



Everest Group PEAK Matrix™ for Healthcare Payer BPO Service Providers

Focus on Wipro
February 2017



Everest Group recently released its report titled “[Healthcare Payer BPO – Service Provider Landscape with PEAK Matrix™ Assessment 2016](#)”. This report analyzes the changing dynamics of the healthcare payer BPO landscape and assesses service providers across several key dimensions.

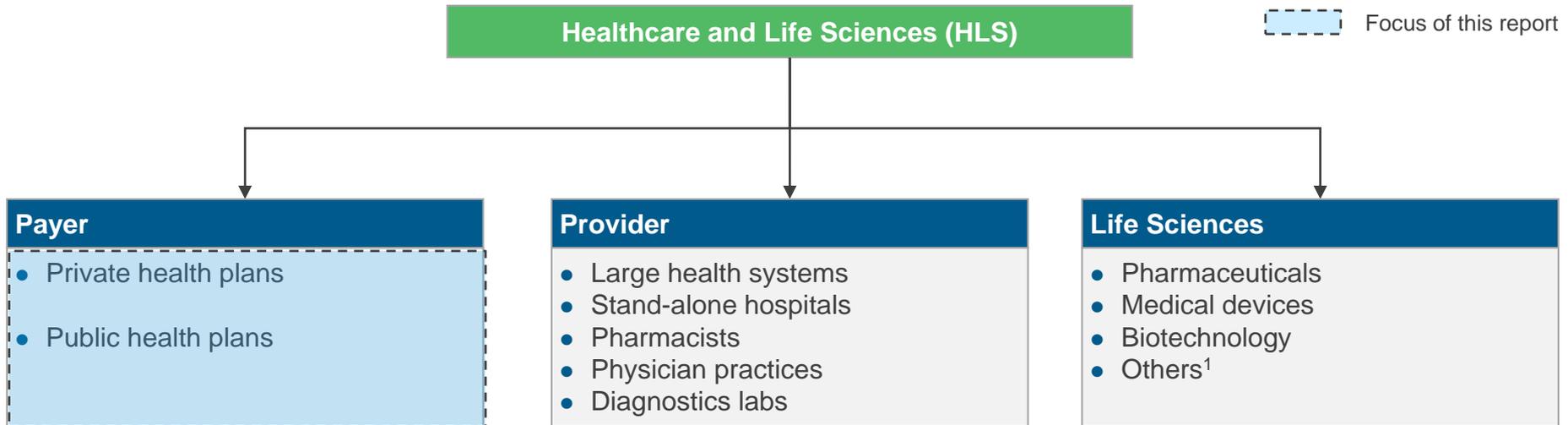
As a part of this report, Everest Group updated its classification of 20 service providers on the Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix for Healthcare Payer BPO into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of Healthcare Payer BPO service providers based on their absolute market success and delivery capability.

Based on the analysis, **Wipro emerged as a Leader and also a Star Performer**. This document focuses on Wipro’s healthcare payer BPO experience and capabilities. It includes:

- Wipro’s position on the Everest Group healthcare payer BPO PEAK Matrix
- Detailed Healthcare Payer BPO profile of Wipro

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.

