

Healthcare Business Process Automation Solutions PEAK Matrix™ Assessment 2019

Focus on Optum
February 2019



Introduction and scope

Everest Group recently released its report titled “[Healthcare Business Process Automation Solutions PEAK Matrix™ Assessment 2019](#).” This report analyzes the changing dynamics of the healthcare business process automation solutions landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 14 service providers on the Everest Group PEAK Matrix™ for healthcare business process automation solutions into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of healthcare business process automation solutions service providers based on their absolute market success and delivery capability.

Based on the analysis, **Optum emerged as a Leader**. This document focuses on **Optum’s** healthcare business process automation solutions experience and capabilities and includes:

- Optum’s position on the Everest Group Healthcare Business Process Automation Solutions PEAK Matrix
- Detailed healthcare business process automation solutions profile of Optum

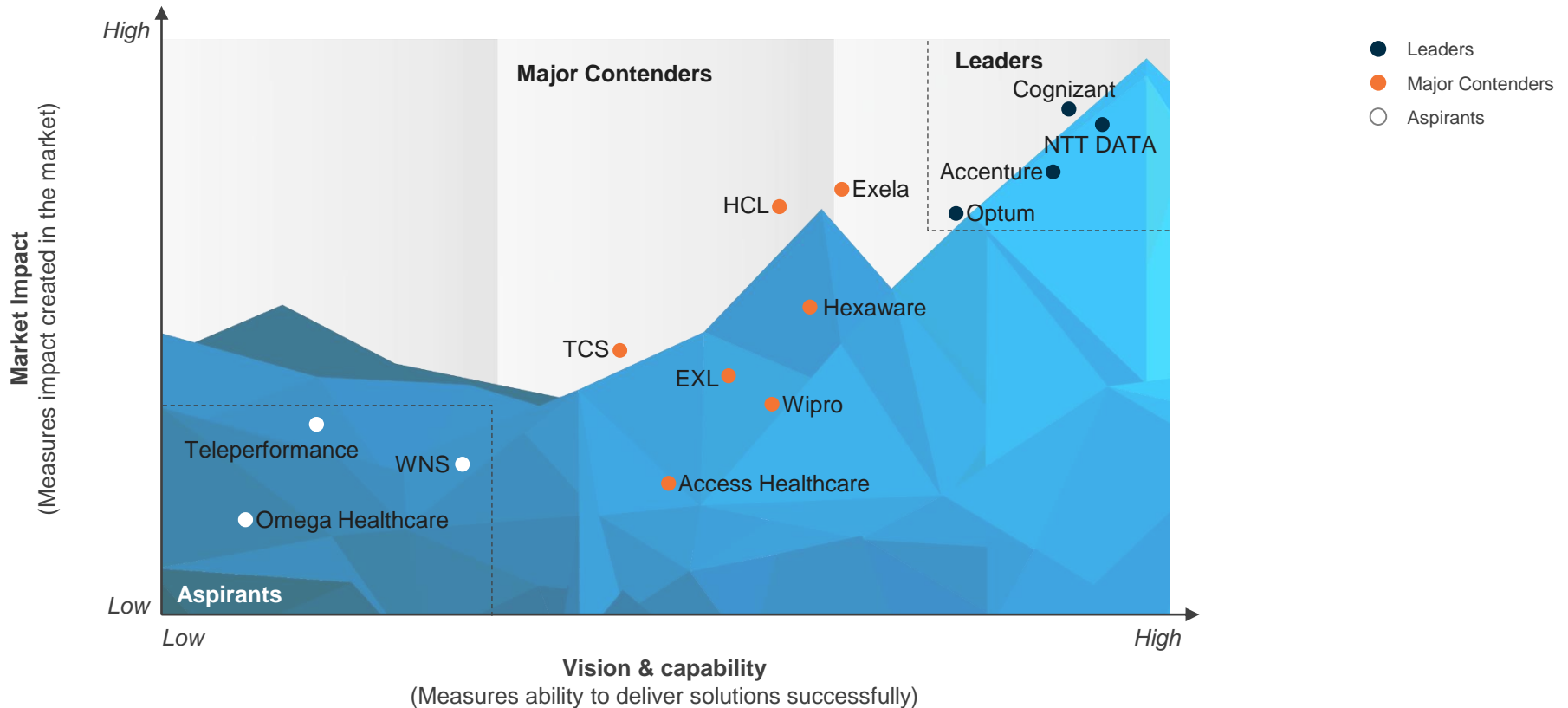
Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers’ relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements, and match them against service provider capability for an ideal fit.

