HFS

HORIZONS REPORT

HCP Service Providers, 2024

The ultimate guide of service providers serving healthcare providers (HCP); An assessment of HCP service providers, addressing the why, what, how, and so what

Authors:

Rohan Kulkarni, Executive Research Leader
Mayank Madhur, Associate Practice Leader
Jahnavi Ravindranath, Associate Practice Leader

Excerpt for TCS

"The triple aim of care has never been more important as we arrive at a point where clinical technology enablement should aid in the extension of life vs. merely delaying death."

Rohan Kulkarni
Executive Research Leader

Contents

1 Introduction and research methodology

Introduction

- The triple aim of care (reducing the cost of care, enhancing the care experience, and improving health outcomes) continues to deteriorate globally across different types of markets (government, commercial, hybrid).
- The shortage of clinicians, prevalence of disease, aging populations, and inefficient payment mechanisms are exacerbating already difficult conditions.
- However, accelerating technology enablement (infrastructure, platforms, AI), care delivery model innovation, and entrepreneurial partnerships, strengthened by service providers stepping up beyond addressing the low-hanging fruit of transactional processing to clinical innovations, and connecting the healthcare ecosystem to optimize care indicates that the future holds real promise.
- While care delivery challenges articulated here are universal, albeit at different levels of severity, they remain daunting. Using some US-centric data, this study visualizes demand and supply ground realities.
- The ***HFS Horizons: HCP Service Providers, 2024*** report examines the service provider's role in the global care delivery industry, encompassing primary care, acute care, post-acute, and rehab. We assessed and rated the healthcare provider capabilities of 36 service providers across four dimensions addressing Why, What, How, and So What.
- This Horizons report looks at the whole market, focusing on the supply side. It includes detailed profiles of each service provider, outlining their Horizons placement, provider facts, and strengths and developmental opportunities.
- The report specifically focuses on industry-specific capabilities for service providers as defined in our value chain. It does not focus on horizontal IT or business process services (BPS) such as application management or finance and accounting outsourcing, which may be delivered to healthcare enterprises.

Executive summary—Key insights from this study across both healthcare enterprises and service providers

Demand

Financial pressure grows
Pandemic-driven stimulus is in the rearview and the new reality is an even stronger pressure to remain financially above water, consistently.

Experience matters
The desire to improve the point-of-care experience and drive connectivity in a post-care scenario is growing to drive retention and value-based care (VBC) outcomes.

Technology adoption accelerates
Providers are more open to technology-enabled innovation to improve productivity, health outcomes, and their financial woes.

Procurement shifts
There is a material increase in both outsourcing and offshoring for both services and technology enablement, an acceleration over the past couple of years.

