Everest Group PEAK Matrix™ for Healthcare Payer IT Service Providers

Focus on Infosys

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Everest Group
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M A T R I X

Introduction and scope

Everest Group recently released its report titled "Healthcare Payer IT Services – Service Provider Landscape with PEAK Matrix™ Assessment 2017". This report analyzes the changing dynamics of the healthcare payer IT services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 20 service providers on the Everest Group PEAK Matrix for healthcare payer IT Services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix™ is a framework that provides an objective, data-driven, and comparative assessment of healthcare payer IT service providers based on their absolute market impact and vision & capability. Everest Group also identified three service providers as the "2017 Healthcare Payer IT Services Market Star Performers" based on the strongest forward movement demonstrated on the PEAK Matrix™ year-on-year.

Based on the analysis, **Infosys emerged as a Leader and a Star Performer**. This document focuses on Infosys' healthcare payer IT services experience and capabilities. It includes:
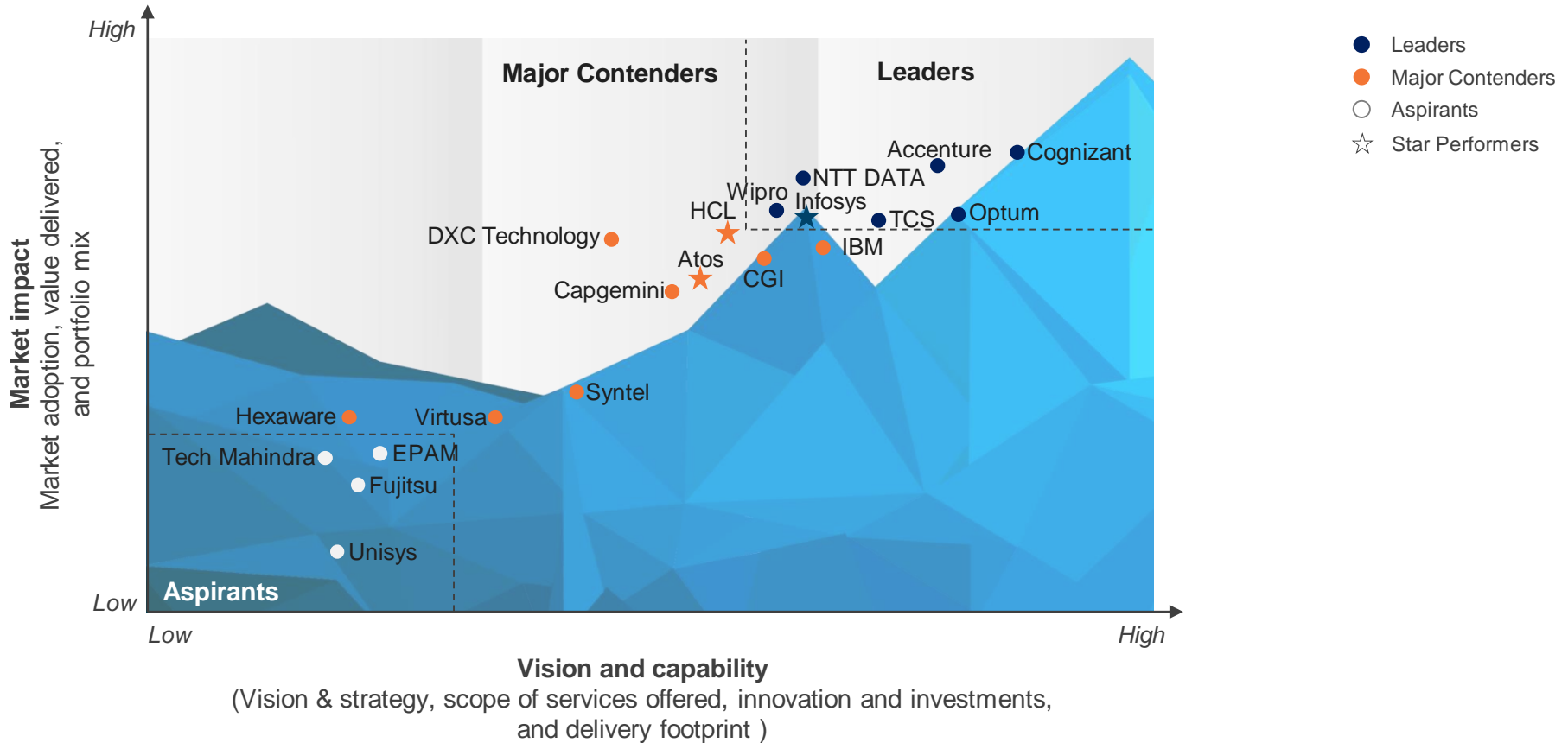
- Infosys' position on the healthcare payer IT services PEAK Matrix
- Detailed healthcare payer IT services profile of Infosys

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.

