



Everest Group PEAK Matrix™ for Healthcare Analytics Service Providers

Focus on Optum
January 2019



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Introduction and scope

Everest Group recently released its report titled “[Healthcare Analytics Services PEAK Matrix™ Assessment with Service Provider Landscape – 2019](#).” This report analyzes the changing dynamics of the healthcare analytics services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 18 service providers on the Everest Group PEAK Matrix™ for healthcare analytics services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of healthcare analytics service providers based on their absolute market success and delivery capability.

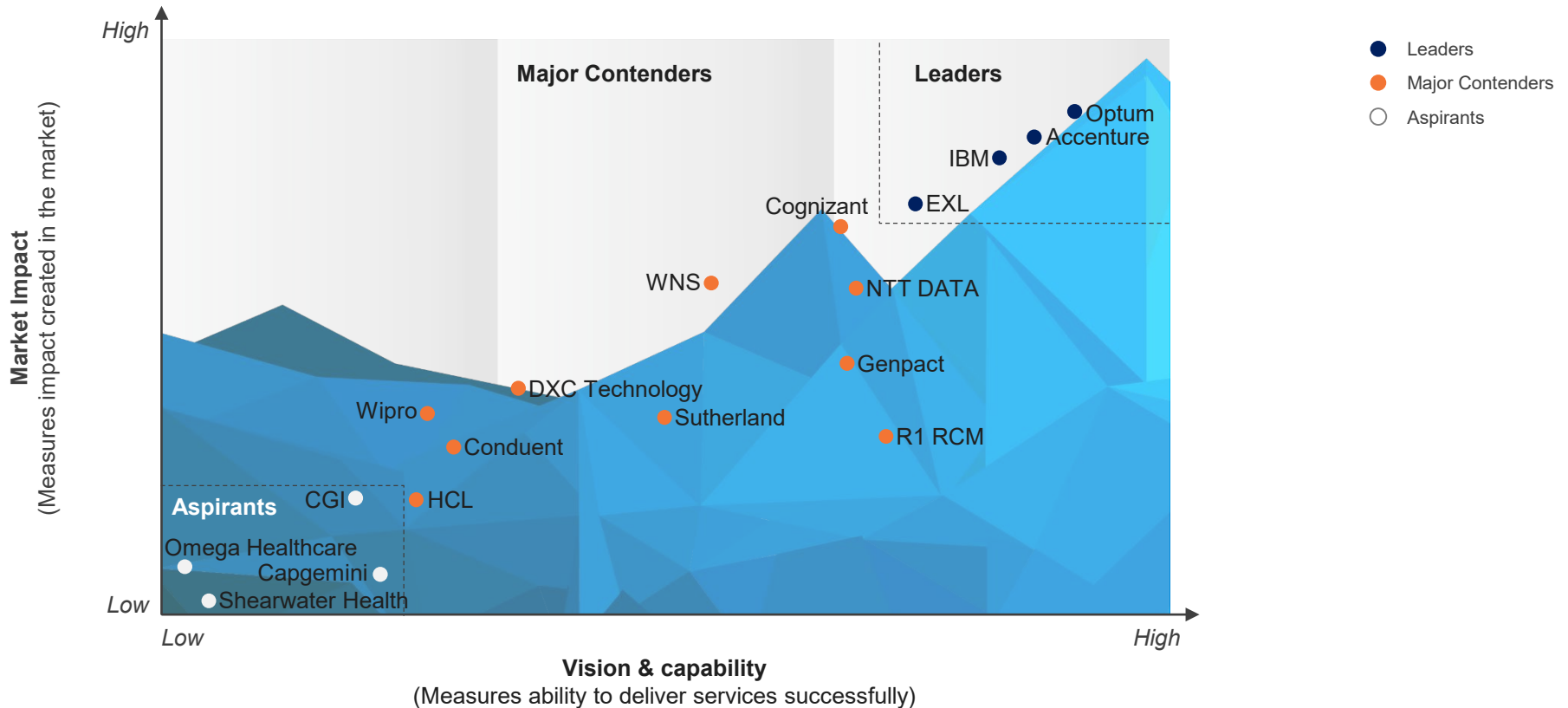
Based on the analysis, **Optum emerged as a Leader**. This document focuses on **Optum’s** healthcare analytics experience and capabilities and includes:

