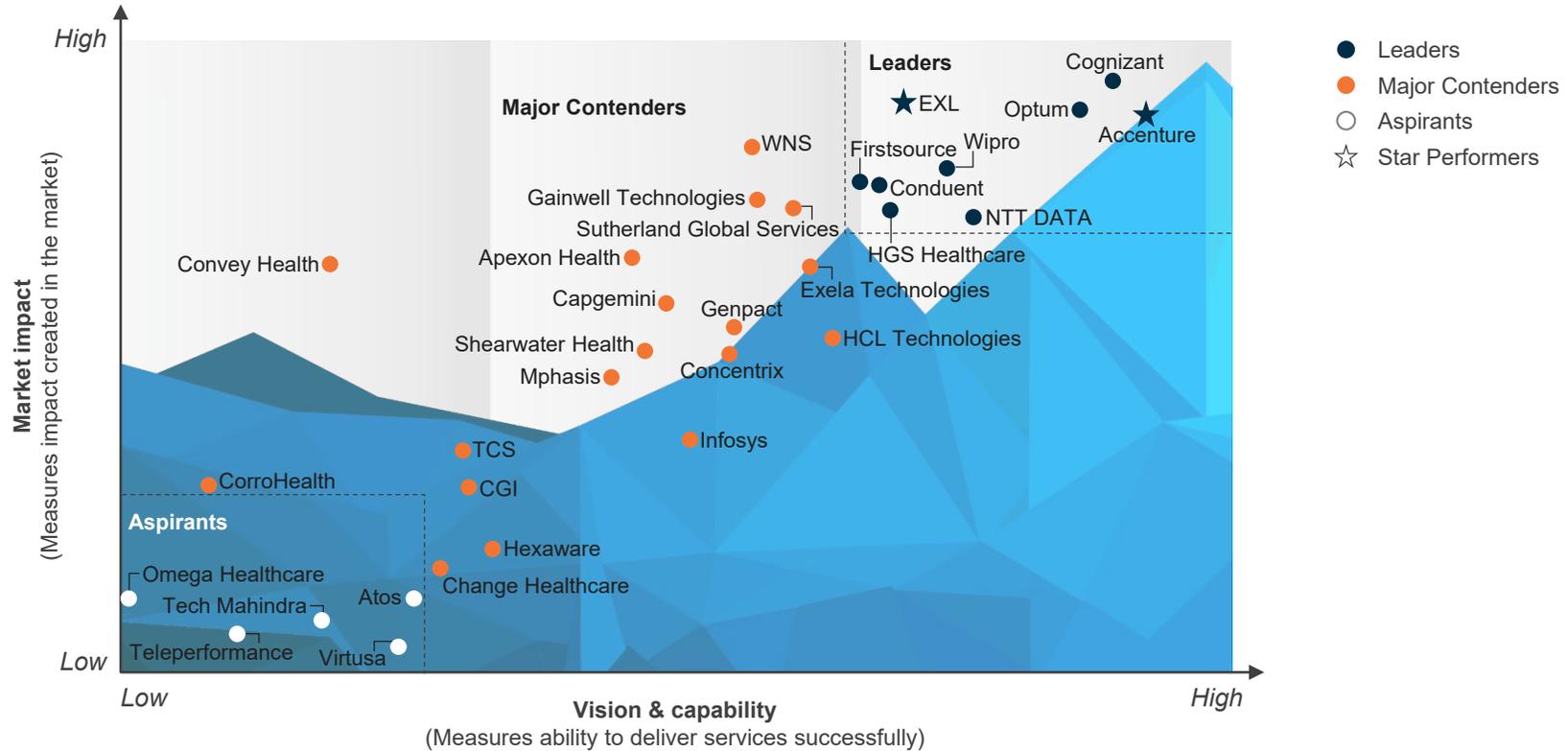
1. Assessment for Atos, Capgemini, Concentrix, CGI, CorroHealth, Convey Health, Gainwell Technologies, HCL Technologies, HGS Healthcare, Hexaware, Omega Healthcare, Virtusa, and Teleperformance excludes service provider inputs on this study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of the service providers, their public disclosures, and interaction with buyers.
2. The analysis of HGS Healthcare is based on the capabilities of erstwhile company (HGS) for the period of June 2020 – June 2021, before it was acquired by Baring Private Equity Asia.
3. The service providers who participated in two consecutive PEAK assessments (2020 and 2022) have been considered for Star Performers rating.