Source: Everest Group (2019) unless cited otherwise

Everest Group PEAK Matrix™

Healthcare Business Process Automation Solutions PEAK Matrix™ Assessment 2019 | Optum positioned as a Leader

Everest Group Healthcare Business Process Automation Solutions PEAK Matrix™ Assessment 2019¹



¹ Service providers scored using Everest Group's proprietary scoring methodology

Note: Assessment for **WNS** excludes service provider inputs on this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, their public disclosures, and interaction with buyers.











Source: Everest Group (2019)

Optum | Healthcare business process automation solution profile

(page 1 of 4)

Everest Group assessment

Measure of capability:  High  Low

Market impact				Vision & capability					
Market adoption	Portfolio mix	Value delivered	Overall	Vision & strategy	Technology capability	Investments	Implementation & integration	Engagement & commercial model	Overall
									

Strengths

- With one of the largest healthcare automation solutions team, Optum has built a wide variety of business process automation solutions, spanning across several areas such as risk & compliance, claims management, and pharmacy (PBM) and care management
- Additionally, it has also partnered with some of the leading third-party technology vendors such as UiPath and Pega to build more automation solutions
- Presence across the payer and provider spectrum and even its buyer size mix has helped Optum gain experience and expertise across the healthcare BPS space, which is also reflected in its healthcare automation portfolio
- Optum's vision in the healthcare automation space moves beyond the traditional/basic parameter of cost reduction and focuses on some of the challenging business problems such as improving health outcomes and enhancing customer experience, which helps strengthen its position to tackle complex business problems faced by healthcare enterprises

Areas of improvement

- Although Optum has a roadmap and plan in place to significantly scale up its business process automation deployments in 2018, it is yet to be seen whether they will achieve this goal
- It has one of the largest client bases in the healthcare market and stands to improve business process automation deployments among such clients
- Additionally, Optum should aim to utilize its strong domain expertise and experience of leveraging digital levers (for both UHG and other healthcare clients) to win more automation-as-a-service deals
- Despite having invested in AI-enabled capabilities, a significant portion of Optum's healthcare automation deployments are RPA-focused. Going forward, it should focus on aggressively marketing these advanced automation capabilities
- Lack of sufficiently scaled up deployments has led to a lower FTE release rate as compared to the market

Optum | Healthcare business process automation solution profile

(page 2 of 4)

Overview

Company overview

Optum is an information and technology-enabled health services business dedicated to helping make the health system work better for everyone. Focused solely on the healthcare industry, Optum works relentlessly to help reduce the total cost of care while improving healthcare quality, outcomes, and experiences for people. It serves participants across the entire health system (consumers, care providers, health plans, employers, government, and life sciences) with more than 150,000 professionals globally supporting five core capabilities – health care intelligence, pharmacy care services, population health management, health care delivery, and healthcare operations.

Key healthcare BPSDA leaders:

- **Sir Andrew Witty**, Chief Executive Officer
- **Dirk McMahon**, Chief Operating Officer
- **Norman Wright**, Chief of Operations
- **Eric Murphy**, Chief Executive Officer, OptumInsight

Key healthcare BPSDA clients: United Healthcare and Dignity Health

Headquarter: Eden Prairie, Minnesota, The United States

Website: www.optum.com

Recent acquisitions/partnerships

- **2017:** Acquired Advisory Board to strengthen its existing capabilities in industry research, technology, and consulting services
- **2017:** Committed US\$600 million to fund digital healthcare firms. Among the first investments are cloud-based analytics platforms such as Apervita, a cloud-based analytics platform; SHYFT Analytics, a cloud-based pharmaceutical research platform; Mindstrong Health, which uses ML to help patients assess their mental health disorders through their smartphones; and others
- **2017:** Partnered with FICO, Intel Corporation, Health Fidelity, MedAnalytics, Crossix Solutions Inc, Mi7, Blockchain Healthcare Alliance, Cisco Systems, Medisafe, and Fibroblast, among others, to strengthen its mobility, cognitive, analytical, and digital capabilities in the healthcare segment

