Healthcare Business Process Automation Solutions PEAK Matrix™ Assessment 2019

Focus on NTT DATA

March 2019

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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, **NTT DATA emerged as a Leader**. This document focuses on **NTT DATA's** healthcare business process automation solutions experience and capabilities and includes:

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

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

Everest Group Healthcare Business Process Automation Solutions PEAK Matrix™ Assessment 2019[1]
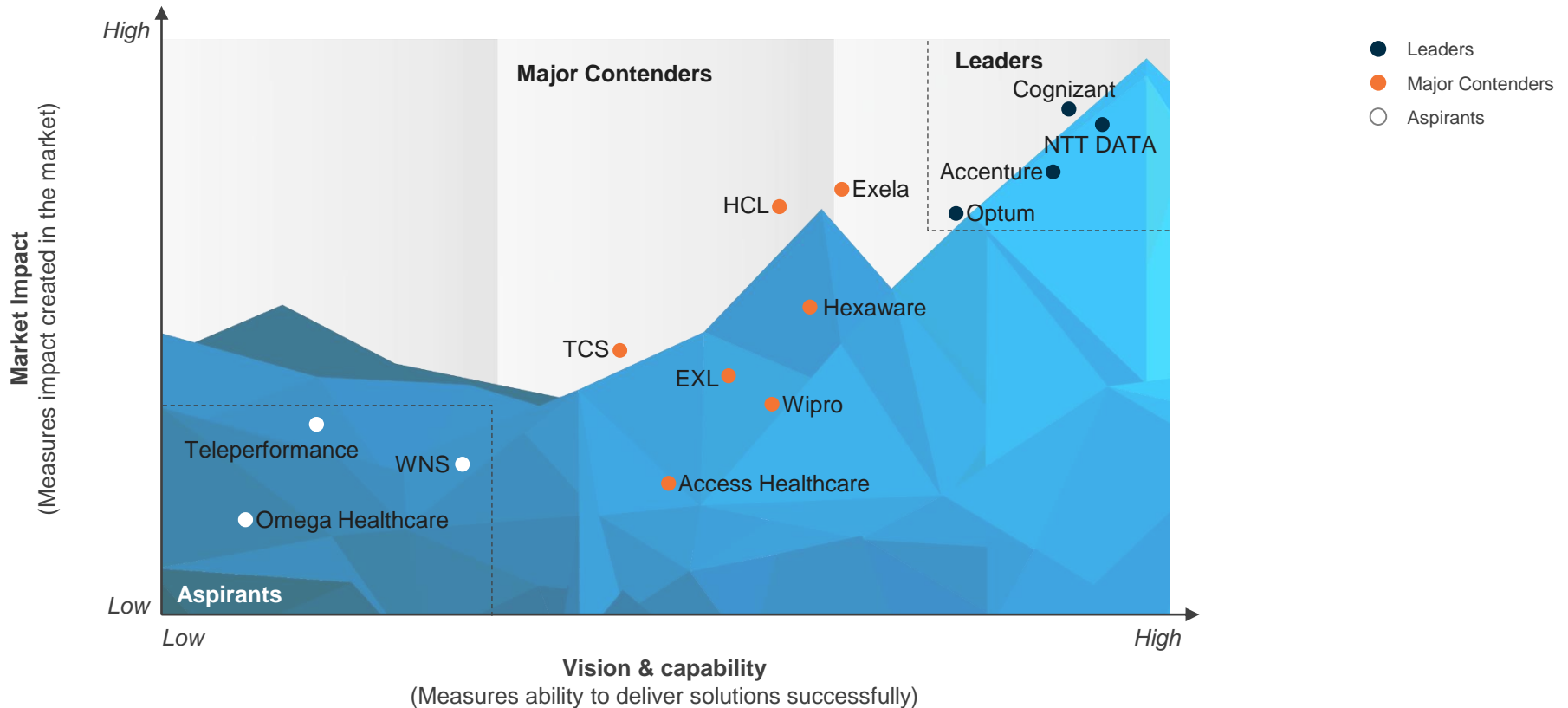
1   Service providers scored using Everest Group's proprietary scoring methodology

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)