Supply

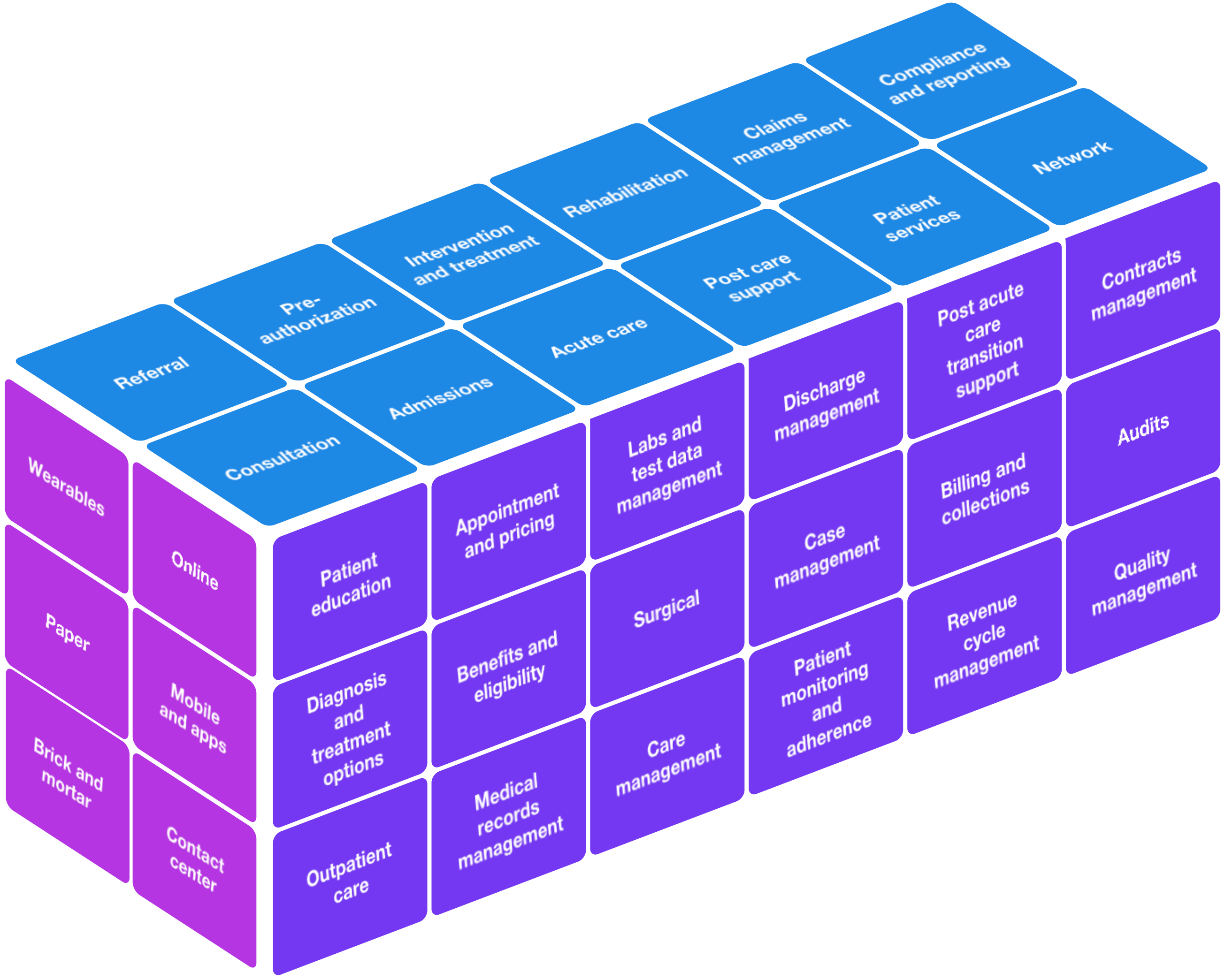
Sophistication of capabilities
Service providers have upped their ability to address complex clinical and financial challenges consistently.

Expanding scale and impact
The world is their oyster as the delivery footprint grows to all parts of the planet as does service providers' ability to impact outcomes across the triple aim of care.

Over-indulgence of GenAI
The investments, pilots, POCs, accelerators, and more are the tactical manifestation of GenAI. It is likely the GenAI hand has been overplayed relative to outcomes.

Differentiation is fleeting
...if that. Despite the sophistication of offerings, service providers are struggling to differentiate themselves both in terms of value and their market perception.

The 21st century healthcare provider value chain must adapt to multidimensional challenges



- **Digital manifestation:** Typical linear value chains reflect analog business paradigms vs. representing a multidimensional digital delivery mechanism fit for the 21st century.
- **OneOffice™:** The multidimensional value chain makes OneOffice intrinsic to its delivery capability while setting the stage to help build effective ecosystems.
- **OneEcosystem:** Value chains will need to be optimized to address a variety of market-driven challenges (costs, climate change, demographics, etc.), which will require crafting diverse and effective ecosystems.
- **Iterative transformation:** Digital transformation can be effectively driven through industry value chains by making iterative and sustainable changes across multiple dimensions over time.

The HFS healthcare provider value chain spans three dimensions of care aligned to three market segments

- The healthcare provider value chain covers the entire spectrum of care delivery across multiple modalities or channels. The value chain transcends the different healthcare provider market segments, including primary care, acute care, specialty care, and post-acute care, including rehabilitation. The value chain is represented in three-dimensional settings to reflect real-world intersections of different functions across different departments delivered through various channels. The evolving and expanding hospital at home is a case in point.
- The value chain is not meant to list all functions comprehensively. Instead, it provides a construct to help in the evaluation, recognizing that the caregiving continuum can conflict with operational silos. As such, the value chain encapsulates three areas, which, when decomposed, will yield key functions across clinical, operational, and financial responsibilities.
- **Pre-care** includes referrals, pre-authorizations, and admissions. Key functions under pre-care include patient education, appointments, benefits and eligibility, referrals, and medical records management. These functions are across all types of care and specializations.
- **Care** aligns with clinical care delivery, including primary, acute, and specialty care. Key functions supporting care include labs and tests, surgical and ambulatory services, case management, and discharge. We will explore care across modalities from the traditional (inpatient, outpatient) to the more contemporary (telehealth, hospital at home).
- **Post-care** aligns with clinical needs for rehabilitation and post-acute care as well as admin functions, including claims management, patient services, and compliance management. Other functions for evaluation include revenue cycle management (RCM), post-acute care transitions, and audits. IT, facilities, contracts, and vendor management.