Everest Group's definition of HLS includes the following three segments



Notes

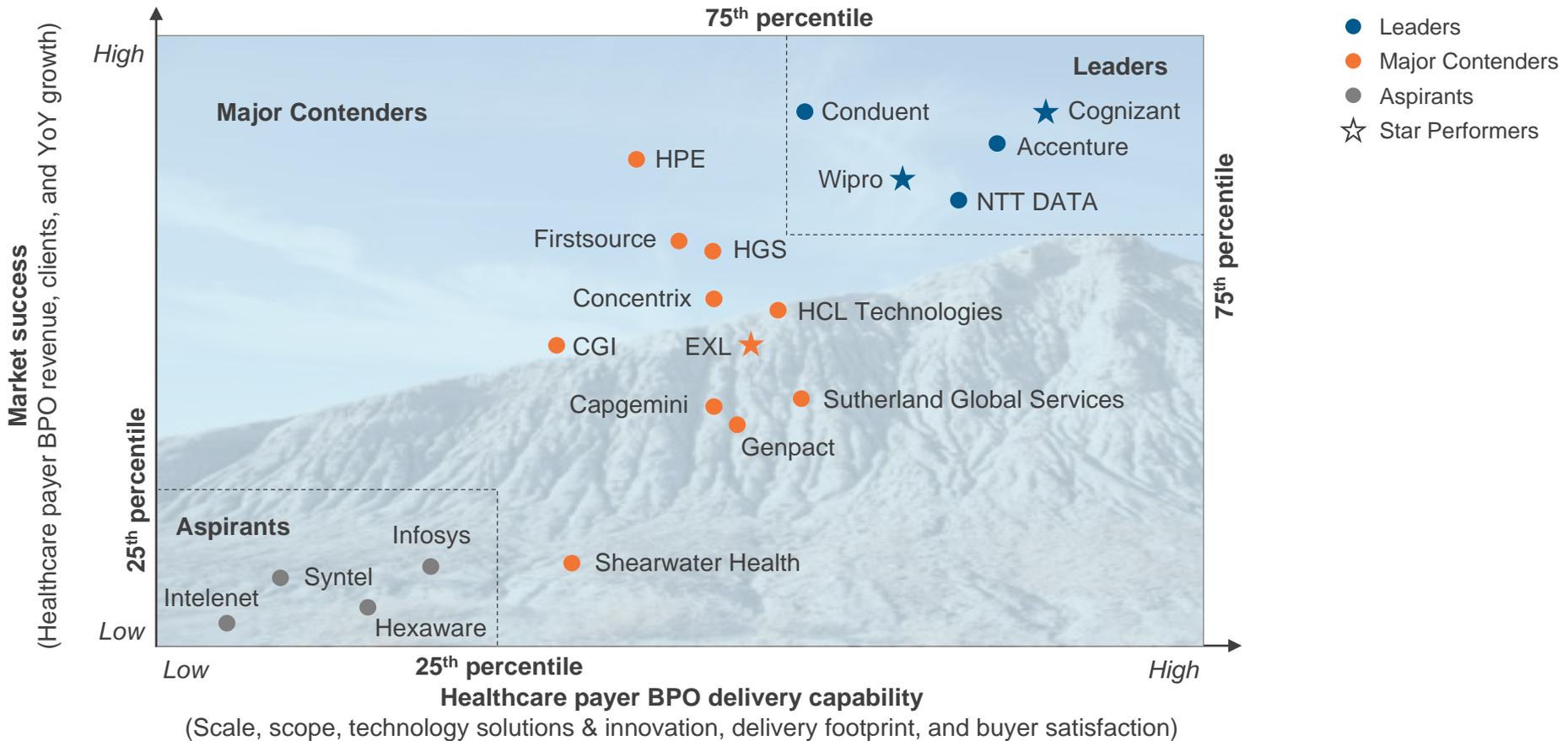
- There are multiple operating-model alternatives ranging from internal shared services / Global In-house Centers (GICs) to third-party outsourcing. This package focuses primarily on third-party models
- This package covers vertical-specific BPO within the Healthcare Payer space. It does not include coverage of horizontal business processes such as F&A, HR, procurement, and contact centers

¹ includes companies such as healthcare data & information services and medical products distribution

Everest Group PEAK Matrix – healthcare payer BPO market standings

Performance | Experience | Ability | Knowledge

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix¹ for healthcare payer BPO



¹ Service providers scored using Everest Group's proprietary scoring methodology given on pages 14 and 15

Note: Assessment for **Intelenet** 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, service provider public disclosures, and interaction with buyers

Source: Everest Group (2017)

Wipro is a healthcare payer BPO Star Performer based on its strong forward and upward movement over time on the Everest Group PEAK Matrix

Change in Wipro's positioning on the Everest Group PEAK Matrix for healthcare payer BPO



Market success in 2016

- Backed by the acquisition of HPS, Wipro gained significant client access as the total number of clients more than quadrupled for Wipro in 2016 when compared to previous year
- Meanwhile, revenue more than tripled during the same period and contributed significantly to the overall market growth; before the acquisition, HPS' revenue was greater than that of healthcare payer business of Wipro

