Healthcare Payer Business Process Services PEAK Matrix™ Assessment 2019

Focus on Exela Technologies

June 2019

Everest Group®

PEAK
MATRIX™

Introduction and scope

Everest Group recently released its report titled "Healthcare Payer Business Process Services 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 27 service providers on the Everest Group PEAK Matrix™ for healthcare payer business process services 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, **Exela emerged as a Major Contender**. This document focuses on **Exela's** healthcare payer business process services experience and capabilities and includes:

- Exela's position on the Everest Group Healthcare Payer Business Process Services PEAK Matrix
- Detailed healthcare payer business process services profile of Exela

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 Payer Business Process Services PEAK Matrix™ Assessment 2019 | Exela positioned as a Major Contender

Everest Group Healthcare Payer Business Process Services PEAK Matrix™ Assessment 2019
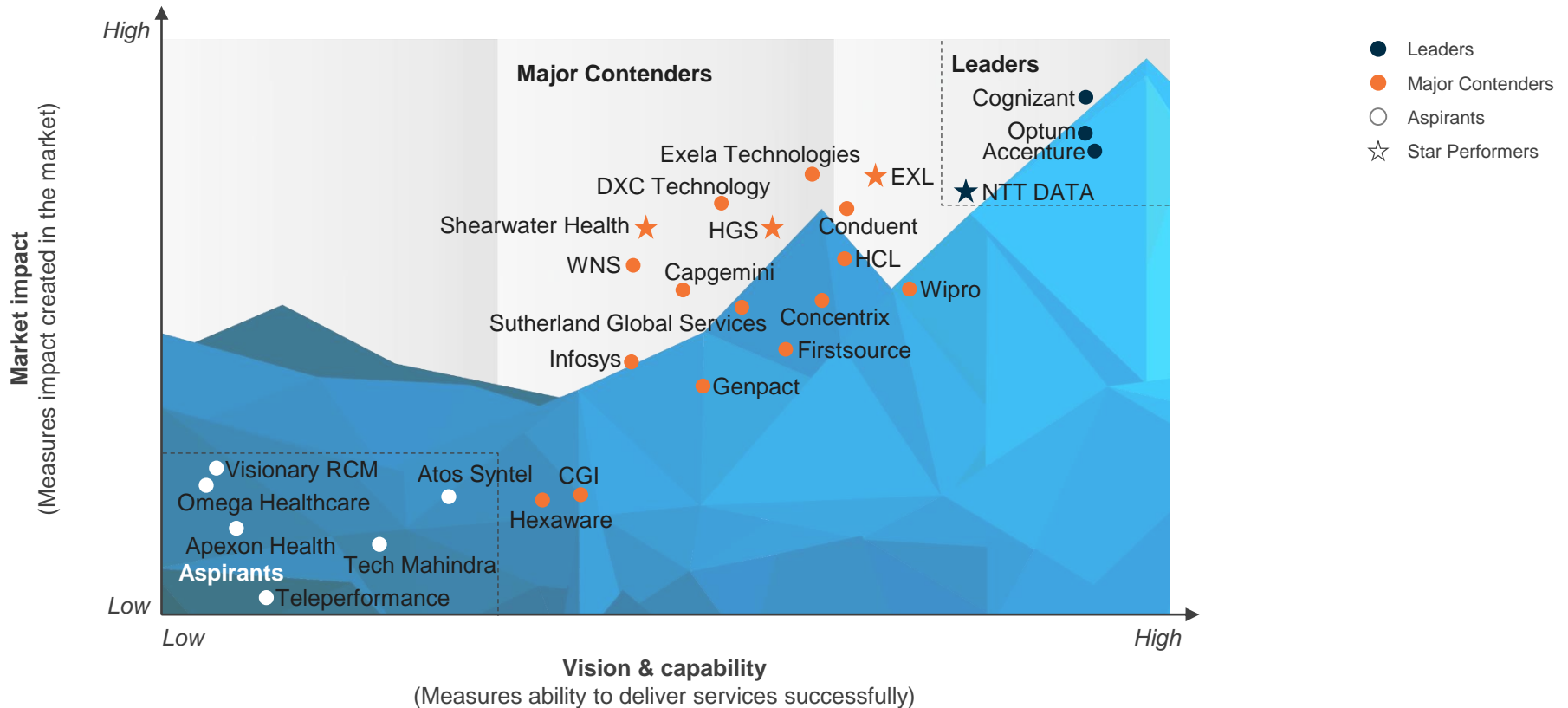
Note 1: Service providers scored using Everest Group's proprietary scoring methodology
Note 2: Assessment for **Apexon Health, CGI, Omega Healthcare, Tech Mahindra, Teleperformance, and Visionary RCM** excludes service provider inputs on this particular study and is based on Everest Group's estimates 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)