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Everest Group PEAK Matrix™
Healthcare Payer IT Services | Infosys positioned as Leader and Star Performer

Everest Group PEAK Matrix™ for Healthcare Payer IT services

Market impact
(Market adoption, value delivered, and portfolio mix)

High

Major Contenders

Leaders

Accenture

NTT DATA

Wipro

Infosys

Cognizant

HCL

TCS

DXC Technology

Optum

IBM

Atos

CGI

Capgemini

Syntel

Hexaware

Virtusa

Tech Mahindra

EPAM

Fujitsu

Unisys

Aspirants

Low

Low — High

Vision and capability
(Vision & strategy, scope of services offered, innovation and investments, and delivery footprint)

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

Note: Assessment for Accenture, DXC Technology, EPAM, Fujitsu, IBM, Optum, and Unisys excludes service provider inputs on this particular study and is based on Everest Group's estimates, which leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of Accenture, DXC Technology, EPAM, Fujitsu, IBM, Optum, and Unisys, service provider public disclosures, and interaction with buyers

Source: Everest Group (2017)

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Overview

Strengths

- Focus on digital technologies, especially cognitive and automation, through "Nia," "AssistEdge," and "Panaya"
- Built capabilities catering to end-to-end payer IT services value chain and across different subverticals
- Client roster comprises a healthy mix of large national plans and Blues

Scope and coverage: Healthcare reform and mandates, consumer engagement, insights-driven enterprise, operations, cost optimization, claims management & processing, AI, health analytics, etc.

Payer IT services focus by subvertical

	High	Medium	Low

Public health plans	Medium	
Private health plans	High	

Payer IT services focus by service scope

	High	Medium	Low

Infrastructure services	Medium	SI/consulting — Medium
Application services	High	

Payer IT services focus by value chain

	High	Medium	Low

Product development	Low	Policy servicing and management — High
Network management	Low	
Claims management	High	Care management — High

Areas of improvement

- Help the market articulate the impact of the turmoil due to stepping down of CEO and exit of multiple top management executives
- Expand payer scope beyond the mainstay of application services and into infrastructure services as well as consulting-led opportunities
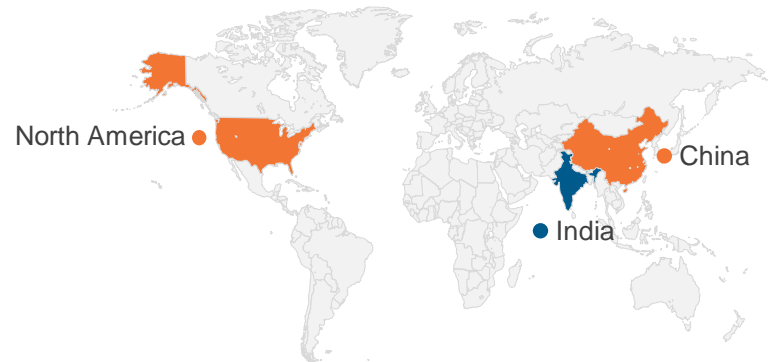
Payer IT services revenue

<US$50 million	**US$100-500 million**
US$50-100 million	>US$500 million

Payer IT services focus segments

	High	Medium	Low
Small (annual revenue < US$1 billion)			Low
Medium (annual revenue = US$1-5 billion)		Medium	
Large (annual revenue > US$5 billion)	High		

Payer IT services delivery map[1]

Legend: ● >1,000 FTEs ● 500-1,000 FTEs ● 100-500 FTEs ● <100 FTEs

North America, China, India

1   Map reflects the overall payer IT delivery presence

Source: Everest Group (2017)

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Offerings and recent developments