Capability enhancements in 2016

- Access to HPS' solutions helped improve its technology and innovation-related capabilities, which Wipro had previously lacked. Clients being serviced by its platform solutions represent a significant share of HPS' revenue
- Wipro also gained access to significant onshore capabilities as HPS was predominantly an onshore-heavy service provider, while Wipro relied heavily on its offshore delivery locations

Source: Everest Group (2017)

Measure of capability:  Best-in-class  Not mature  Leaders  Major Contenders  Aspirants

Delivery capability						Market success
Scale	Scope	Technology and innovation	Delivery footprint	Buyer satisfaction	Overall	
						

Strengths

- Due to acquisition of HealthPlan Services (HPS), Wipro demonstrated marked improvements across most parameters. As a result, it achieved the title of a Star Performer as well as entered the Leader's quadrant on the payer BPO PEAK Matrix for the first time
- With the acquisition of HPS, a service provider using proprietary solutions to cater to specific claims and enrollment-related requirement of the individual health plan market, Wipro has gained access to key top- and mid-sized health plans. It should aim to cross-sell traditional back-office work to these newly acquired buyers
- Additionally post the acquisition, it has increased the number of large- and mid-sized health plans and has a healthier buyer mix, which it previously lacked

Areas of improvement

- It should aim to utilize HPS' experience of building platform solutions to create solutions for other services such as claims and care management as well, a relatively untapped market with limited competition
- While it gains access to HPS' delivery capabilities, which are largely onshore, Wipro relies heavily on offshore delivery locations. It should aim to leverage lower cost and maintain quality by keeping more judgement-intensive business onshore and move transactional work to offshore locations
- Although it has gained some technological leverage through acquisition, it still lags behind some of its peers. Leveraging Wipro's broader RPA and analytics capabilities for healthcare can help create a more robust value proposition

¹ Based on contractual and operational information as of June 2016
 Source: Everest Group (2017)

Company profile: Wipro Limited is an Information Technology (IT), consulting, and outsourcing company that delivers solutions to its clients. Wipro has a workforce of over 170,000, serving clients in more than 100 countries. In addition to a wide array of IT services, they also offer business process services through Wipro BPO. Wipro's Business Process Services (BPS) division provides technology-led business process services to global enterprises. Their focus spreads across industries where they deliver business results across core and non-core business functions.

Key leaders

- **Azim H. Premji**, Chairman
- **Abidali Z. Neemuchwala**, Chief Executive Officer
- **Bhanumurthy B. M.**, President and Chief Operating Officer
- **Nagendra Bandaru**, SVP and Chief Executive, BPS
- **Jeff Heenan-Jalil**, Senior Vice President and Global Head – Healthcare, Life Sciences & Services
- **Jeff W. Bak**, Head Healthcare, Life Sciences & Services, BPS
- **Prashant Kulkarni**, Vice President HLS, BPS

Headquarters: Bengaluru, India

Website: www.wipro.com

Suite of services

- Claims management
- Network management

	2014	2015	2016
Revenue (US\$ million) ¹	ND ²	ND	ND
Number of FTEs	2000-2500	2500-3000	3000-3500
Number of clients	6	6	18

Recent acquisitions and partnerships

- **2016:** Wipro acquired HealthPlan Services, a provider of sales, benefits administration, retention, and technology solutions to the health insurance business, in order to expand its suite of services to include capabilities in sales & marketing for health insurance carriers

Recent developments

- **2016:** Launched a new analytics solution—Data Discovery Platform—that will use predefined apps to uncover business insights
- **2015:** Invested in ZeOmega, a population health and care management platform solution, to set up an end-to-end population health management solution and services capability

¹ Data up to June 30, 2016

² Not disclosed

Source: Everest Group (2017)



Source: Everest Group (2017)