- Optum’s position on the healthcare analytics services PEAK Matrix
- Detailed healthcare analytics services 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 Healthcare Analytics Services PEAK Matrix Assessment¹ 2019



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

Note: Assessment for Capgemini, CGI, Conduent, DXC Technology, IBM, R1 RCM, Shearwater Health, Sutherland, and Wipro excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers

Source: Everest Group (2019)

Overview

Company overview

Optum is an IT-enabled health services firm that serves key stakeholders in the healthcare ecosystem, including payers and providers. The service provider has over 150,000 employees. It delivers services to four U.S. hospitals, four Fortune 100 companies, three health plans, 80 global life sciences organizations, 49 states, Washington, D.C., and federal agencies (e.g. CMS, Veterans Affairs, and Department of Defense).

Optum products and services are infused with OptumIQ™ – the unique combination of curated data, leading analytics, and applied expertise that helps Optum build a common language, innovate with purpose, and guide action for success. Optum Analytics and Optum Advisory Services sit within the OptumInsight business unit.

Key leaders

- Sir Andrew Witty, Chief Executive Officer
- Dirk McMahon, Chief Operating Officer
- Andrew Hayek, Chief Executive Officer, OptumHealth
- Eric Murphy, Chief Executive Officer, OptumInsight
- John Prince, Chief Executive Officer, OptumRx

Headquarters: Eden Prairie, Minnesota, the United States

Website: <https://www.optum.com/>

Suite of services offered:

Project-based advisory services

Optum works across the healthcare system to complete project-based work for providers, payers, employers, government, pharmacy, health sciences, and research and alliance partnerships. Optum's project-based value chain includes trend analysis, discovery analytics, strategy, financial and actuarial modeling, plan development and pricing, plan management and growth strategies, enrollment eligibility, renewal operations, population risk stratification, network building and efficiency, payer and provider network contracting, provider engagement, and clinically integrated networks, support for TPAs, PBMs, and record management.

Healthcare analytics services

	2015	2016	2017
Revenue (US\$ million)	Not disclosed	Not disclosed	Not disclosed
Number of FTEs	Not disclosed	Not disclosed	Not disclosed
Number of clients	Not disclosed	Not disclosed	Not disclosed

Suite of services offered (continued):

Population Health Management (PHM) services

Optum PHM services are offered as either project-based or managed services, and include clinical care analytics, payment innovation models (bundled payments), and utilization management across medical and pharmacy providers. Its services also help establish provider virtual care and telehealth services, benefit authorization and eligibility, and appointment scheduling. Optum PHM services cover the four critical competencies required for success in value-based reimbursement models – care coordination and patient engagement services, quality and clinical integration services, provider network management services, and risk and contract optimization services.

Claims management services

Optum claims management services include comprehensive payment integrity services including pre-claims analysis (predictive), processing claims (including investigations), and post-claims fraud detection and litigation analysis. In addition, it helps develop revenue cycle management strategies and services, recoveries, and bad debt.

Recent acquisitions and partnerships

- Acquired The Advisory Board Company
- Through Optum Ventures, invested US\$600 million in healthcare technology startups
- Partnered with AMGA on several strategic programs to improve healthcare
- Partnered with ACHE

Recent developments

Launched new Optum Analytics Managed Services and Optum Performance Analytics DataMart

Key delivery locations



Optum | Healthcare analytics services (page 3 of 7)

Capabilities and key clients

Representative healthcare analytics services engagements			
Client name	Services included in the contract	Region	Client since
UnitedHealthcare	Trend analytics, clinical analytics, actuarial services, network analytics, and actuarial analytics	The United States	5+ years
Dignity Health	Revenue cycle management and ACO financial risk	The United States	5+ years
Triple S	Clinical analytics	The United States	1+ years
Mayo	Pharmacy analytics	The United States	5+ years
Wilmington Health	Performance analytics	The United States	5+ years
U.S. Department of Defense	Clinical analysis	The United States	3+ years
Health Care Cost Institute	Trend analytics	The United States	5+ years
State of California	Population health management, disease management, fraud/waste/abuse, and operations	The United States	10+ years