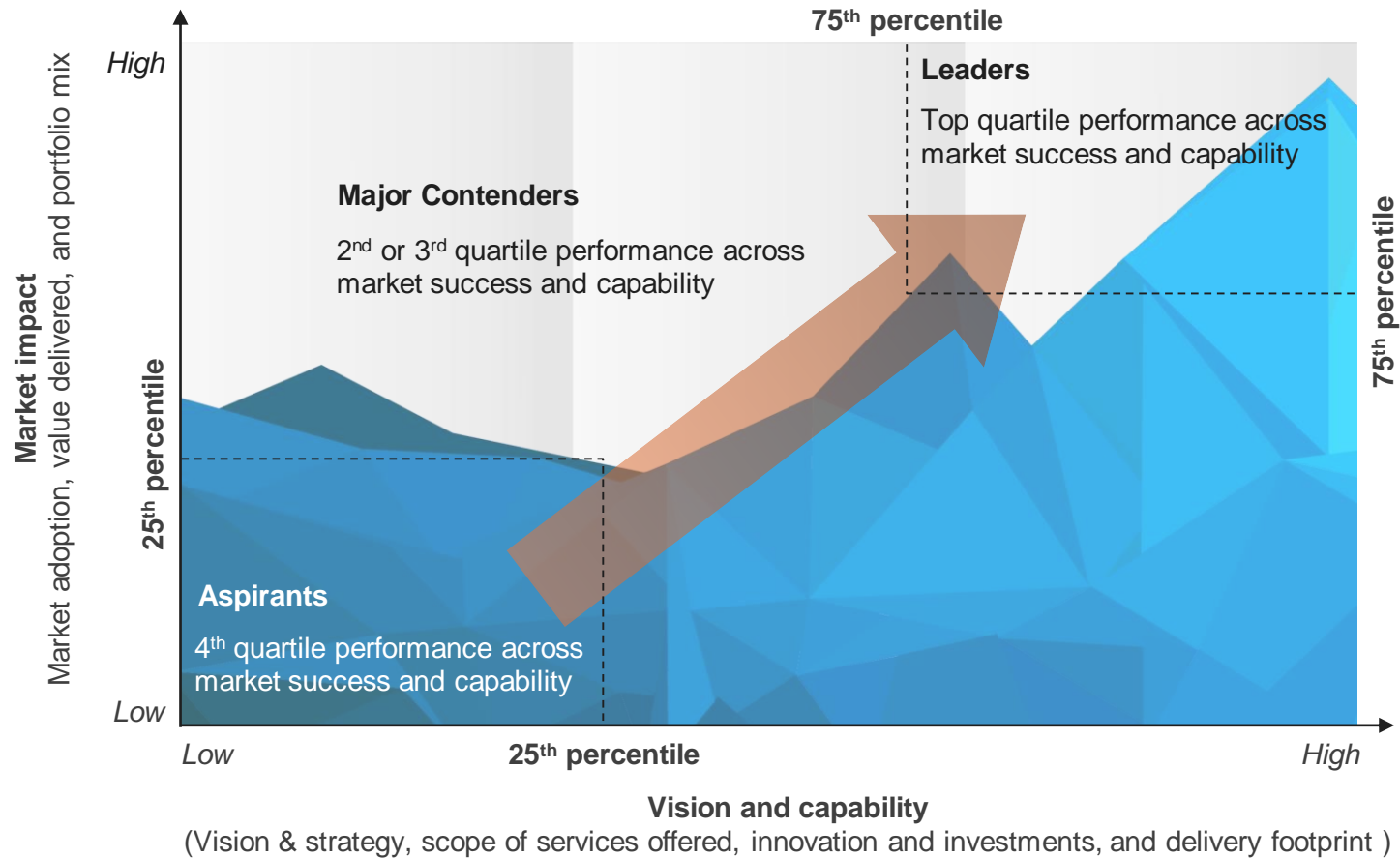| Proprietary solutions (representative list)	
Solution	**Details**
Infosys Nia	An Artificial Intelligence (AI) platform which collects and aggregates organizational data from people, processes, and legacy systems into a self-learning knowledge base and then automates repetitive business and IT processes
Exchange Onboarding/ Enablement	Integrated offering that simplifies exchange participation for payers. It combines accelerators, tools, and services to help payers quickly onboard to exchanges, continuously optimize operations, and collaborate with government/state authorities and third-party administrators to accurately manage plans and engage consumers
Provider system contracts and population identification solutions	Custom solution built by Infosys in partnership with Aetna to codify and propagate contractual requirements for provider-payer value-based payment models to support various claim administration, enrollment, care management, analytics, and reporting processes
Infosys AssistEdge	Customer service platform to provide single view to service and "self-help" to consumers. The platform integrates payers with provider's product-based systems
Patient Total Healthcare Solution	Plugged easily into payer's existing care-coordination process and provides real-time capability to customize KPIs as per payer needs and manage varying outcomes at short cycles
iCAP	It automates adjudication of pended claims and improves claim processing throughput