Key healthcare payer BPO engagements

Client name	Processes served	Region	Client since
Joint Venture between a leading U.S. payer & Indian conglomerate	Care management and policy servicing & management	Asia Pacific	2015
Leading U.S. east coast-based medicare advantage	Policy servicing & management	North America	2013
Fortune 20 U.S. healthcare payer	Claims processing	North America	2002
Medicaid fiscal agent for a large mid-western U.S. state	Claims management	North America	1990

Healthcare payer BPO FTE mix by segment

Number of FTEs

Not disclosed

Healthcare payer BPO revenue mix by geography

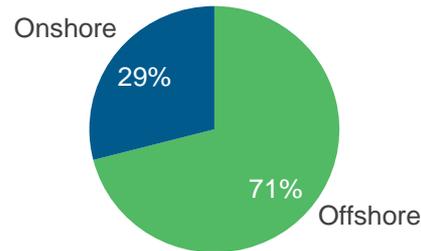
Revenue in US\$ million

Not disclosed

Healthcare payer BPO FTE split by delivery location

Number of FTEs

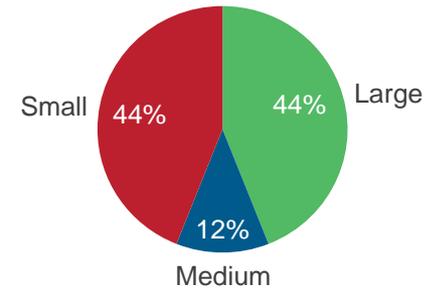
100% = 3,000-3,500



Healthcare payer BPO number of clients by buyer size¹

Number of active clients

100% = 18



¹ Buyer size is defined as large (>US\$10 billion in revenue), medium (US\$5-10 billion in revenue), and small (<US\$5 billion in revenue)

Note: Based on contractual and operational information as on June 2016

Source: Everest Group (2017)

Solution name	Processes served	Year launched	Description	No. of BPO clients
Predictive modeling for rework reduction	Claims management	2015	Development of a predictive model to proactively identify claims that may have over/under paid, resulting in further rework downstream	1
Process Automation Solution	Claims management, Provider Contract Data Management	2015	Digital Agent, Digital Adjudicators, Digital Reconcilers, Analysis Droids, Digital File Agent, Digital Mail Agents, Documentation robot	1
End-to-end provider data management	Network management	2014	Business process reengineering for cost optimization by leveraging outsourcing technology-based solutions and analytical aid for end-to-end business process analysis	1
Embedded Analytics – background verification	Claims management and network management	2014	Reduces time for background verification by process reengineering and operational analytics deployment of sustenance	1
GuardLink (eliminate fraud and waste)	Policy servicing & management	2014	Cross-carrier data set and cognitive intelligence identifies fraud and waste	1
Operational analytics	Product development	2014	A reporting and dashboarding solution for benefit coding operations	1
Embedded Analytics - claims	Claims management	2014	An operational analytics solution that is deployed for the commercial claim to enable better business decisions and optimize the management of the claims business	1
Speech Analytics	Claims Management	2013	Enhances customer experience by reducing non interaction time and providing 100% feedback on communication skills	1

Source: Everest Group (2017)