Source: Everest Group (2022)

Cognizant | healthcare payer operations profile (page 1 of 8)
Overview

Company overview

Cognizant is a global provider of information technology, consulting, and business process outsourcing services. Cognizant operates its business through various industry segments such as healthcare, banking, capital markets, insurance, life sciences, manufacturing, automotive, FMCG, communications & media, oil and gas, retail, travel & hospitality, transportation & logistics, and utility. Within healthcare, it offers both Business Process Services (BPS) and Business Process-as-a-Service (BPaaS) services to large, medium, and small-sized health plans. Key healthcare client segments include commercial, individual, HIX, Medicare, Medicaid, dental, vision, behavioral, ACOs, and Payviders. Other capabilities include offering Software-as-a-Service (SaaS) leveraging its TriZetto platforms, infrastructure services, IT services, and cloud & digital services.

Key leaders

- **Brian Humphries,** Chief Executive Officer
- **Jan Siegmund,** Chief Financial Officer
- **Ganesh Ayyar,** Executive Vice President, Digital Operations
- **Samir Malhotra,** Senior Vice President, Global Delivery, Digital Operations
- **Sandeep Bhasin,** Senior Vice President, Global Markets, Healthcare and Life sciences Digital Operations
- **Brent Barber,** Vice President, Global Delivery, Healthcare Digital Operations
- **Giri Namala,** Vice President, Global Markets, Healthcare Digital Operations
- **Melissa Merdan,** Head – BPaaS, Global Markets, Healthcare Digital Operations

| **Headquarters:** Teaneck, New Jersey, the United States | **Website:** www.cognizant.com |

Suite of services:

- Product development
- Member engagement.
- Care management
- Claims management
- Network management
- Risk & compliance

1   12 months ending June 30 of any particular year, i.e., from July YYYY-1 to June YYYY.

Healthcare payer operations	2018[1]	2019[1]	2020[1]	2021[1]
Revenue (US$ million)		Not disclosed		
Number of FTEs				
Number of clients	130	145	~140	~145

Recent acquisitions and partnerships

- **2021:** partnered with industry-leading preventive overpayment identification and claims ML solution provider to enable payers to save millions of dollars
- **2020:** partnered with a workflow solution provider for better documentation and process data gathering
- **2020:** partnered with a US-based RPA vendor for claims automation solution on Facets platform
- **2019:** partnered with US-based CognitiveScale to leverage its AI tool
- **2019:** acquired US-based Softvision to expand its digital transformation capabilities (design, engineer, and deliver digital products and experiences that drive digital-first business models)

Recent developments

- Developed Cognizant Neuro™, a modular, interoperable suite of solutions that helps simplify and accelerate time to business value for intelligent process automation. Developed Operational-Quality-as-a-Service (OQaaS) encompassing ML, analytics, and advanced workflow systems to address end-to-end operational quality audits
- Ranked #1 in KLAS for payer claims and administrative platforms – Trizetto Facets and Trizetto QNXT
- Strengthened the BPaaS offerings by investing in building a factory model for Medicare advantage and Medicaid lines of business that addresses core back-office needs, with an ability to bundle additional Cognizant assets to address front- and middle-office requirements
- Invested in Live Insights, an end-to-end big data and visualization analytics solution
- Launched risk adjustment as-a-service to deliver end-to-end risk adjustment capabilities, including a software product, HCC coding (BPS), risk adjustment, and risk score manager, enabling prospective and retrospective analytics, hosting, and advisory services
- Launched TTAP, which is a real-time prior authorization tool that enables payers and providers to streamline authorization workflows. It enables providers to save costs and speed up responses to patients by eliminating the work, analysis, and time required to manually coordinate and manage authorization requests and approvals