36 service providers have been evaluated in this report

Note: All service providers are listed alphabetically

Sources of data

This Horizons research report relies on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on service capabilities of the participating organizations covered in our study. Sources are as follows:

Briefings and information gathering

HFS conducted detailed **briefings** with healthcare leadership from each vendor.

Each participant submitted a specific set of **supporting information** aligned with the assessment methodology.

Reference checks

We conducted reference checks with **65 healthcare enterprises that are active clients and 63 active partners** of the study participants via surveys and interviews.

HFS Pulse

Each year, HFS fields multiple demand-side surveys in which we include detailed vendor rating questions.

For this study, we leveraged our fresh-from-the-field HFS Pulse Study data featuring **~600 service provider ratings and insights** from **~50 HCP enterprises**

Other data sources

Public information such as news releases and websites.

Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners.

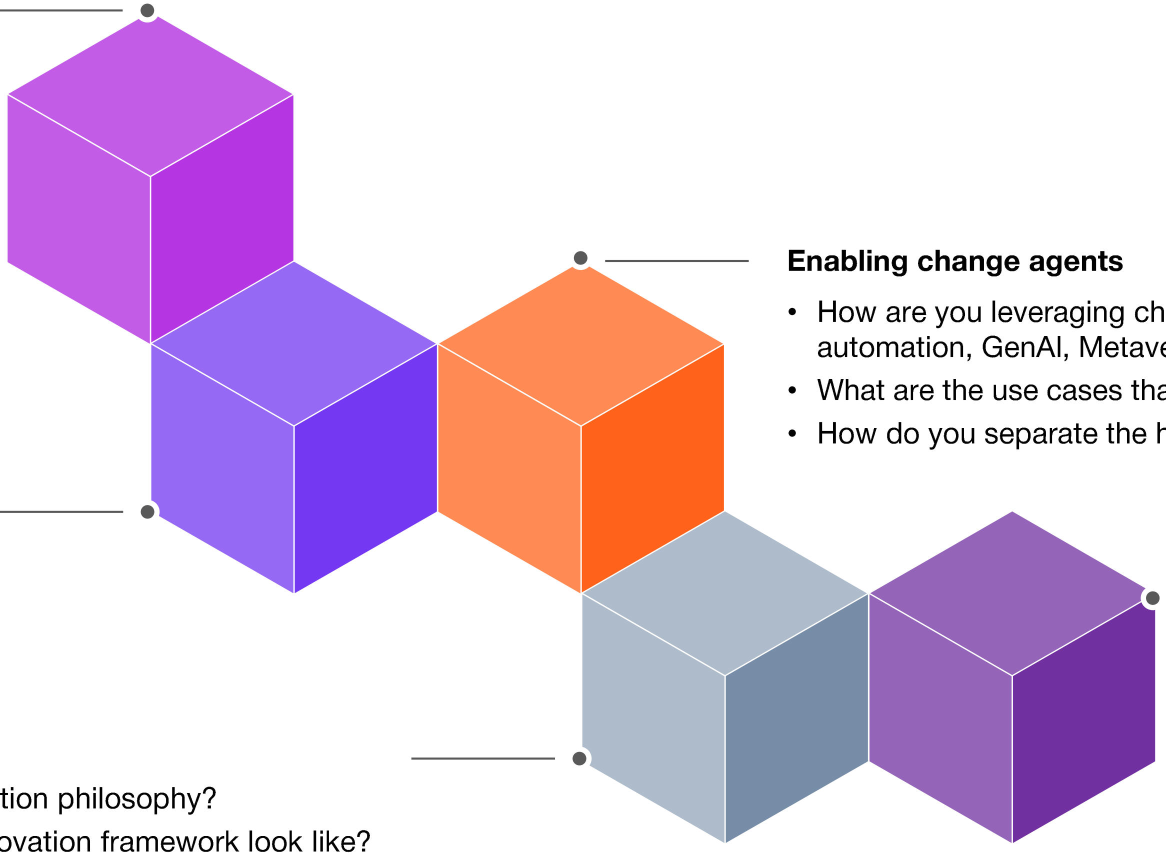
The study seeks to address multiple questions

Influencing the triple aim of care

- How do you help healthcare providers impact the cost of care (therapy, operations, etc.), the experience of care (access, distribution, etc.), and health outcomes?
- Are these part of your KPIs?
- Are they central to your business philosophy?