NTT DATA | 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

- Presence across both the payer and provider side of the market has not only helped NTT DATA achieve significant scale of deployments but has also strengthened its value proposition when pitching to new clients
- It is one of the few service providers who have tested and employed outcome-based pricing model
- NTT DATA employs a mix of in-house and third-party solutions, which is evident from its partnerships with most of the leading third-party technology vendors. Additionally, it has also partnered with academic institutes to further refine its existing solutions as well as to build new ones
- It has a comprehensive AFTE command center (centralized dashboard to control bots) and a bot library to generate bots quickly
- It also has a well-defined roadmap in place to advance its healthcare automation capabilities including Machine Learning (ML), NLP, and self-learning and healing
- Buyers cited its speed of implementation, wide scope of RPA solutions (some enough to cater to the requirements of more complex processes), and change management as its core strengths

Areas of improvement

- Although NTT DATA has a decent number of healthcare BPO clients for which automation is currently deployed, it stands to gain by converting more of its existing BPO clients to use its automation services, especially given the fact that Blues (which represents a decent share of its portfolio on the payer side) are looking for ways to reduce their costs
- Now that it has achieved significant success in the traditional value chain areas such as claims, RCM, and network, it should focus more on catering to new areas such as risk & compliance and patient engagement. This along with new clients will help fuel its future growth in the automation arena
- Going forward, it should focus on increasing the size of its healthcare technology team, which is an area where it lacks when compared to other market leaders. This will also help in developing automation solutions for some of the new and more complex areas as well as prepare for the future shift from simple RPA to cognitive solutions
- Referenced buyers opined that performing seamless operations and reducing the cost to train and replace staff are the key improvement areas for NTT Data

Company overview

NTT DATA is a global business and IT services provider that offers insights and solutions to clients. It delivers tangible business results by combining deep industry expertise with applied innovations in digital, cloud, and automation across a comprehensive portfolio of consulting, applications, infrastructure, and business process services. NTT DATA has 100,000+ professionals in more than 50 countries, and is part of the NTT Group.

Key healthcare BPSDA leaders

- **Bob Pryor**, Chief Executive Officer
- **Tanvir Khan,** President, BPO
- **Alan Hughes,** President, Healthcare & Life Sciences

Key healthcare BPSDA clients: ALN, Zotec, Montefiore

Headquarter: Tokyo, Japan (Global) and Dallas, Texas (North America)

Website: www.nttdata.com

Recent acquisitions/partnerships

- **2017:** Partnered with VitreosHealth to make predictive and prescriptive analytics platform of the latter available to the company's healthcare clients
- **2016:** NTT DATA acquired Dell Services for US$3.06 billion to expand its capabilities outside Japan
- **2016:** Partnered with EPIC Connections, a global professional services company focused on delivering optimal contact center solutions and ROI for clients, to assist in the identification of third-party solutions in healthcare payer contact management

Adoption and capability overview

Number of active healthcare clients with BPSDA deployments: 60+
Number of active healthcare BPO clients with BPSDA deployments: 60+
Number of active healthcare BPSDA bots deployed: 2300+
Number of healthcare BPSDA FTEs: 174
Key third-party technology partners: Automation Anywhere, UiPath, Blue Prism, Blumix (IBM Watson), Pega, Softheon, MACCESS, Ingenix, SuperCoder, ABBYY, Telerik, Microsoft Azure, Surfly, Dotfuscator, Yubico, Ext.Net, amcharts,Wapt Pro, AppsScan