Cognizant | healthcare payer operations profile (page 2 of 8)
Key delivery locations

Des Moines ●

● Jessup

Phoenix ●

● Tampa

Gurgaon ●

● Kolkata

Pune ● ● Hyderabad

Bangalore ● ● Chennai
Coimbatore

Manila ●
Cebu ●

● Costa Rica

Cognizant | healthcare payer operations profile (page 3 of 8)
Capabilities and key clients

Key healthcare payer operations engagements			
Client name	**Processes served**	**Region**	**Client since**
A leading Texas-based health and hospital system	Claims management and member engagement	North America	2020
A leading East Coast-based BCBS plan	Claims management and member engagement	North America	2019
The largest customer-owned health insurer in the US	Claims management and member engagement	North America	2018
A leading US-based not-for-profit health plan	Claims management and member engagement	North America	2015
A leading West Coast-based BCBS plan	Claims management and member engagement	North America	2012
A leading West Coast-based managed care organization	Claims management and member engagement	North America	2009

Operations mix by segment
Number of FTEs

100% = Not disclosed

Risk and compliance
Product development
Claims management 30%
Risk and compliance 6%
Product development 9%
Member engagement 16%
Care management 16%
Network management 23%
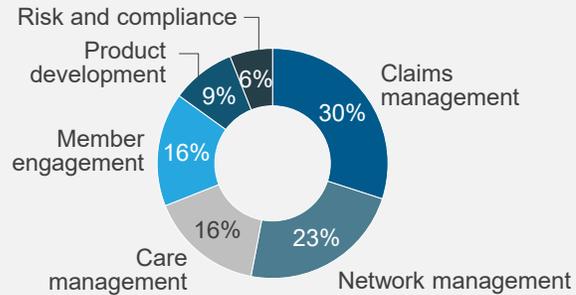
Revenue mix by geography
Revenue in US$ million

100% = Not disclosed

North America 100%

FTE split by delivery location
Number of FTEs

100% = Not disclosed

Nearshore (1%)
Onshore 18%
Offshore 81%
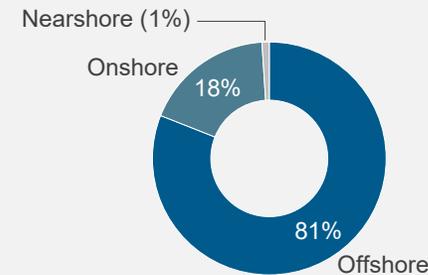
Client split by buyer size[1]
Number of active clients

100% = ~145

Large 21%
Medium 33%
Small 46%
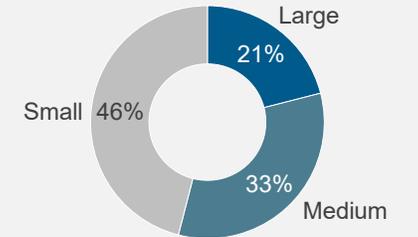
1   Buyer size is defined as large (>US$10 billion in revenue), medium (US$1-10 billion in revenue), and small (<US$1 billion in revenue).