Solution name	Processes served	Description
Care performance solutions		
Performance Analytics Platform	All	Optum Performance Analytics platform integrates disparate clinical claims and other critical data sets to power value-based healthcare transformation initiatives for commercial and government payers and providers. It does this by enabling the client to deliver high-quality, cost-effective care to patients, to strengthen care delivery networks, monitor programs for increased efficiencies, and to cultivate the right relationships between providers and payers – all under the client’s unique and evolving regional market and mixture of fee-for-service and value-based models
Performance Analytics DataMart	All	Optum Performance Analytics DataMart provides robust data infrastructure and analytic capabilities to health systems, ACOs, and provider groups who need the flexibility to use these data within their own existing analytics environment. It is the only high-quality, analytics-ready, curated healthcare datamart that integrates patient-linked clinical claims and other vital data sources with identity management and highly enriched data from multiple industry standard engines. It drives significant improvements in contracting, risk adjustment, quality improvement, care coordination, and network management.
Impact Intelligence	Reporting, descriptive, and prescriptive	Impact Intelligence helps organizations effectively manage cost and use, assess provider networks, and measure care quality. With Impact Intelligence, organizations can identify key drivers in variation in cost, quality, and utilization performance across providers and networks. Easy access to reports helps promote information sharing and collaboration across today’s extended healthcare enterprises.
Impact Pro	Prescriptive and predictive	With Impact Pro, organizations can identify, profile, and stratify populations by predicting future risk. Through the use of a single, unified profile of an individual’s historical care and predicted needs, organizations can determine which individuals are in need of specialized intervention programs, and which intervention programs have the most impact on the quality of individual’s health.
Symmetry	Descriptive and predictive	The de facto industry standard platform for healthcare value measurement and evidence-based best practices, the Symmetry suite produces standard, clinically-homogenous, risk-adjusted units of analysis, the basis for valid financial and clinical comparisons, to help organizations effectively manage costs, mitigate risk, and measure quality.
Crimson Continuum of Care	Reporting, descriptive, and prescriptive	Crimson Continuum of Care integrates data from across the health system to create a comprehensive view of provider performance through severity-adjusted physician performance profiles, cross-continuum cost, quality, utilization measures, and benchmark data from over five hundred thousand physicians. Crimson Continuum of Care helps providers reduce costs while improving clinical quality and OPPE reporting efficiency, and more effectively engaging providers in performance improvement.
Surgical Profitability Compass	Reporting, descriptive, and prescriptive	Surgical Profitability Compass aggregates data from legacy systems to provide unparalleled analytics, procedural supply cost benchmarking capabilities, and insights into OR block utilization. Surgical Profitability Compass is delivered through an intuitive interface that enables hospital leaders and physicians to pinpoint top opportunities in OR utilization, supply cost efficiencies, care variation, and operations efficiency to significantly impact cost of care without negatively impacting quality.