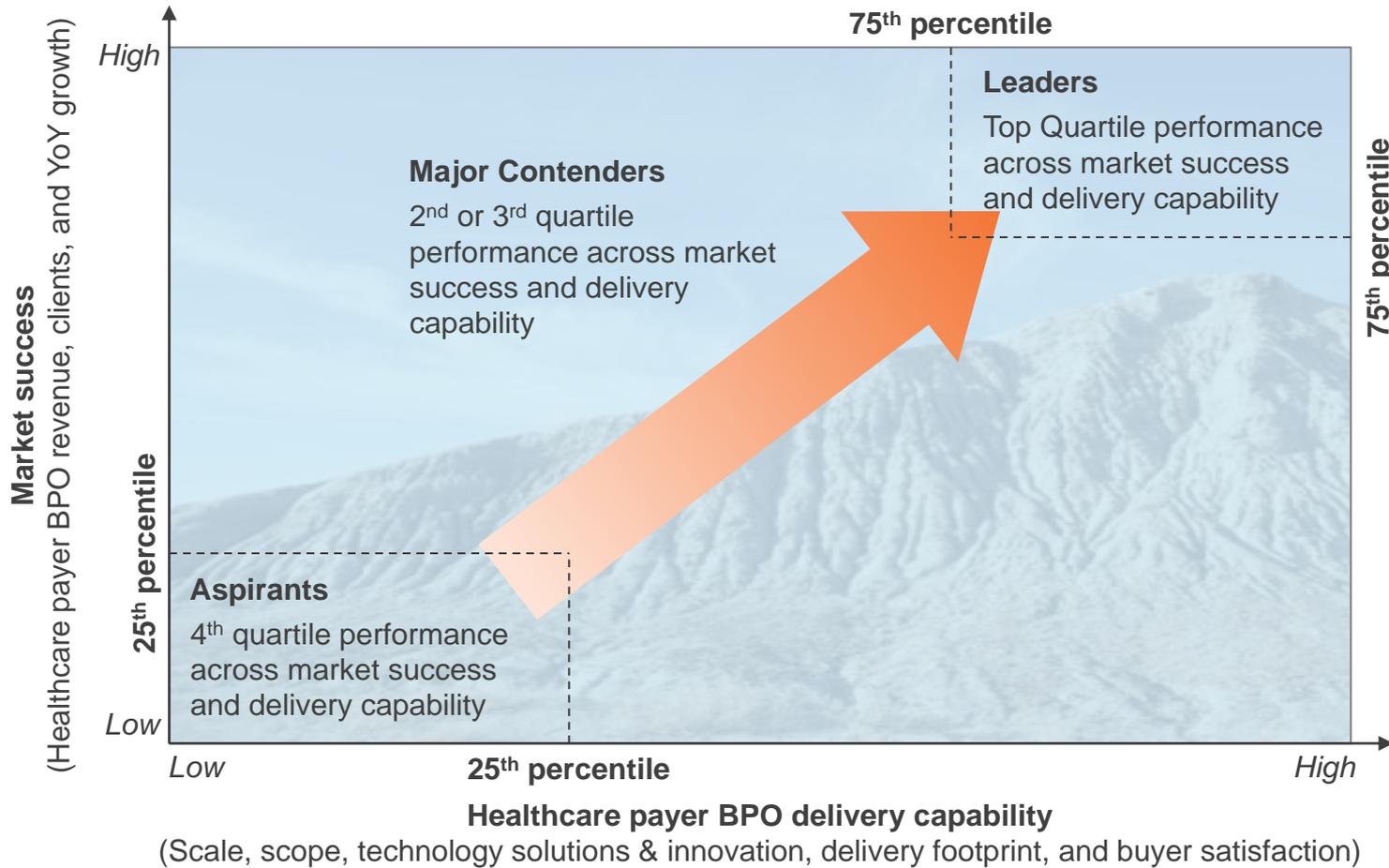
Solution name	Processes served	Year launched	Description	No. of BPO clients
Auto Auditor	Claims management	2011	A tool that audits and auto corrects approximately 45% of the edits with 100% accuracy with an increased focus on compliance and predictable quality of payments	3
SalesLink	Sales	2011	SalesLink enables member acquisition through precision marketing, customized messaging, and consultative in-house sales support	9
ExchangeLink	Billing & Enrollment; Member Service	2011	Connect payers with public and private health exchanges to aggregate and process data across multiple platforms and distribution channels	8
ServiceLink	Billing & Enrollment; Member Service	2011	Delivers the operational expertise and technology enablers to manage premium billing, reconciliation, in-force administration, and customer service	10
LoyaltyLink	Claims management	2011	A solution that strengthens brand loyalty via advanced analytics and member touch points	2
Productivity Monitoring tool	Claims management	2011	A claims processor monitoring system with functionalities that include case management, transaction reconciliation, real-time monitoring & sampling, schedule adherence, schedule management, out of schedule management, audit & feedback, and the flagging of probable defects	1

Source: Everest Group (2017)