Everest Group assessment

Measure of capability: ● High ◔ Low

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Scope of services offered	Innovation and investments	Delivery footprint	Vision and strategy	Overall
◔	◔	◑	◔	◑	◑	◔	◔	◔

Strengths

- Exela has amassed significant scale (in terms of revenue and number of clients), primarily riding on the back of PCH platform that helps payers reduce costs by cleaning claims while they are still upstream in the process

- An even delivery mix helps Exela utilize a combination of low-cost destinations to deliver heavily transactional services and high-cost onshore locations to manage relationships and perform slightly more complex tasks such as processing of complex claims

- Quality output at competitive pricing was one of the strengths pointed out by referenced buyers

Areas of improvement

- While the service provider has some presence in network management and member engagement space, developing customized solutions and offerings for these areas will help in further reducing reliance on claims management

- Additionally, it is the only large-sized service provider which has no presence in the care management space. While helping health plans reduce their admin burden is a good way to enter the market, significant share of future market growth will be driven by those who help payers reduce their medical costs and enhance care quality

- Buyers highlighted lack of proactiveness in terms of issue resolution and limited use of cognitive features in the technology solution as key improvement areas for the service provider

Company overview

Exela is a business process automation service provider, leveraging a global footprint and proprietary technology to provide digital transformation solutions enhancing quality, productivity, and end-user experience. With decades of experience operating mission-critical processes, Exela serves over 60% of the Fortune® 100 and more than 4,000 customers spanning multiple industries and over 50 countries. Exela's software and services include full suites of enterprise solutions for finance & accounting, human capital management, and legal management, as well as industry solutions for banking, healthcare, insurance, and public sectors. With foundational technologies spanning information management, workflow automation, and integrated communications, Exela provides industry-specific and multi-industry solutions built on a configurable stack of automation modules. Through cloud-enabled platforms and over 22,000 employees operating in 23 countries, Exela rapidly deploys integrated technology and operations as an end-to-end digital journey partner

Key leaders

- Ron Cogburn, Chief Executive Officer
- Suresh Yannamani, President
- Sanjay Kulkarni, Chief Technology Officer

Headquarters: Irving, Texas, the United States

Website: https://www.exelatech.com

Suite of services
- Master data management
- Digital engagement
- Claims processing automation
- Payment integrity (including fraud, waste, and abuse monitoring)
- Enterprise information management
- Workflow automation
- Integrated communication

Healthcare payer BPO	2016[1]	2017[1]	2018[1]
Revenue (US$ million)			
Number of FTEs		Not disclosed	
Number of clients			