Solution name	Processes served	Description
Care Coordination Platform	All	Optum Care Coordination Platform empowers healthcare organizations to manage patient care proactively and intelligently across the healthcare ecosystem, prioritizing interventions and allocating resources for at-risk individuals. By creating smart workflows, auto-triggering tasks, and generating precision interventions and patient-tailored care plans, the platform helps care managers focus on the highest priority issues for the greatest impact on care quality and cost.
Analytics Managed Services	All	Organizations leverage Optum Analytics Managed Services to extend their teams with the applied expertise necessary to maximize the value of their analytics solutions. Multi-disciplinary experts from Optum enable clients to meet resource constraints, identify clinical and financial improvement opportunities, and help their employers and providers make data-driven health management decisions.
Market performance solutions		
Crimson Market Advantage	Reporting, descriptive, and prescriptive	Crimson Market Advantage provides hospital planners and leaders at progressive hospitals and health systems with greater visibility into their referral networks to drive profitable volume growth at the PCP and specialist levels. Combining internal and external data sources with powerful analytics, Crimson Market Advantage targets top growth opportunities by service line and geography on an individual and group basis. In addition, Crimson Market Advantage integrates physician loyalty data to provide a holistic picture of physician relationships.
Planning 20/20	All	Planning 20/20 is a comprehensive planning solution for hospital planning departments that combines the total share of analytics found in Crimson Market Advantage, scenario planning tools, business planning intelligence, and leadership resources for true end-to-end support of a hospital's growth and business development needs. Local market analytics enables clients to assess true patient market share with patient origin analytics, time-trended physician referral patterns, practice acquisition opportunity, and valuation to help reach the client's growth objectives.
iRound	Reporting, descriptive, and prescriptive	iRound enables hospitals to capture information regarding patients and their facilities for immediate data analysis and review. Working on an iPad, tablet, or personal computer, iRound facilitates the conversation between nurses and patients by providing a real-time connection to hospitals that offer insight into patient satisfaction – from quality of care to their likelihood to recommend the facility to others.
CMGA	All	Crimson Medical Group Advantage is a platform that combines all of an organization's data systems – including electronic medical records – to enable medical group leadership to rapidly move from problem diagnosis to strategically implementing effective and sustainable change. With Crimson Medical Group Advantage, clients can better demonstrate the medical group's value, engage physicians, and more effectively drive overall success.

Key technology solutions/tools

NOT EXHAUSTIVE

Solution name	Processes served	Description
Benefits management solutions		
Benefits Analytics Manager	All	Benefits Analytics Manager is a comprehensive data and analytics solution for employers that integrates multiple sources of data such as medical, pharmacy, clinical, disability, and workers' compensation through an interactive analytics platform to provide client-specific actionable information that enables the evaluation of benefit utilization and trends.
Life sciences solutions		
Advanced Life Sciences data sets	Advanced analytics and analyses	Optum Life Sciences manages and licenses the largest EHR data set (streamed from 85 of the largest U.S. healthcare systems), totaling ~91 million patients. The team also manages and licenses a robust claims data set and integrated data set, allowing for analyses of patient profiles, their journeys, and total cost of care.
Digital Research Network	Clinical trial design and execution	Currently developing a new approach to clinical trials called the Digital Research Network (DRN), a network of clinical research sites that have deployed its streaming EMR technology to identify & enroll patients, collect data, and automate processes for clinical trials directly through the EMR. This will enable pharma companies to reduce time-to-market for new medicines, getting them to patients sooner.
Scientific Consulting Services	Outcomes research and epidemiology research	This is an advanced data and analytics team within OPTUM Analytics comprised of ~300 data scientists, researchers, and commercial experts. Its patient reported outcomes, health economics and outcomes research, and epidemiology teams are industry recognized leaders in understanding the complex relationship between outcomes and cost for any intervention (pharmaceutical or otherwise).

Measure of capability:  High  Low

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

Strengths

- The service provider has analytics offerings across the entire spectrum of payer and provider value chain. In fact, Optum is one of the few service providers to have an equally strong solutions portfolio for both administrative and clinical parts of the market
- Moreover, the service provider has one of the widest libraries of analytics tools and platforms (over 500 in number)
- A large part of Optum's analytics workforce comprises PhDs, actuaries, payment integrity specialists, epidemiologists, and biostatisticians, indicating the focus on developing domain expertise to understand and solve client problems
- A widespread delivery network in countries such as the United States, the United Kingdom, India, Brazil, Ireland, and the Philippines enables the service provider to cater to clients that are comfortable in offshoring, as well as clients that want onshore delivery presence
- Optum is investing in multiple arenas across the entire digital ecosystem. For instance, Optum Ventures is investing US\$600 million in digital-based startups. Some analytics-focused investments by Optum include Apervita, a cloud-based analytics platform, and SHYFT Analytics, a cloud-based pharmaceutical research platform

Source: Everest Group (2019)