Key events (representative list)		
Event name	**Type of event**	**Details**
New Salesforce platform	Capability enhancement	February 2017: Infosys plans to set up a new platform that will build and provide implementation services for Salesforce's analytics cloud applications. The new practice will help users access, explore, and act on their organizational intelligence
Engagement with startups (2016-2017)	Investment	• Invested US$62 million in startups from its innovation fund. The startups cover areas such as IoT, automation, and drones • Invested US$2.13 million in UNSILO, a Danish artificial intelligence startup focused on advanced text analysis • Invested US$0.46 million in Stellaris Venture Partners

Source: Everest Group (2017)

Appendix

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# Everest Group PEAK Matrix™ is a proprietary framework for assessment of a service provider's capability

Everest Group PEAK Matrix for Healthcare Payer IT services

Market impact
Market adoption, value delivered, and portfolio mix

Major Contenders

2nd or 3rd quartile performance across market success and capability

Leaders

Top quartile performance across market success and capability

Aspirants

4th quartile performance across market success and capability

75th percentile

25th percentile

High — Low (vertical axis)

Low — 25th percentile — High (horizontal axis)

Vision and capability
(Vision & strategy, scope of services offered, innovation and investments, and delivery footprint)

Everest Group's PEAK Matrix is a composite index of a range of distinct metrics related to a service provider's strategy, scope, innovation/domain investments, delivery footprint, and resultant market impact in the context of a given services function.

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Service providers are positioned on the Everest Group PEAK Matrix™ based on the evaluation of two key dimensions

Measures impact created in the market – captured through three subdimensions which are market adoption, portfolio mix, and value delivered

Market Impact

Leaders

Major Contenders

Aspirants
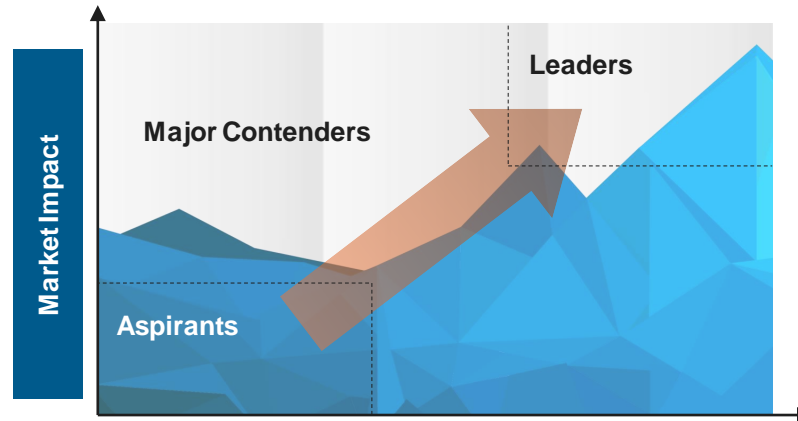
Vision and capability

measures overarching vision as well as services capabilities; captured through four subdimensions