Cognizant | healthcare payer operations profile (page 4 of 8)
Technology solutions/tools

Solution name	Processes served	Year launched	Description	No. of clients
Cognizant Neuro™	All	2021	It is an interoperable suite of solutions that helps simplify and accelerate time to business value for intelligent process automation. Together, these solutions form an automation fabric-combining talent, new ways of working, domain knowledge, and technology in a holistic way to enable digital, AI-infused, efficient, and adaptive operations to deliver exceptional experiences for the modern business.	Not disclosed
Operational-Quality-as-a-Service (OQaaS)	All	2021	The solution is an integrated suite of ML, analytics, and advanced workflow systems to address end-to-end operational quality audits to deliver enhanced/remediated upstream business processes, which results in improved business outcomes and reduced costs.	Not disclosed
Process mining	Claims management	2021	This solution is implemented across claims and enrollment towers and utilizes data and analytics. It has assets such as golden process map, connectors, KPIs, and visual dashboards, which are now being leveraged to fast-track process mining deployment across claims and billing processes covering 40% of the overall business. This significantly improves the member and provider experience and improves the star ratings for the health plan.	Not disclosed
Bot Convertor	All	2020-21	The tool comes with pre-configured rules for auto-remediation allowing bots to log into the development environment, and open and auto-remediate the source code as manual code remediation is time-consuming. The solution is faster than manual execution as it removes repetitive remediation. Examples: Pega to UiPath, Automation Anywhere to UiPath, OpenSpan to UiPath.	Not disclosed
Intelligent Data Capture Solution (iDCS)	All	2020	It is an OCR-based document processing solution to capture business-relevant data from input documents and deliver it. Input documents could be either scanned images or textual files with content laid out in structured or unstructured formats.	Not disclosed
Process Lexicon	All	2020	The solution is a door to a digital frontier enabling access to golden process designs, digital assets, common minimum controls, and their impact on business that ensures zero surprise delivery.	Not disclosed
Task Capture	Claims and network management	2020	The solution is implemented across claims and provider towers to help auto-creation of the SOPs and process flows. This tool helps to easily document and gather data on the business processes. This way, the company can obtain detailed insights into the processes considered for automation.	Not disclosed

Cognizant | healthcare payer operations profile (page 5 of 8)
Technology solutions/tools

Solution name	Processes served	Year launched	Description	No. of clients
Smart Audit	Claims management	2020	The solution helps in identifying claims that are prone to get adjusted and audit those high-risk ones in order to avoid the claim being adjusted repeatedly and avoiding interest and overpayment situations.	Not disclosed
Facets Automation Solution Toolkit (FAST)	Claims management	2020	The solution is a pre-built and ready-to-use claims automation solution on Cognizant Facets platform. Cognizant partnered with UiPath and is expanding its capabilities by introducing other technologies and other RPA tool vendors.	Not disclosed
Appeals and grievances automation	All	2020	It is an integrated end-to-end intelligent automation solution that involves RPA, ML, OCR, and custom code. Human-in-the-loop solution provides the ability to branch to human-only processes at any logical step of the automation workflow. The solution is scalable to handle the variations in membership volume with improved member and provider experience.	Not disclosed
Provider data management	Network management	2020	The solution includes universal input template designed for all provider groups, end-to-end automation of provider data validation and updates, reusable and extensible bot framework to work across all the provider groups. It is a comprehensive solution to clear the backlog and manage the daily provider updates including volume fluctuations.	Not disclosed
Claims Financial Recovery	Claims management	2020	The solution includes RPA and predictive analytics. The predictive model identifies claims which have a high propensity of being incorrectly adjudicated because of financial error (over payments or under payments). The bots identify and execute claims for the provider to quickly adjust the errors, making any reconfigurations necessary in the claims adjudication system to avoid similar future errors.	Not disclosed
Claims Encounters	Claims management	2020	The solution has bots executed on Facets framework to validate the basic details in the encounter forms. Claims encounter fallouts are recorrected by bots on a monthly basis and submitted back to the respective state and the CMS websites.	Not disclosed
Utilization management	Care management	2020	Analysts support the solution where they manually extract information from fax to update in the respective internal mainframe applications in order to notify the clinical staff (nurses in general) of case allocation. Cognizant's hybrid automation solution interacts with the web application in two ways. It facilitates the tagging of clinical records and the retrieval of information through a single interface. Bot checks for new emails at regular intervals, downloads, sorts the fax messages, and creates a new entry in the database, which is used by the operations staff for tagging. Provider and differential data is also fed into the tagging database on an hourly basis by the bot. The solution typically provides up to 50% AHT reduction.	Not disclosed
Automation Workbench (AWB)	All	2020	The platform provides acceleration and ensures quality across the automation delivery life cycle. It has been created for improving RoI for automation projects.	Not disclosed