Adoption and capability overview

Number of active healthcare clients with BPSDA deployments: ~50
Number of active healthcare BPO clients with BPSDA deployments: ~50
Number of active healthcare BPSDA bots deployed: ~110-150
Number of healthcare BPSDA FTEs: 460+
Key third-party technology partners: Pega Systems, CMM, Sure Scripts, Oracle, and UiPath

Offered Not offered

Healthcare BPSDA offering structures

Stand-alone product licenses

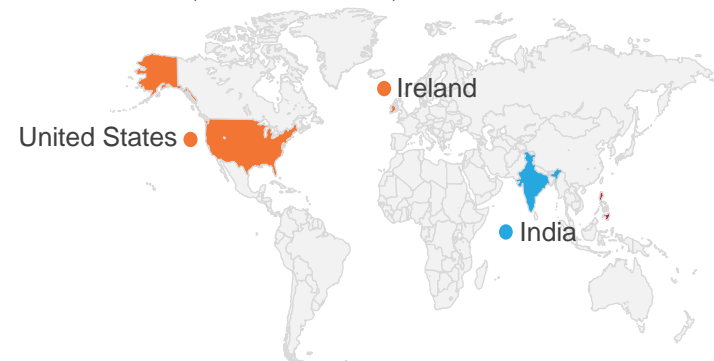
Product licenses + associated BPSDA services

Stand-alone BPSDA services

BPSDA as part of broader BPO deals

Key locations with healthcare BPSDA FTEs:

• >1,000 FTEs • 500-1,000 FTEs • 100-500 FTEs • <100 FTEs

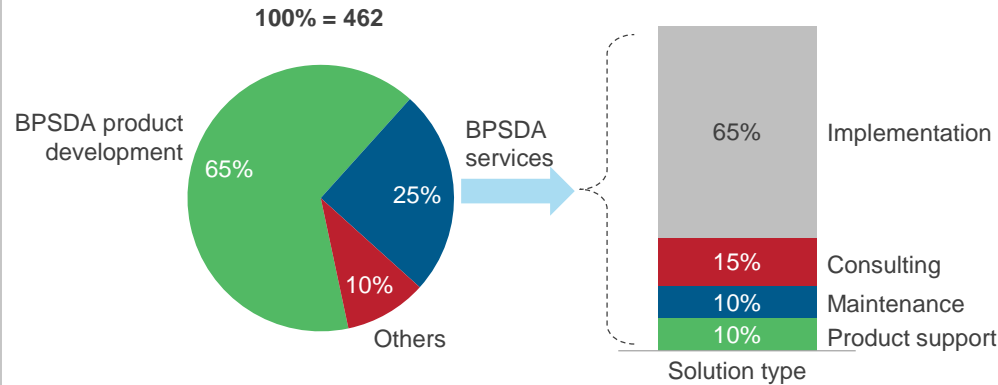


Optum | Healthcare business process automation solution profile

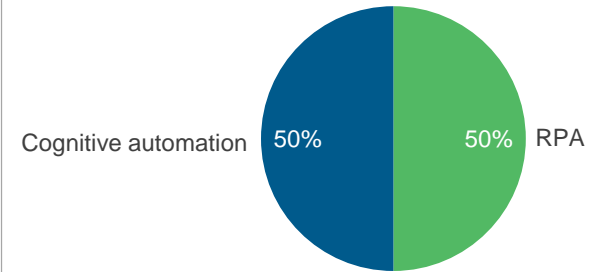
(page 3 of 4)

Capabilities

Split of healthcare BPSDA FTE by function



Split of healthcare BPSDA FTEs by automation type



Healthcare BPSDA client mix by buyer type

Number of clients

100% = ~50

Not disclosed

Healthcare Payer BPSDA bots mix by processes

Number of BPSDA bots

100% = Not disclosed

Not disclosed

Healthcare Provider BPSDA bots mix by processes

Number of BPSDA bots

100% = Not disclosed

Not disclosed

Healthcare BPSDA client mix by buyer size¹

Number of clients

100% = ~50

Not disclosed

¹ Buyer size is defined as large (>US\$5 billion in revenue), medium (US\$1-5 billion in revenue), and small (<US\$1 billion in revenue)

Note: Based on information as on December 2017

Optum | Healthcare business process automation solution profile

(page 4 of 4)