Appendix

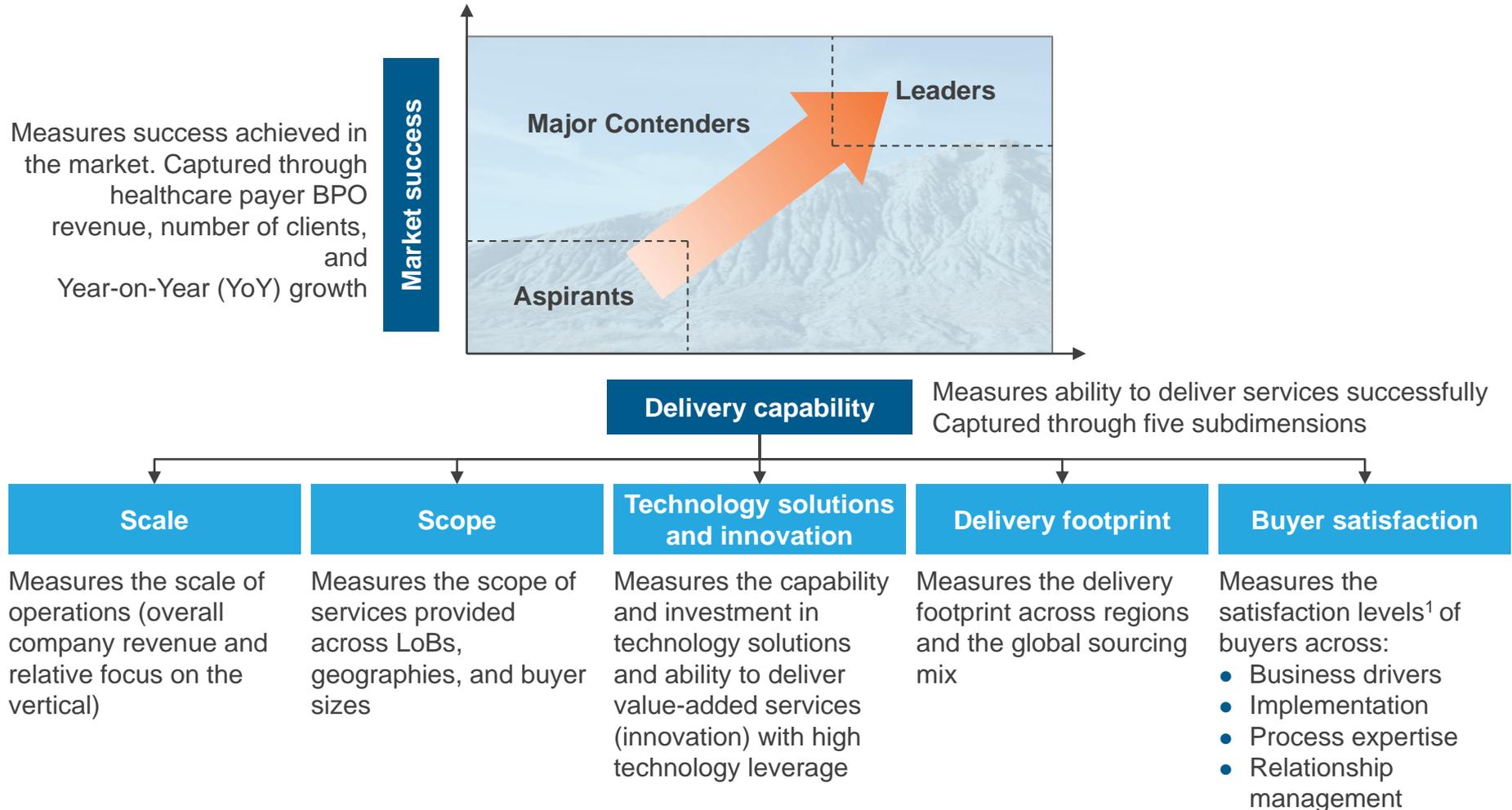
Everest Group classifies the healthcare payer BPO service provider landscape into Leaders, Major Contenders, and Aspirants on the Everest Group PEAK Matrix

Everest Group Performance | Experience | Ability | Knowledge (PEAK) Matrix¹ for healthcare payer BPO