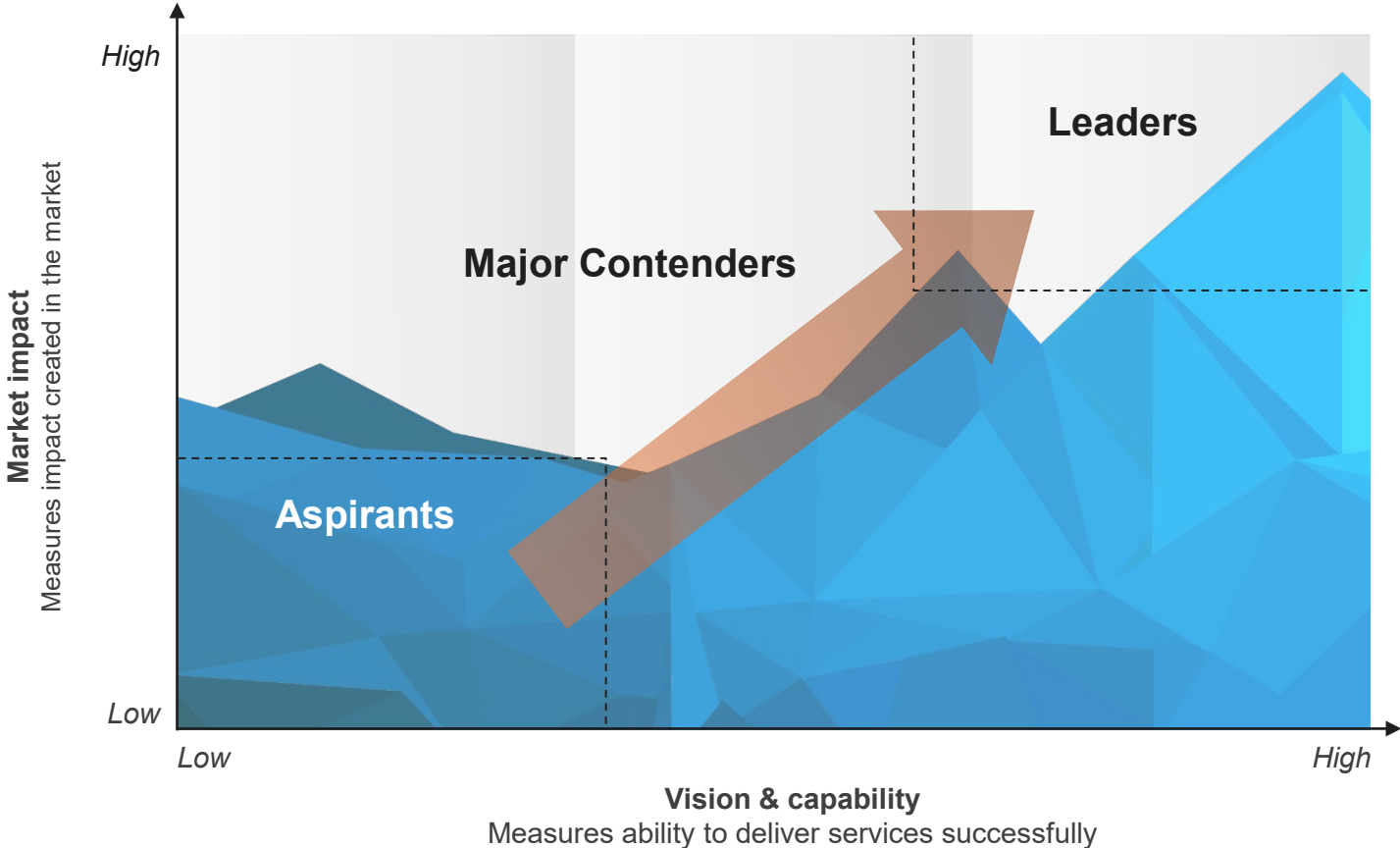
Areas of improvement

- Buyers are delighted with the innovation and relationship management that Optum brings to the table; however, higher cost compared to some of the peers is a concern
- UHG is the parent as well as the biggest client of Optum; as a result of Optum's close relationship with UHG, there are concerns in the market (mainly among large payers) in partnering with the service provider for big-ticket deals