Healthcare BPSDA offering structures

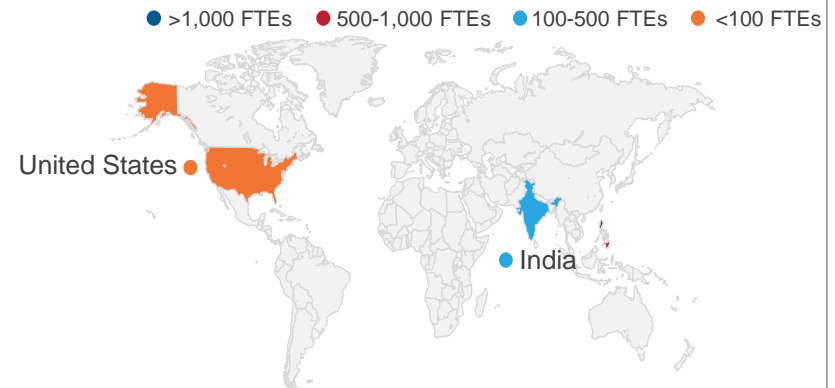|	Offered	Not offered

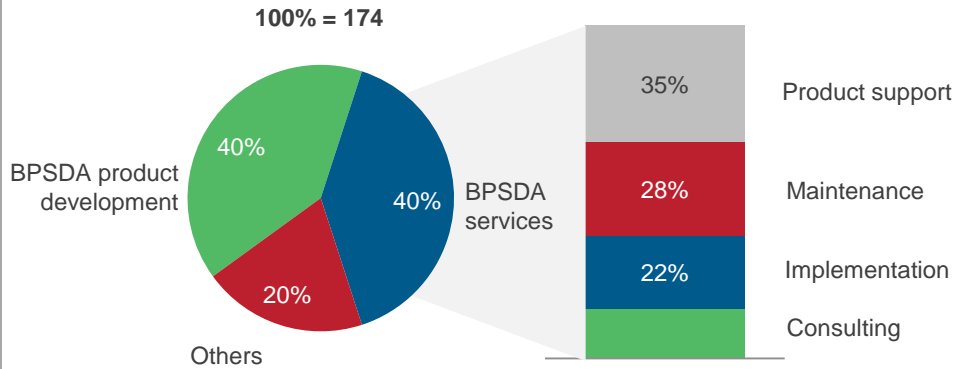|	
Stand-alone product licenses	
Product licenses + associated BPSDA services	
Stand-alone BPSDA services	
BPSDA as part of broader BPO deal	

Key locations with healthcare BPSDA FTEs:

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

United States

India

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Capabilities

Split of healthcare BPSDA FTE by function

100% = 174

- BPSDA product development — 40%
- Others — 20%
- BPSDA services — 40%

BPSDA services breakdown:
- Product support — 35%
- Maintenance — 28%
- Implementation — 22%
- Consulting

Split of healthcare BPSDA FTEs by automation type

- Other — 10%
- Cognitive automation — 30%
- RPA — 60%
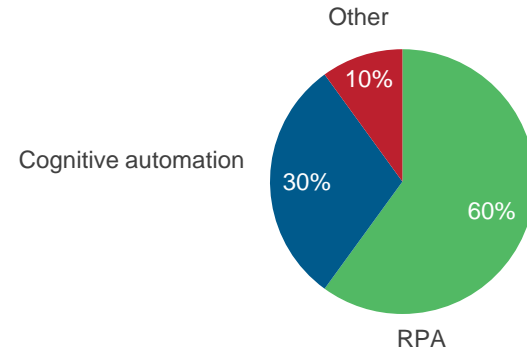
Healthcare BPSDA client mix by buyer type
Number of clients

100% = 60+

- Payer — 40%
- Provider — 60%
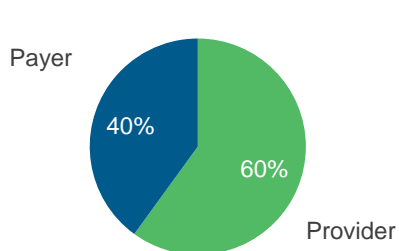
Healthcare Payer BPSDA bots mix by processes
Number of BPSDA bots

100% = 800-900

- Others — 19%
- Network management — 11%
- Member engagement — 16%
- Claims management — 54%
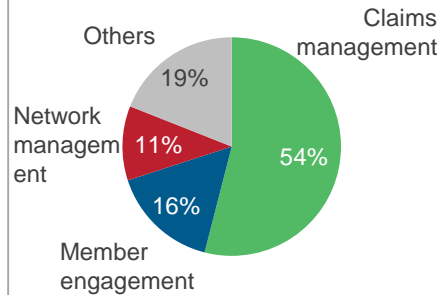
Healthcare Provider BPSDA bots mix by processes
Number of BPSDA bots

100% = 1,400-1,600

- Others — 53%
- Financial & network management — 47%
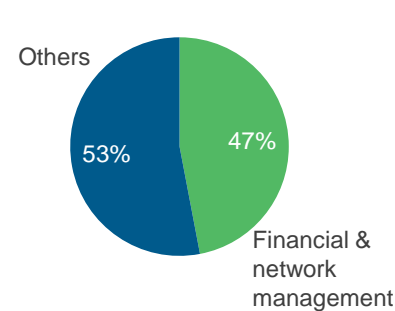
Healthcare BPSDA client mix by buyer size[1]
Number of clients

100% = 60+

- Large — 30%
- Medium — 30%
- Small — 40%
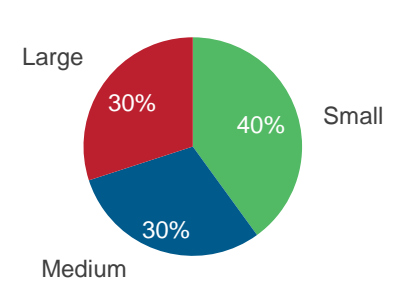
\   1   Buyer size is defined as large (>US$5 billion in revenue), medium (US$1-5 billion in revenue), and small (<US$1 billion in revenue)
Note: Based on information as on December 2017