¹ Service providers scored using Everest Group's proprietary scoring methodology given on pages 14 and 15
 Source: Everest Group (2017)

Service providers are positioned on PEAK Matrix based on evaluation across two key dimensions

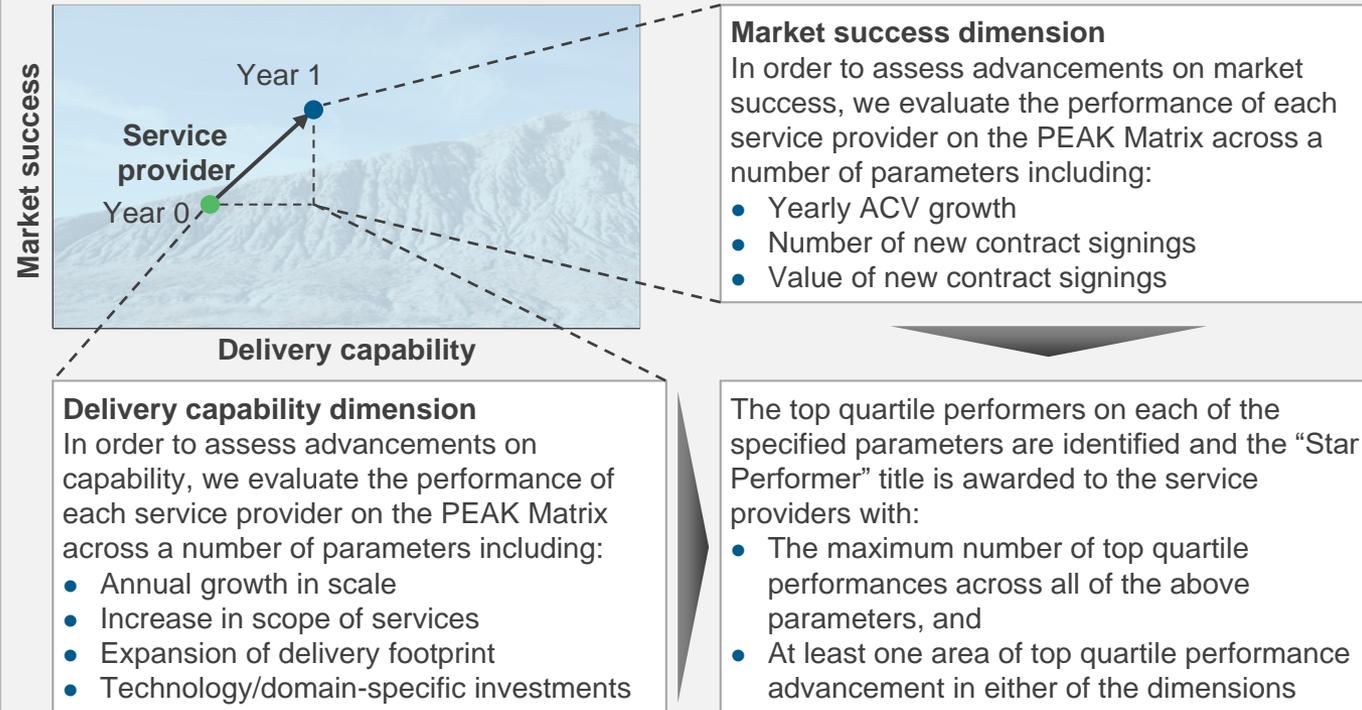


¹ Measured through responses from referenced buyers for each service provider
 Source: Everest Group (2017)

Additionally, Everest Group confers the “Star Performers” title on the 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



**Healthcare payer
BPO 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?

- The Everest Group's PEAK Matrix assessment adopts an objective and fact-based approach (leveraging service provider RFIs and the 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. 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 in itself a favorable recognition

What other aspects of the PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?

- The PEAK Matrix position is only one aspect of the 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 to the 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 the 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

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

- Providers can use their PEAK Matrix positioning in multiple ways including:
 - Issue a press release declaring their positioning/rating
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from the Everest Group’s analysts could be disseminated to the media
 - Leverage the 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**



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 empowers 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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