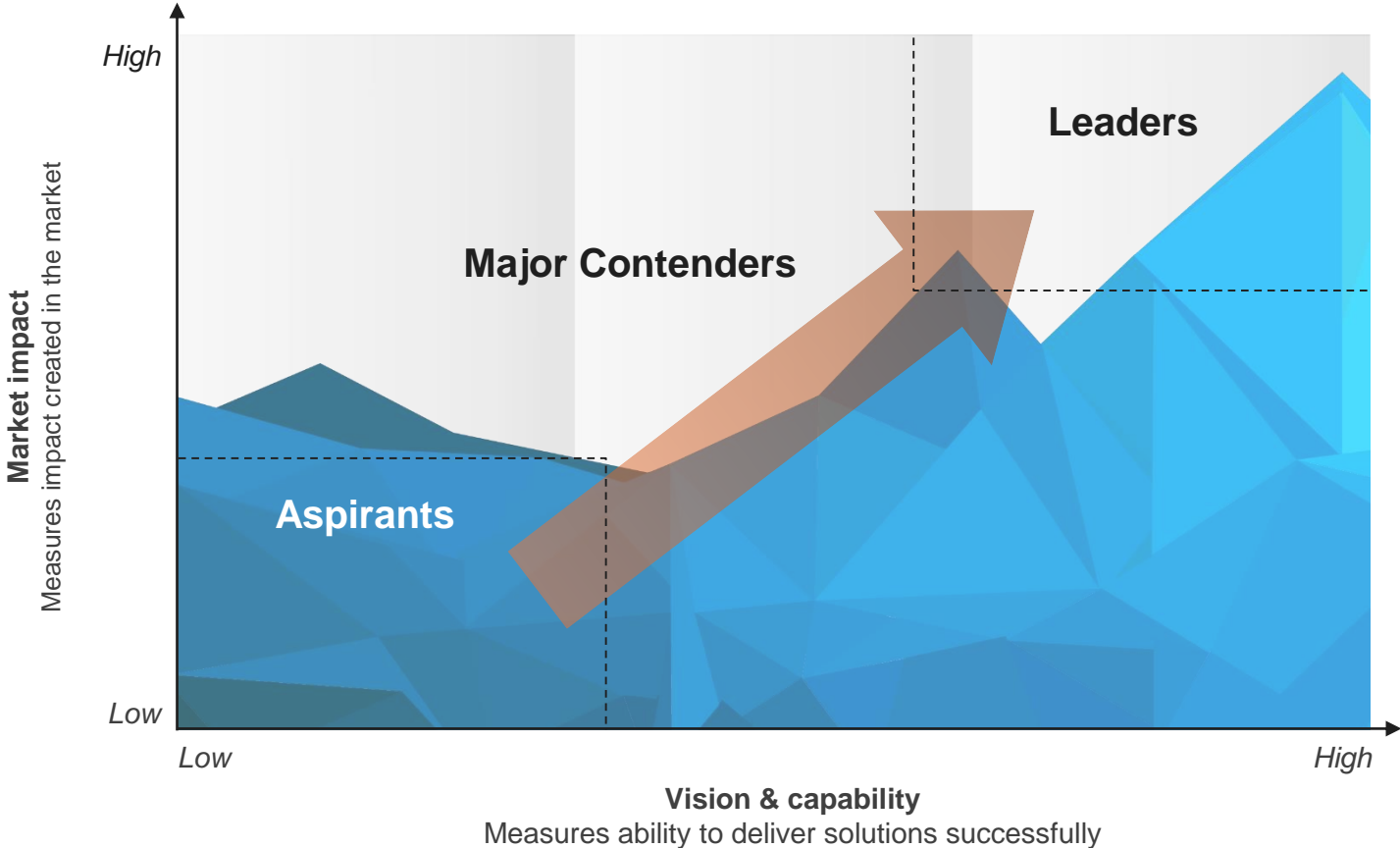
Technology solutions

Solution	Business functions	Year launched	Development type	Description	No. of clients
VIVO	Auditing and NPS prediction	2018	In-house/proprietary	End-to-end voice analytics tool which transcribes audio files and does advanced analytics including sentiment analysis, NPS prediction, and automated auditing	1
Fraud, Waste, and Error (FWAE) support services	Claims processing	2018	Off-the-shelf technology	Offshore claims processing integrated within the FWAE support services team/application	
RECV	Financial recoveries	2017	Joint development	Data lookup and information extraction integrated with financial recovery application.	
FWAE Clinical	Claims processing	2017	Off-the-shelf technology	Offshore claims processing integrated within the Fraud Waste and Error clinical team/application.	
Chart Abstraction – NLP	Risk adjustment	2017	In-house/proprietary	Abstract the clinical information from EMRs and leverage data to drive risk analytics and population health	1
Artificially Intelligent Digital Assistant (AiDA)	Multiple	2017	In-house/proprietary	Chatbots provide self-service in areas (e.g., benefits and eligibility, claims, member engagement, and Rx prior authorization) where customer queries require deployment of humans	2
Appeals & grievances dual data entry automation	Medicare & retirement appeals	2017	In-house/proprietary	Automates the case set-up manual data entry role using state of the art image processing, OCR, and NLP technologies	1