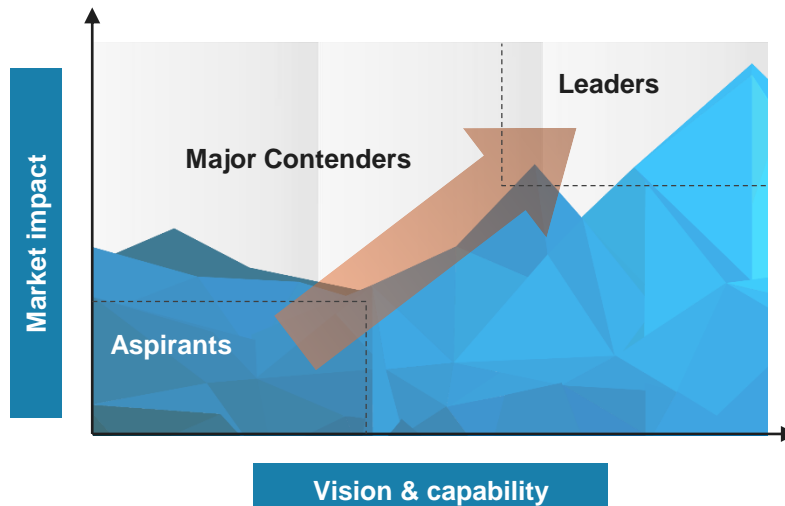| Solution	Business functions	Year launched	Development type	Description	No. of clients
NTT DATA AFTE Generator (automated full-time equivalent)	Claim processing, member enrolment, adjustments, provider maintenance, benefit configuration, payment posting, credit balancing, payment posting, credit balancing, charge & demo entry, medical coding, accounts receivables	2018	In-house / Proprietary	AFTE generator is a direct fit for the processes that require both user intervention as well as the robotic assistance. It includes multiple platform integration with scalability to adapt new automation libraries, AI components, and more	59
Automation Development Life Cycle (ADLC)	RPA deployments across Healthcare payers and providers	2018	In-house / Proprietary	A methodology that delivers a consistent, repeatable approach for the rapid identification of high-value opportunities for automation, their delivery and optimization over time. ADLC is enabled and maintained through a set of proprietary tools and other NTT DATA IP to ensure both the consistent application of the methodology and the overall quality of the delivery and maintenance of automation	60
NTT DATA Virtual Resource Monitoring System (VRMS)	Across Healthcare payers and providers	2018	In-house / Proprietary	The VRMS platform uses a unified RPA endpoint service that helps to establish connectivity with individual bots deployed either in the client environment (physical servers or cloud) or in NTT DATA's environment (physical servers or cloud) in order to capture in-depth auditable activity logs	1 (POC)
NTT DATA Robotic Context Processor (D'R EAP)	Regional Contract Loading (RCL) process	2017	In-house / Proprietary	Cognitive automation engine for document analysis. D'Reap Cognitive Automation Bot identifies and extracts relevant information from a number of unstructured documents in any file format, even complex contracts and legal documents, and provides instructions based on the extracted information and intelligent algorithm to perform appropriate actions	1
NTT DATA's AI Platform (HEURI)	Denial prediction and prevention AI system	2017	In-house / Proprietary	HEURI uses AI technologies, machine learning, and deep learning neural networks for analysis and prediction. Additionally, the system provides interactive and pre-emptive guidance to associates across various entities and processes related to RCM, such as demo entry, medical coding, charge entry, and billing	3 (POC)
Office Robot (WinActor in Japan)	Medical prescription and reservation system	2014	Off-the-shelf technology	A desktop-based tool to automate repetitive input work, reduce work time, and reduce input errors. The tool can also perform image recognition and character recognition and can integrate data to both SAP and Oracle	10
NTT DATA's Lean BOT	LEAN methodology is deployed to all Automation processes to eliminate waste and improve BOT's performance	2018	In-house / Proprietary	LEAN BOT is an advanced tool configured to extract data/details from workflow and process automation deployed. This tool is capable to perform value stream map, root cause analysis and take time concepts of LEAN. Based on the input data and required outcome, the LEAN BOT uses any one or multiple tools for analysis	1 (POC)