Appendix

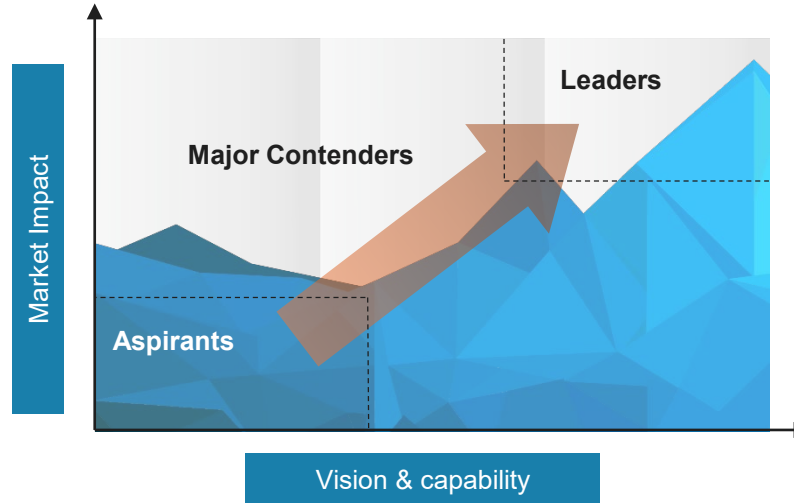
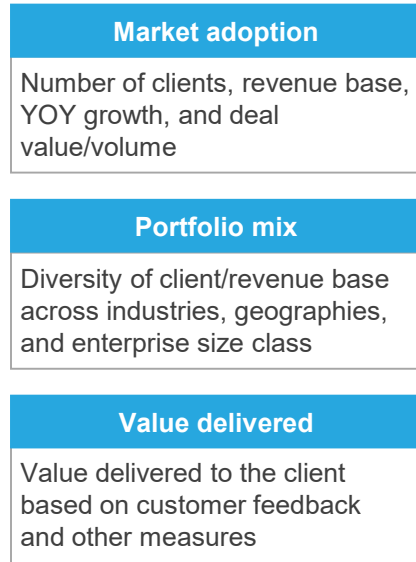
Everest Group PEAK Matrix™ is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix

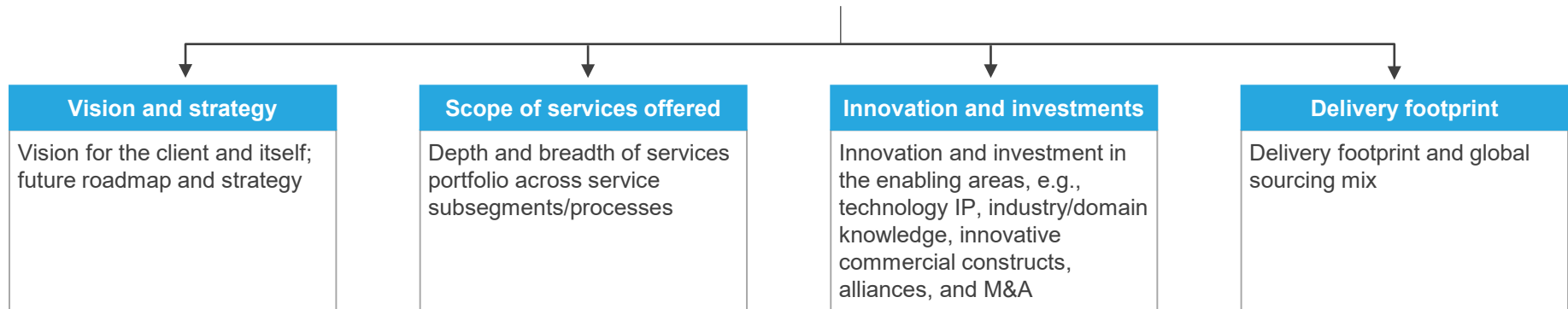


Services PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions



Measures ability to deliver services successfully. This is captured through four 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 interactions, 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 in / 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 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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