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Cognizant | healthcare payer operations profile (page 6 of 8)
Technology solutions/tools

Solution name	Processes served	Year launched	Description	No. of clients
Digital Operations Fabric (DOF)	All	2019	The solution is an integrated operations management suite that facilitates work inventory management, manages workflow, and helps in tracking time on desktop applications and activities of agents. It also has a quality module that helps in managing audit-related functionalities.	Not disclosed
Data digitization solution	All	2019	The solution automates data extraction.	Not disclosed
LiveInsights™ analytics and visualization platform	All	2019	The solution is an end-to-end big data analytics and visualization platform, leveraged across the healthcare payer value chain for member engagement, network management, product development, care management, claims management, risk and compliance, and the entire provider value chain. Key features include: • Real-time streaming of data collection from distributed systems • Distributed search to investigate and troubleshoot • Adaptive ML and dynamic rules on streaming data • Unified and centralized operational reporting of transaction data • Scalable and distributed service with standard service APIs for easy integration	Not disclosed
Claims finalization improvement solution	Claims management	2019	The predictive analytics solution helps payers proactively focus on claims having high likelihood of finalization when prioritized for agent action, hence improving the claim finalization rate.	Not disclosed
Claims adjudication – smart assignment solution	Claims management	2019	The predictive analytics model helps payers by enabling skill-based routing of claims with high propensity of being incorrectly adjudicated (pre-processing), improving claim adjudication accuracy, and saving costs associated with underpayment/overpayment/interest penalties.	Not disclosed
Analytics-as-a-service for automation	All	2018	The dashboard is developed for clients to present operational metrics and business metrics. Robots capture-audit logs to generate the desired metrics in the dashboard.	Not disclosed
Human In The Loop (HITL) validation	Claims management	2018	The tools are used in the automation of clinical validation of claims from the provider. While the human extracts the data from input paper forms, the automation solution validates the extracted data against the internal system and updates missing data.	Not disclosed

Cognizant | healthcare payer operations profile (page 7 of 8)
Technology solutions/tools

Solution name	Processes served	Year launched	Description	No. of clients
ClaimSphere™ hybrid analytics engine	Care management	2018	The rule-based engine delivers detailed insights into the hybrid project progress, involving clinical data acquisition and quality measurement. It offers detailed dashboards and analytics that provide insights into the quality of the provider chases and the performance of Medical Record Review (MRR) vendors associated with the hybrid project workflow.	Not disclosed
Provider credentialing and recredentialing	Network management	2017	The automation solution is used for initial validation of provider credentials and periodical revalidation.	Not disclosed
Enrollment and member management	Member engagement	2017	The solution facilitates creation and maintenance of member demographic and insurance attributes.	Not disclosed
BigDecisions	All	2017	The solution enables boundaryless business possibilities using an analytics-driven approach, and helps achieve digital transformation through business experimentation.	Not disclosed
TranZform Suite: Engage TranZform, Network TranZform, Care TranZform, and Insights TranZform	Member engagement, network management, and care management	2016	The solution provides a 360° digital awareness to help healthcare organizations increase customer engagement, improve price transparency, and increase collaboration & network intelligence.	Not disclosed
AI and chatbots for personalized healthcare	Member engagement and care management	2016	The chatbot-based interface provides a platform where the user can request for a specific report or metrics in the natural human language.	Not disclosed

Cognizant | healthcare payer operations profile (page 8 of 8)
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