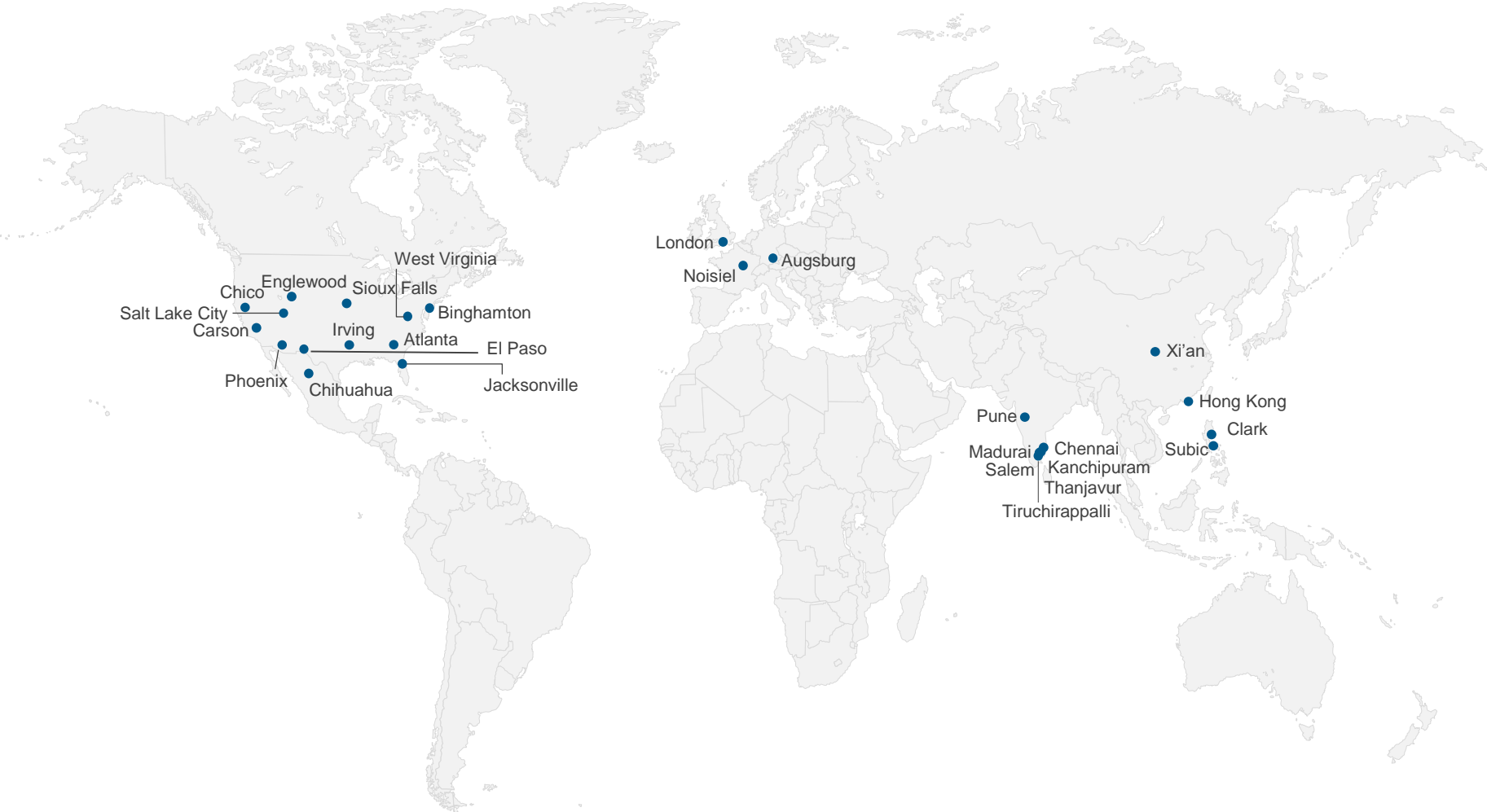**Recent acquisitions and partnerships**
- **2018:** Partnered with McKesson Specialty Health to provide a suite of business management tools and streamline claims processing
- **2018:** Acquired Asterion International, a Europe-based ingestion and output BPO vendor to increase European footprint
- **2017:** Acquired onsite and ingestion/output services vendor to expand global presence and capabilities
- **2017:** Partnered with Anthem to provide administrative functions for offering outsourcing services to other Blues payers

Recent developments
- **2019:** Completed the acquisition of a healthcare industry asset which is expected to add more than US$20 million of annual revenue for the next seven years
- **2018:** Opened technology innovation centers in Los Angeles, Dallas, New York, London, and Amsterdam
- Invested in development on Medicare Advantage profitability offering targeting MA plans to provide star and risk adjustment assessment and prediction tools with improved back end operations through BPA services such as appeals decisioning, access and scheduling, and nurse audit coding
- Invested in mobility solutions focused on driving payer and provider interaction that connects to mobile applications for patients/members

1   12 months ending June 30 of any particular year, i.e., from July 1, 20XX-1 to June 30, 20XX

Key delivery locations

United States locations: West Virginia, Englewood, Sioux Falls, Chico, Binghamton, Salt Lake City, Carson, Irving, Atlanta, El Paso, Phoenix, Chihuahua, Jacksonville

Europe locations: London, Noisiel, Augsburg

Asia locations: Xi'an, Hong Kong, Clark, Pune, Subic, Madurai, Chennai, Kanchipuram, Salem, Thanjavur, Tiruchirappalli