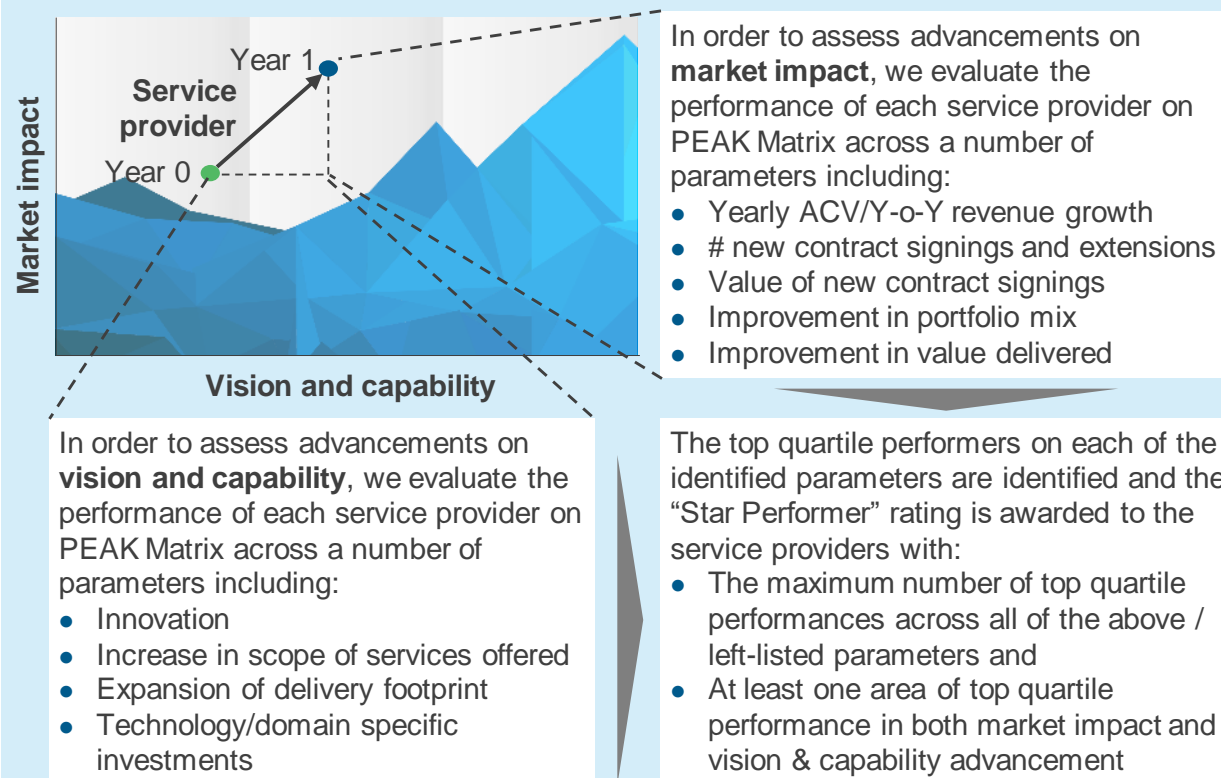| **Vision and strategy**	**Scope of services offered**	**Innovation and investments**	**Delivery footprint**
Vision for the client and itself; future roadmap and strategy	Depth and breadth of services portfolio across service sub-segments / processes	Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.	Delivery footprint and global sourcing mix

Everest Group confers the "Star Performers" title on providers that demonstrate the strongest forward movement over time on the PEAK Matrix™

Methodology

Everest Group selects Market Star Performers based on the relative YOY movement of each service provider on the PEAK Matrix

Service provider

Year 1

Year 0

Market impact

Vision and capability

In order to assess advancements on **market impact**, we evaluate the performance of each service provider on PEAK Matrix across a number of parameters including:
- Yearly ACV/Y-o-Y revenue growth
- # new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advancements on **vision and capability**, we evaluate the performance of each service provider on PEAK Matrix across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain specific investments

The top quartile performers on each of the identified parameters are identified and the "Star Performer" rating is awarded to the service providers with:
- The maximum number of top quartile performances across all of the above / left-listed parameters and
- At least one area of top quartile performance in both market impact and vision & capability advancement

2017 Healthcare Payer IT Services Star Performers

The "Star Performers" title relates to YOY performance for a given service provider and does not reflect the overall market leadership position. Those identified as "Star Performers" may include "Leaders", "Major Contenders", or "Aspirants"

Does the PEAK Matrix™ assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix™ assessment adopts an objective and fact-based approach (leveraging service provider 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 briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?

No. PEAK Matrix™ highlights and positions only the best-in-class service providers in a particular functional/vertical services area. 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"?

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 for their specific requirements. It also helps providers 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 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

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What is the process for a service provider to leverage their PEAK Matrix™ positioning status ?

Providers can use their PEAK positioning rating in multiple ways including:

- Issue a press release declaring their positioning/rating

- Customized PEAK profile for circulation (with clients, prospects, etc.)

- Quotes from Everest Group analysts could be disseminated to the media

- Leverage PEAK 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

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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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