Real-world outcomes

- What are the most important metrics?
- Are you contracting capabilities or delivering outcomes?
- How do you measure outcomes end to end?



Enabling change agents

- How are you leveraging change agents such as automation, GenAI, Metaverse, etc.?
- What are the use cases that are being scaled?
- How do you separate the hype vs. the real?

Go to market

- What is your primary value proposition to the market?
- Do you lead by capabilities or with challenges you address?
- Do you leverage an ecosystem, or do you like to go it alone?
- Does the market consider you a thought leader?
- Do your clients seek your advice?

Innovation

- What is your innovation philosophy?
- What does your innovation framework look like?
- What are the experiences you are attempting to deliver?
- What is on your roadmap?
- Are your clients part of your innovation construct?

Horizon assessment methodology — Healthcare Provider Services

The **HFS Horizons: HCP Service Providers, 2024** report evaluates providers' capabilities across a range of dimensions to understand the **Why, What, How, and So What** of their healthcare provider service offerings.

Assessment dimension (weighting)

Distinguishing service provider characteristics

	Value proposition: The Why? (25%)	Innovation capabilities: The What? (25%)	Go-to-market strategy: The How? (25%)	Market impact: The So What? (25%)
	• Impacting the triple aim of care (cost, health outcomes, and experiences) • Improving the efficacy of HCP services • Optimizing the HCP value chain	• Enabling technologies intelligently • Designing creative commercial models • Transcending beyond the line-item offers • Addressing multiple HCP segments and adjacencies	• Value & outcome-based solutions • Co-innovate & co-create scalable solutions • Ecosystem efficacy & thought leadership	• Demonstrable client case studies • Voice of the customer • Voice of the partner • Outcomes beyond table stakes
Horizon 3	• Horizon 2+ • Ability to drive "One Ecosystem" to find completely new sources of value • Ability to reduce cost of care, improve the experience of care, and influence health outcomes. • Strategy through execution at scale	• Horizon 2+ • Sophisticated capabilities across all value creation levers • A culture of innovation to develop IP • Adopting emerging tech to address complex industry challenges • Addressing new or adjacent markets	• Horizon 2+ • Majority of outcome-based contracts or other creative contracts • Delivering HCP-specific transformation • Consistently co-innovating or co-inventing with HCP enterprises	• Horizon 2+ • Quantifiable outcomes • Driving new business models based on partnerships • Referenceable and satisfied clients by impacting the triple aim
Horizon 2	• Horizon 1+ • Ability to drive "OneOffice" mindset to break down the barriers imposed by the value chain • Ability to reduce the cost of care and improve the experience of care	• Horizon 1+ • Ability to support clients on their enterprise transformation journey • Global capabilities with strong consulting skills and partnerships with major players • Platform assets built from the ground up and augmented through inorganic assets	• Horizon 1+ • Addressing outcomes through proprietary and or industry-specific technologies (platforms, applications) enabled by domain experience • Underwriting risk of implementations and/or other creative contract models	• Horizon 1+ • Quantifiable outcomes • Referenceable and satisfied clients for ability to enhance experience
Horizon 1	• Ability to drive digital transformation to digitize legacy processes • Reduce cost of care, operations, or delivery.	• Primarily focused on technology implementation • Offshore-focused execution with strong technical skills and partnerships • Addressing client-specific challenges vs. industry-oriented challenges.	• Addressing legacy processes and tactical operational challenges • Delivering functional transformation	• Quantifiable outcomes • Referenceable and satisfied clients for ability to execute

2 Market dynamics

Healthcare is in a new world of expectations, business model disruption, and emerging technology fighting to impact the triple aim