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Appendix

Everest Group PEAK Matrix
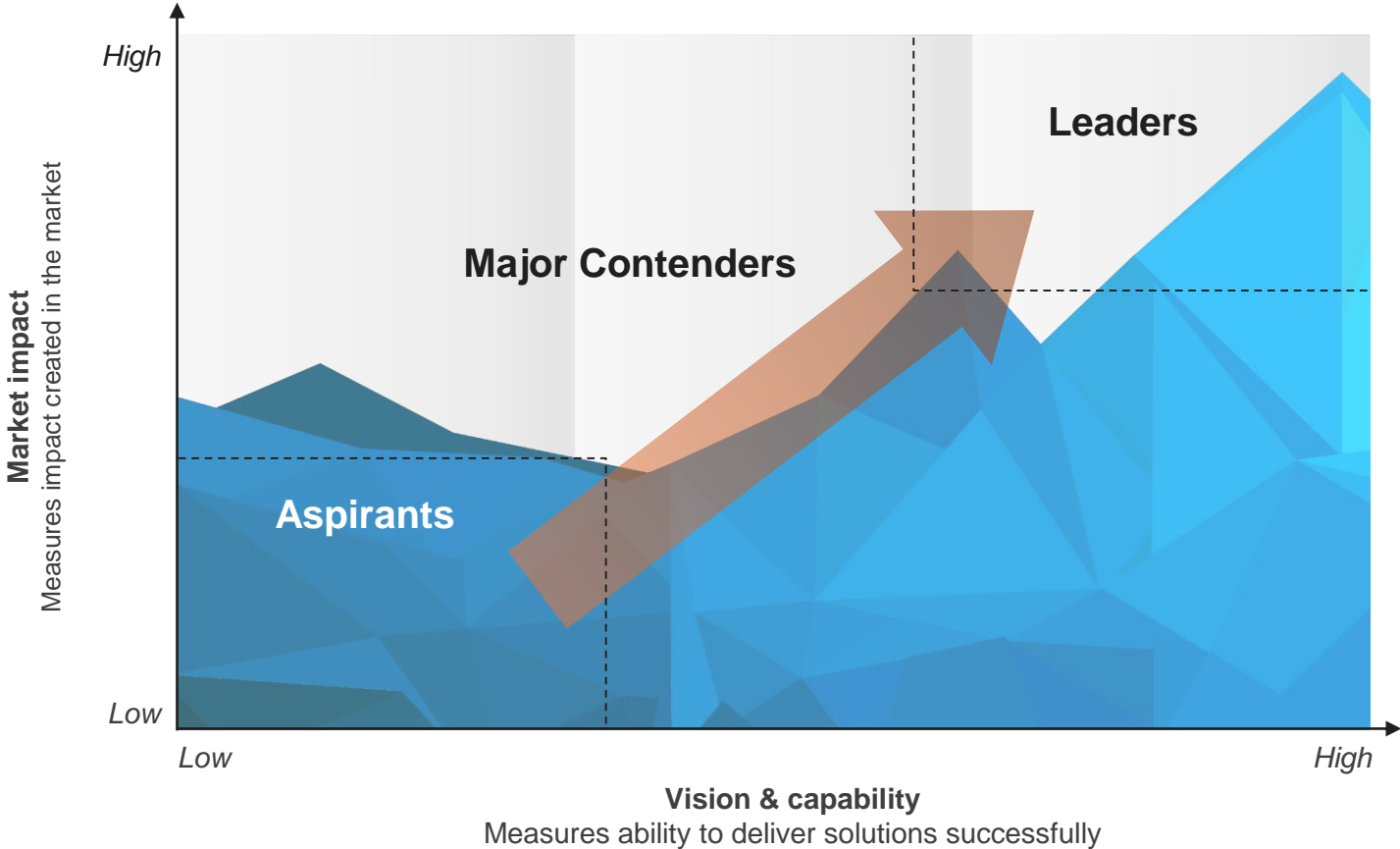
Solutions PEAK Matrix™ evaluation dimensions

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

Market impact

Leaders

Major Contenders

Aspirants

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

Vision and strategy
Vision for the client and
itself; future roadmap
and strategy

Technology capability
Technical sophistication and
breadth/depth across the
technology suite

Services capability
Effectiveness and
breadth/depth of services
portfolios across the
services suite

Innovation and investments
Innovation and investment
in the solution suite

Engagement and commercial model
Progressiveness,
effectiveness, and flexibility
of engagement and
commercial models

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

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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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