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Technology solutions/tools

| Solution name	Processes served	Year launched	Description	No. of BPO clients
Printshop	All	2018	A comprehensive, centralized, easy-to-use print, presentment and delivery platform to contain costs, reduce friction, improve user experience, and enhance security and control over print & presentment operations	Not disclosed
Digital mailroom	All	2017	Omnichannel ingestion, consolidation, and digital/physical delivery of mail, email, fax and parcels to create unified visibility and workflow connectivity across all inbound channels	Not disclosed
eBPA	All	2017	Highly configurable bot studio tendered to specific business needs and workflows. Deployed onsite, offsite, or as standalone software on individual workstations, servers, or from the cloud. Every action performed can be monitored, logged, reviewed, and adjusted as necessary from a central platform. Remote monitoring and assistance make it easy for an administrator to control an entire bot workforce from any location	Not disclosed
Spring	Member engagement	2016	Spring is Exela's frontend platform for policy selection and enrollments. The platform integrates with PCH to provide a modern user interface that enables customers to manage their policies, submit claims or engage with customer service	Not disclosed
BoxOffice	All	2015	A cloud-based enterprise information management service that enables organizations to ingest, extract, and store key data from documents. NLP is utilized to recognize and extract data elements in unstructured documents and distill complex sentences into precise data points. Maintain contextual integrity across disparate data streams and assemble entire data portfolios across time and source	Not disclosed
Athena	Member engagement, network management, claims management, and risk & compliance	2014	A data visualization and data aggregation tool utilized to report, collaborate, and act upon insights and findings	Not disclosed
Rule14	Member engagement, network management, claims management, and risk & compliance	2012	An NLP-based big data analytics and automation solution platform for unstructured data supporting key decisions for business growth	Not disclosed

Technology solutions/tools

Solution name	Processes served	Year launched	Description	No. of BPO clients
EON Robotic Process Automation	Member engagement, network management, and claims management	2009	It is an RPA tool that provides process automation while coupling with system learning tools to drive consistency, thus eliminating human errors. It is self-monitored and helps manage robot performance, provider action, and error management	Not disclosed
PCH claims processing and PCH information management	Member engagement, network management, and claims management	2000	The modular platform captures enrollments, claims, and complex transactions at the point of service from any channel (paper, email, fax, mobile apps, digital portals, and EDI) with translation to location-based language. PCH applies automated edits and alerts through industry- and customer-specific rules to produce higher STP rates, both prior to submission and during pre-adjudication and underwriting. This helps prevent denials and resubmissions, reduce print, mail, and call volumes, and increase auto-adjudication and underwriting rates	Not disclosed
LexiCode	Risk and compliance	1989	Real-time ICD-10 and clinical documentation rules-based audit of HIM coding alongside computer assisted coding, driving reimbursement, improved coding quality, and minimized compliance risk	Not disclosed

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Appendix

Everest Group PEAK Matrix
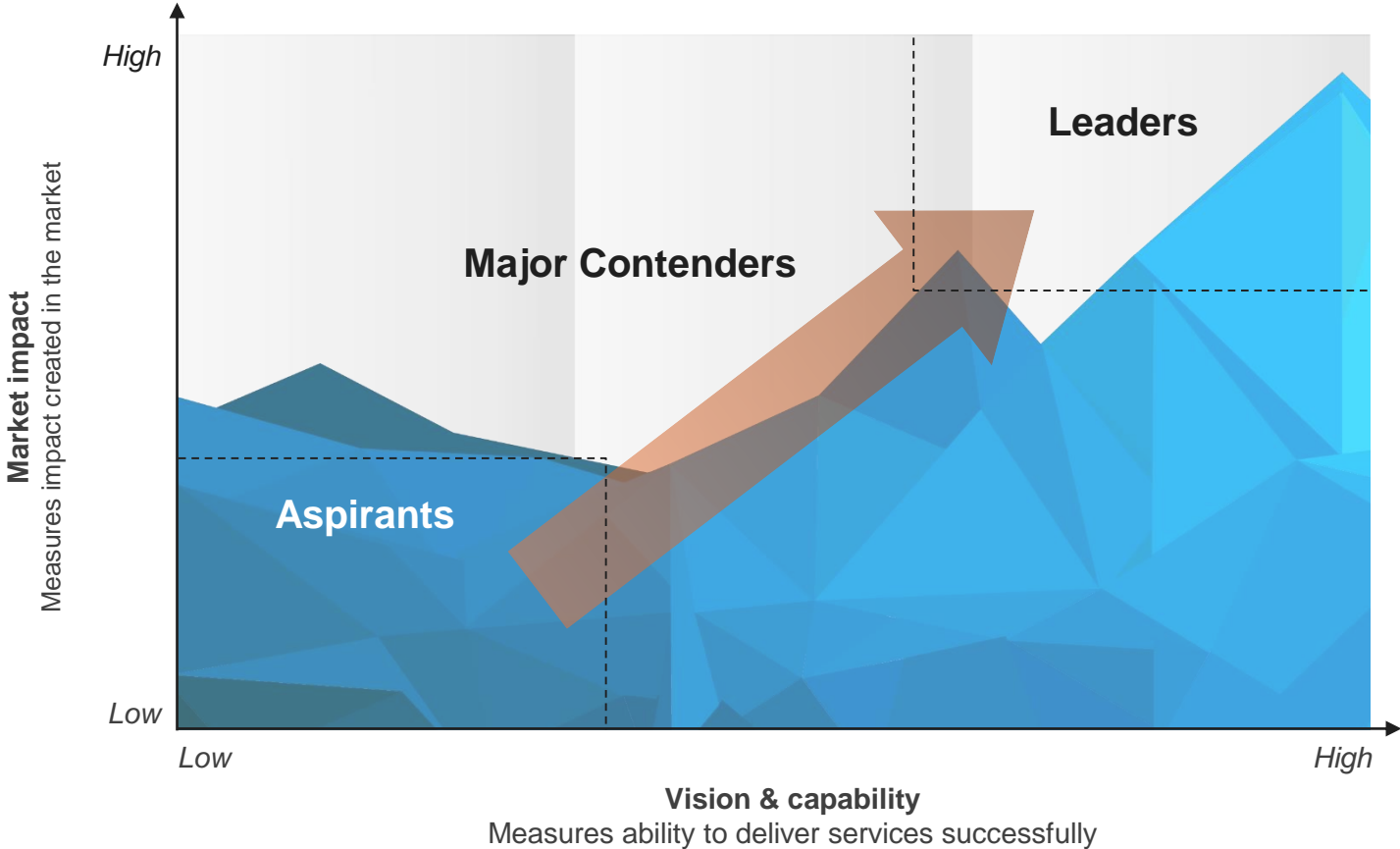
Services PEAK Matrix™ evaluation dimensions