Evolving care delivery paradigms

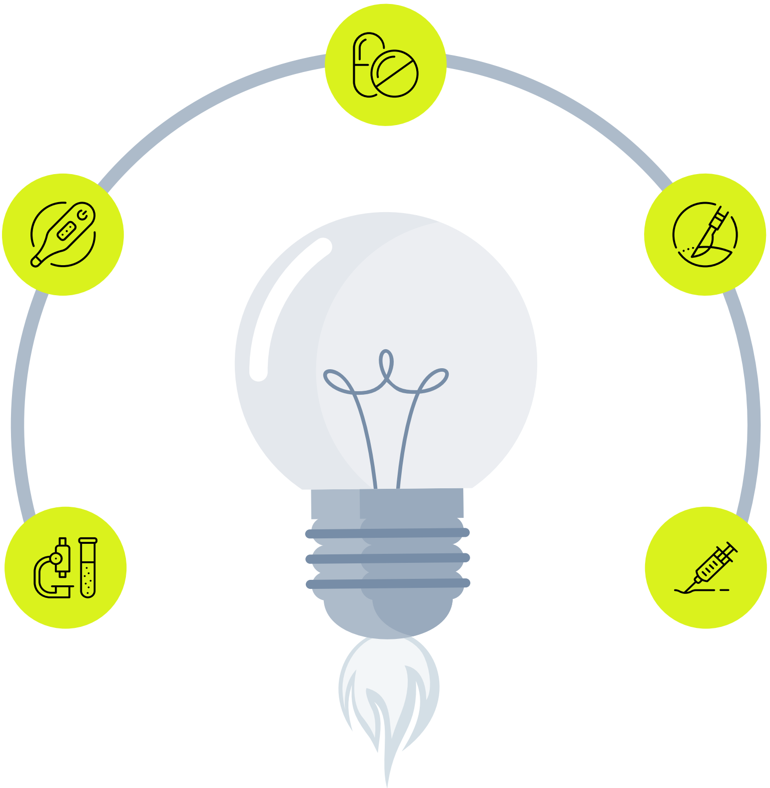
- Technology innovations are expanding the use of ambient sensors, wearables, and biometrics are beginning to explore new “need-based” interventions.
- Subscription models for primary care are becoming more viable as telehealth remains a key modality of care.

Leaning into outsourcing and offshoring

- Providers big and small are more open than ever before to exploring third-party options to address their technology and services needs.
- This leads to a material volume of offshoring transactions and outsourcing technology enablement beyond EHRs.

Consolidation and diversification

- Significant private equity involvement continues to pervade healthcare, exacerbating financial pressures.
- Vertical integration has become the norm, potentially improving the triple aim, but those outcomes are yet to surface.



Clinical shortages are likely to make 2034 catastrophic

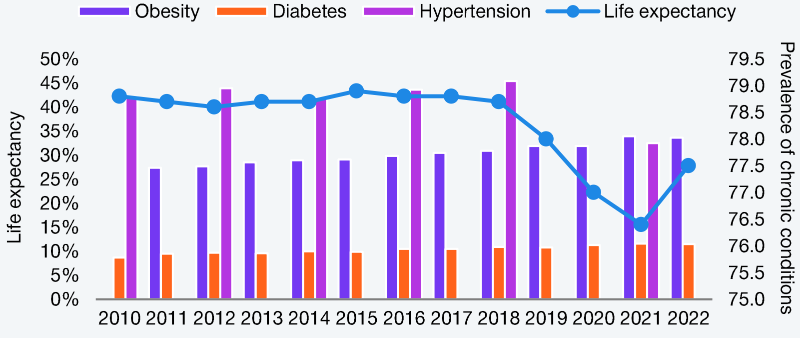
- The US will have more older than younger people in 2034; China is likely there already, and India will reach it around 2050, while EU population growth has plateaued… these are big senior markets.
- A shortage of clinicians and facilities will be detrimental to health and care delivery.

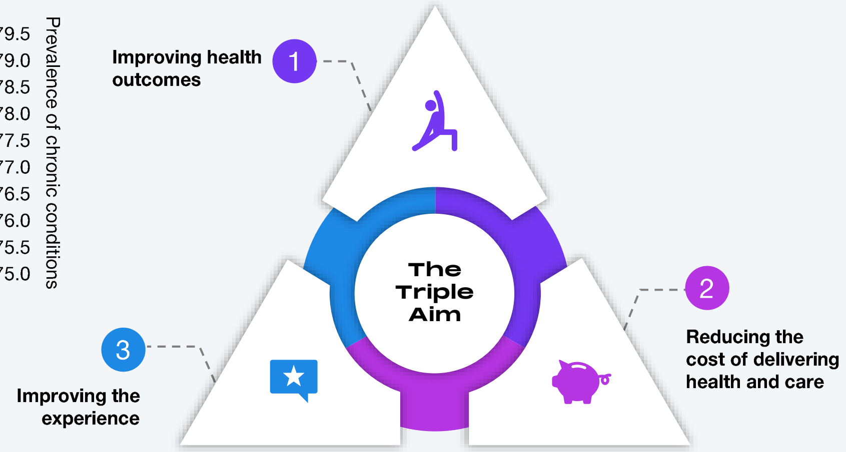
More of the same

- Despite progress in scientific innovation, modern technology enablement, process optimizations, and clinical outcomes, the needle is yet to move on meaningful improvement of the triple aim of care.