- Cognizant has a dedicated BPaaS practice with a share of more than 50-60% of its healthcare BPS business. It provides end-to-end BPaaS solutions focusing on core operations such as enrollment, claims, care management, and compliance

- The company has made focused investments to drive front-line automation, advanced analytics, process mining tools, and a robust remote working policy to ensure higher delivery quality and business outcomes

- Cognizant has developed comprehensive automation and analytics payment integrity solutions with industry tie-ups and in-house investments to move from a traditional pay and chase to preventive overpayment identification construct

- It has set up call centers in Costa Rica and Latin America to cater to the Spanish-speaking population of the United States. A diversified delivery presence enabled Cognizant to ensure business continuity in a relatively better manner as compared to its peers

- Cognizant has significantly augmented its telehealth capabilities by offering various clinical solutions such as patient monitoring and support, medical adherence, senior care, and post-discharge transition support along with non-clinical solutions such as inbound and outbound calls, televisit scheduling, and tech device support. Its innovative way of looking at the digital impact of community health by focusing on social determinants differentiates it from its peers

Limitations

- Most of Cognizant's clients are based out of North America. Big healthcare payers are increasingly catering to clients across the world in order to increase their global presence. Given its strong experience and capabilities in the healthcare segment, this could be a potential growth opportunity for the service provider

- Cognizant is one of the service providers that experienced one of the highest attrition rates in 2021. Staffing challenges, lack of employee diversity, and skills shortage are some of the major challenges cited by buyers

- Cognizant's current focus on outcome-based commercial models is on the lower side as compared to its peers. Clients are looking for risk-sharing pricing constructs, especially in renewal deals

Appendix

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

Everest Group PEAK Matrix
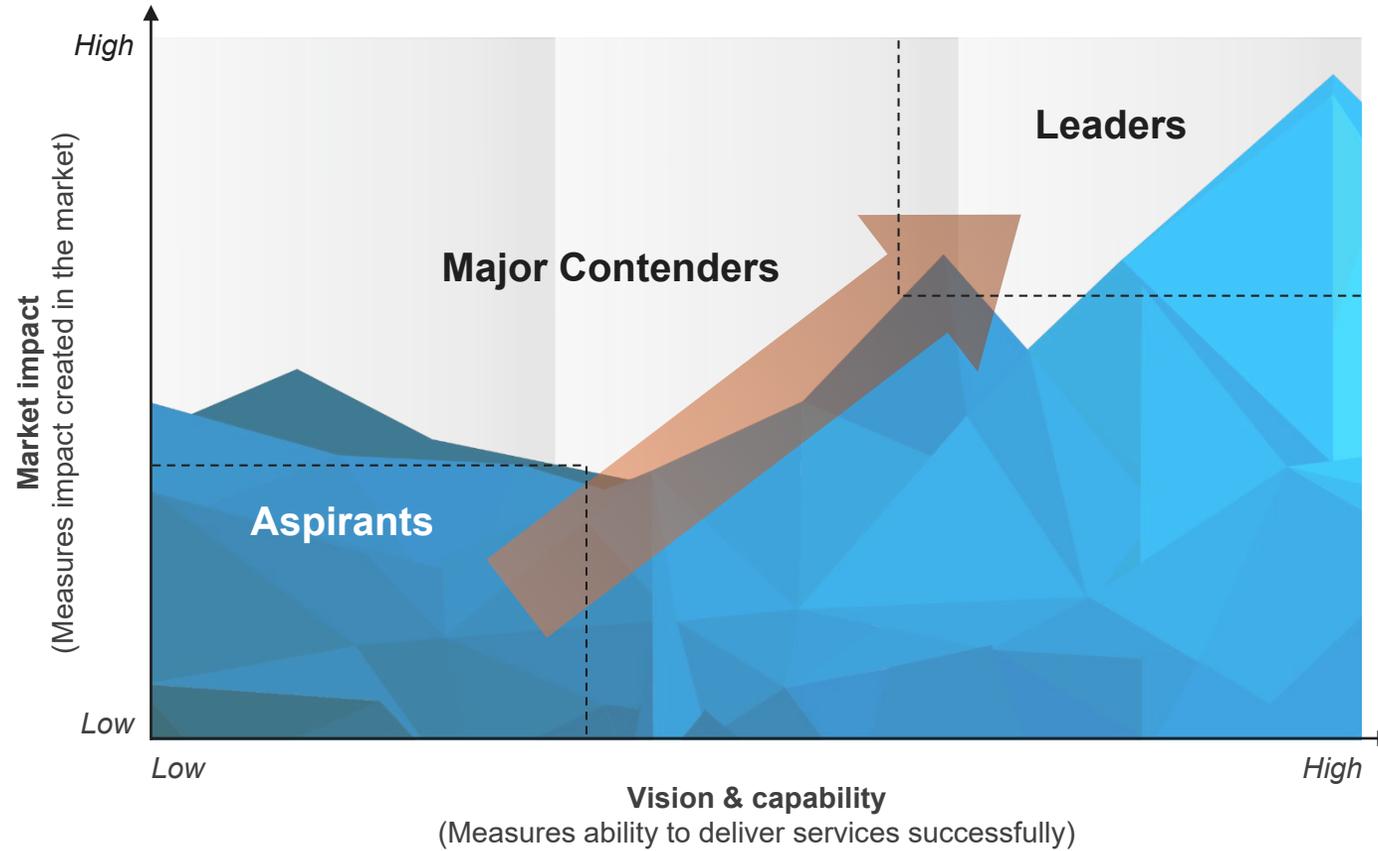
Services PEAK Matrix® evaluation dimensions