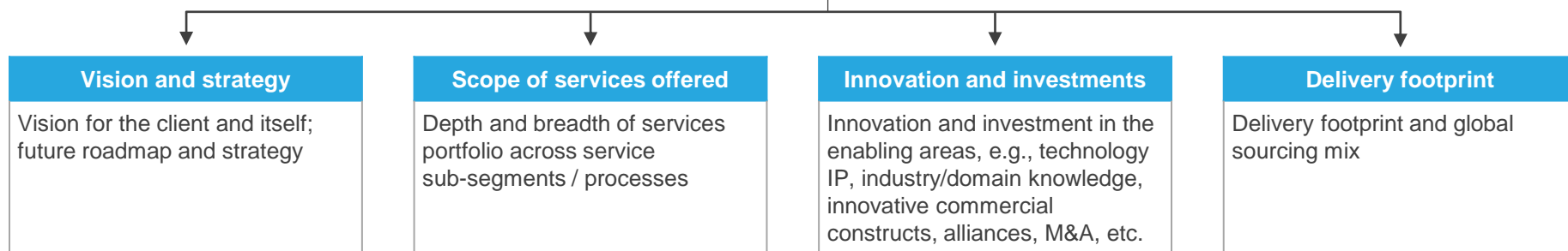Measures impact created in the market – captured through three subdimensions

Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

Portfolio mix
Diversity of client/revenue base across geos and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact

Market impact

Leaders

Major Contenders

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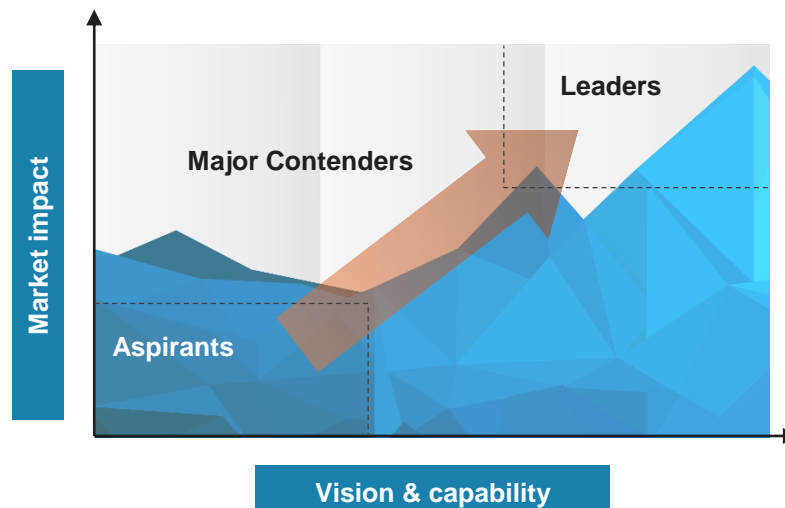
Vision & capability
Measures ability to deliver services successfully. This is captured through four subdimensions

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 sub-segments / 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

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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

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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