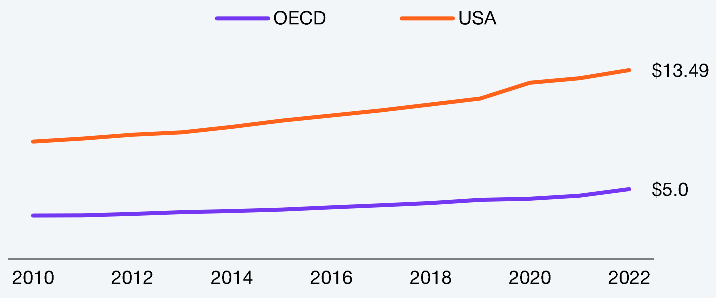
All the attributes of the triple aim of care are heading in the wrong direction…

Life expectancy and chronic conditions over time in the US

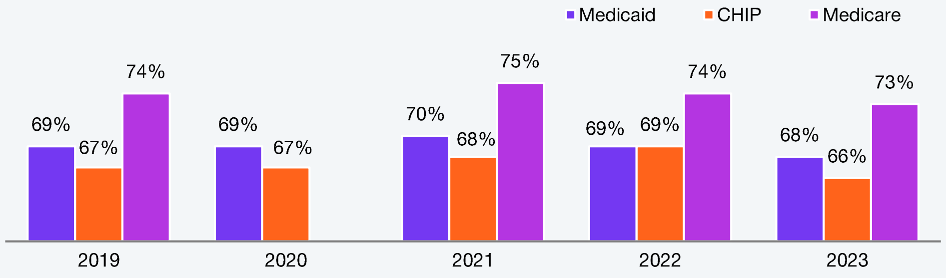




Annual per capita health spending: US vs. OECD ($ thousands)



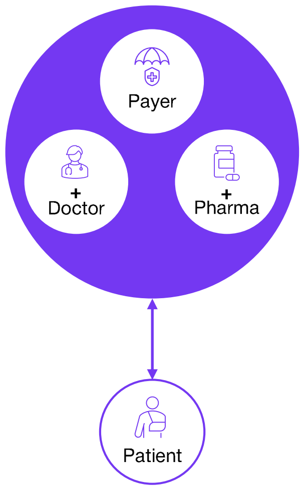
Healthcare customer experience over time across multiple US government-sponsored programs



Source: CDC, OECD, HFS Research, 2024

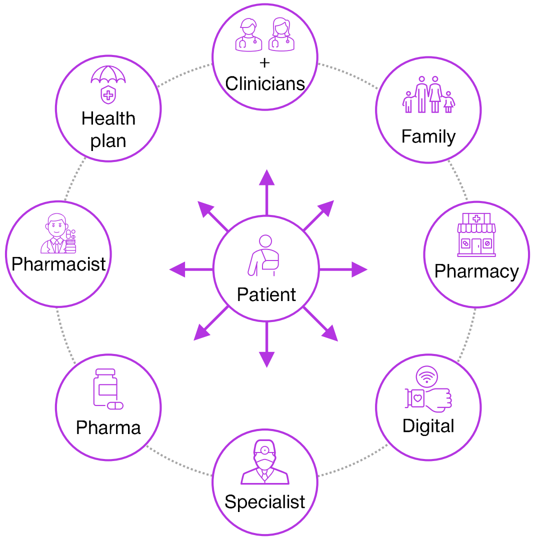
…inspiring the evolution of the healthcare ecosystem toward a new integrated paradigm