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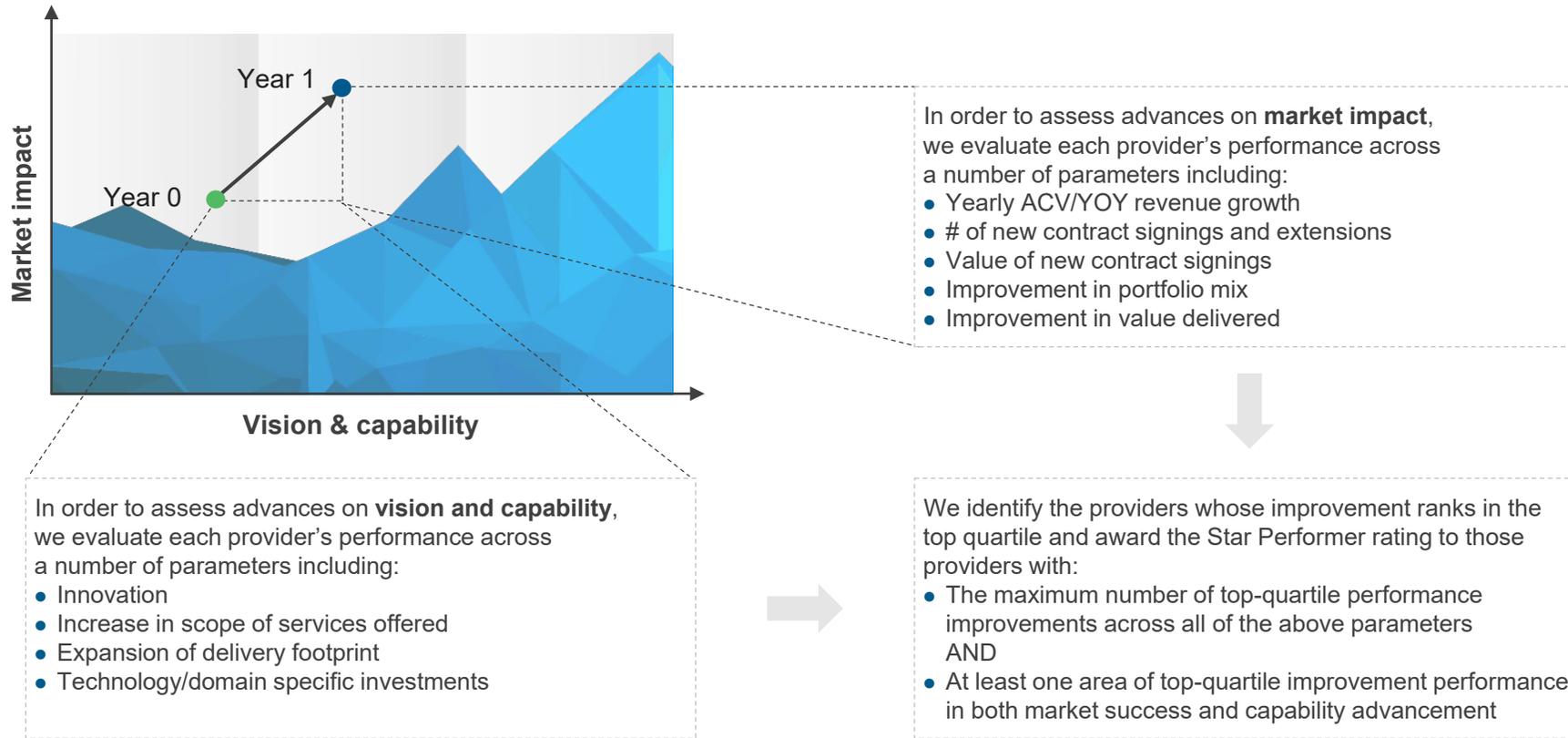
Vision & capability
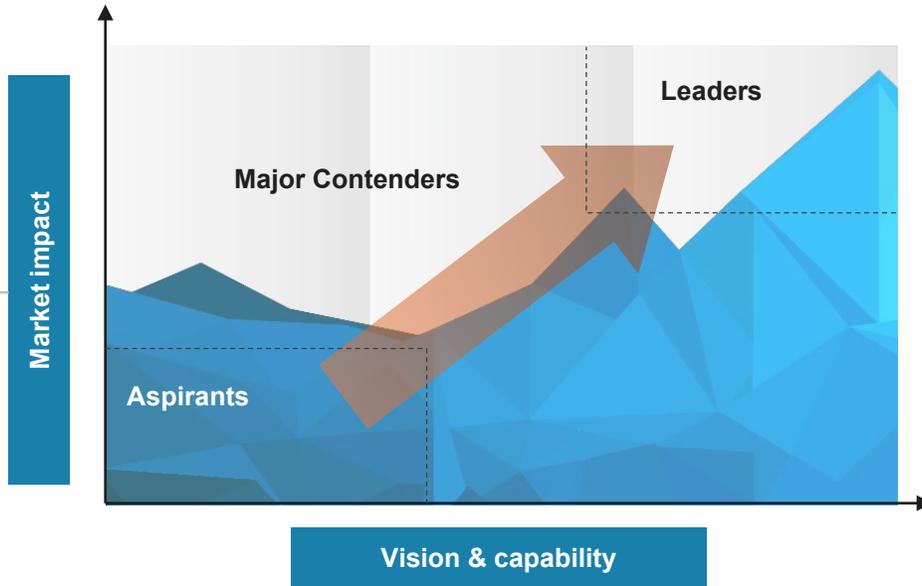
Measures ability to deliver services successfully. This is captured through four subdimensions

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

Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our research also covers the technologies that power those processes and functions and the related talent trends and strategies. Our clients include leading global companies, service and technology providers, and investors. Clients use our services to guide their journeys to maximize operational and financial performance, transform experiences, and realize high-impact business outcomes. Details and in-depth content are available at **www.everestgrp.com**.

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