ePA	Prior authorization (PBM domain)	2015	Joint development	Prior authorization (PBM domain) for all lines of business (employer & individual, community & state, Medicare & retirement, military & veterans, etc.)	~50
HoneyBee	Population health management, behavioral health, and transactions	2015	In-house/proprietary	A customized automation platform which assists users in automating open-ended tasks and can also perform end-to-end robotic automation with itemized processing, parallel processing architecture, activity logging, and reporting	1

Appendix

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

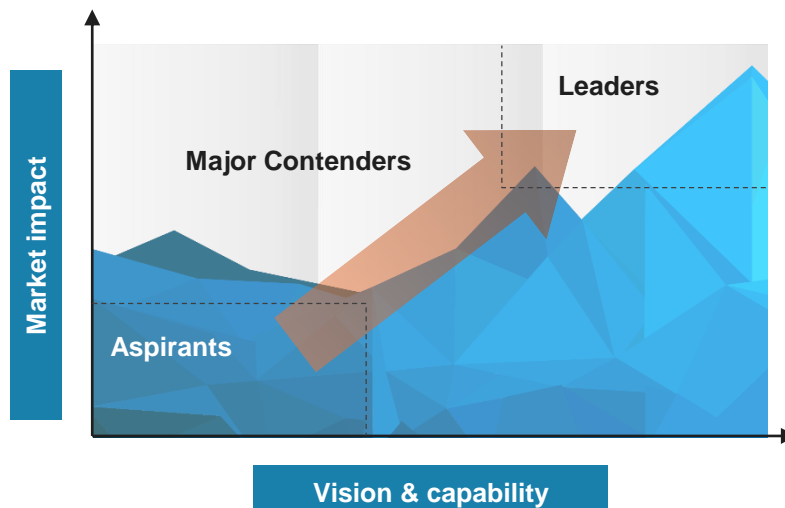
Everest Group PEAK Matrix



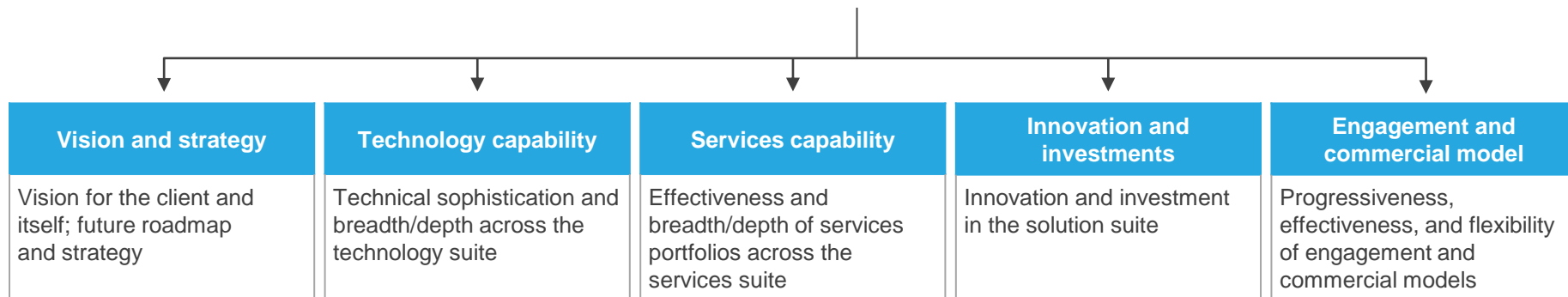
Solutions PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

- Market adoption**
Size and growth of deployments across the solution portfolio
- Portfolio mix**
Solution footprint across geographies, industries, and buyer size segments
- Value delivered**
Value delivered to the client based on customer feedback and other measures



Measures ability to deliver solutions successfully. This is captured through five subdimensions



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



About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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