Horizon 1: Comfort care
Mid-to-late 20th century



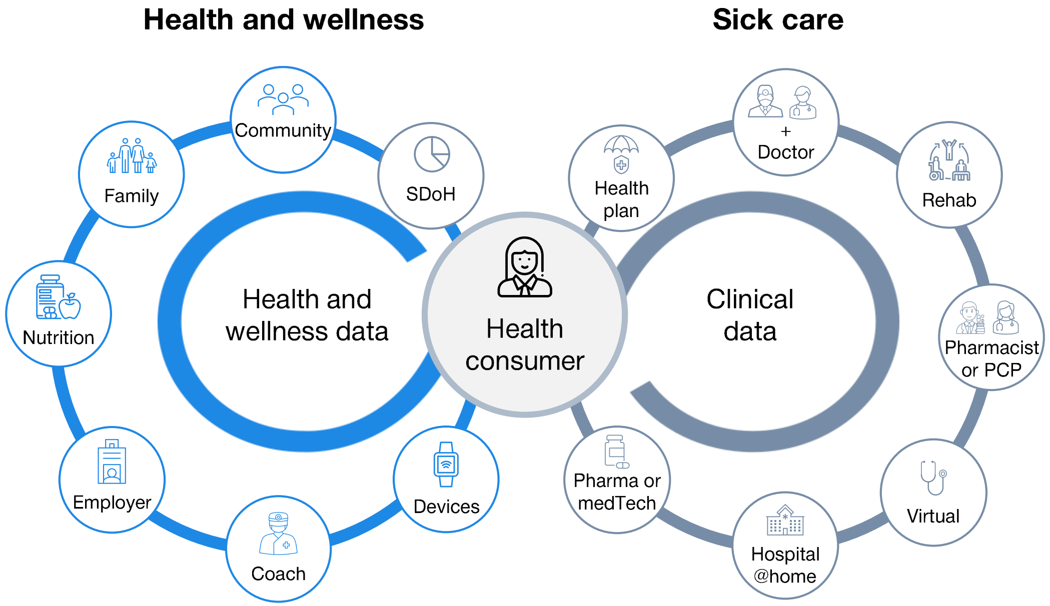
- Limited science for understanding or treating disease
- But hyper-personalized care
- Strong community to provide support and relief
- Relatively limited inequities
- Barter worked

Horizon 2: Sick care
Late 20th century to present



- Science to cure disease or delay progression
- Factory model to deliver care
- Addresses only the symptoms
- Heavy administrative burden
- Deep intrinsic inequities
- Growing dependence on technology
- Medical bankruptcy is common

Horizon 3: Wellness ecosystem
The future is getting here



- Return to the first principles of health—nutrition and mental and physical well-being
- Need-based intervention vs. demand-based
- Technology is core to supporting health choices and care delivery
- Real cross-industry collaboration to impact the triple aim of healthcare
- Addressing health equity and ESG meaningfully

Healthcare providers across care segments must shift right to fully realize their potential to address the needs of the 21st century…

Value aspiration

Linear

Horizon 1: Digital
Digitally optimized processes to drive improved business outcomes

- Efficiency and effectiveness mindset
- Centralized data and unified reporting
- Consumer-centric
- Process workflows

- Siloed ecosystem (legacy)
- Neo-health and big tech participation
- Global supply chain constraints

- Virtual care (telehealth) expansion
- Health and care app proliferation
- Real-world data to improve customer 360° views

- Cloudification of enterprise
- Automation through ERP
- Platform enablement for EHR, RCM, CRM.
- Mobility-driven engagement

Functional

Experiential

Horizon 2: OneOffice™
End-to-end organizational alignment across front, middle, and back to drive unmatched stakeholder experience

- Internal collaboration
- Data-led decision-making
- Digitally fluent talent
- Human + machine processes

- Direct-to-consumer services expansion
- Vertical integrations and spin-offs
- Employer as a health plan shifting employee benefits funding

- Wearables and sensor cloud-based services
- AR and VR to extend virtual care
- Consumer choices enabled by AI

- Integrated IoT-enabled consumer health
- Edge-computing-based smart manufacturing
- Industry cloud

Enterprise

Exponential

Horizon 3: OneEcosystem™
Collaboration across the healthcare ecosystem to deliver against the triple aim of cost, health outcomes, and experiences

- External collaboration creating ecosystems
- Creative talent
- Autonomous processes
- Innovation mindset

- Omnichannel personalization for providers and consumers
- Intrinsic ESG enablement
- Future-proofing supply chain

- Enhanced digital front door
- Integrated wearables
- Digital supply chains

- Ambient tech-driven data-based decision-making
- Post-quantum-cryptography (PQC)-enabled cybersecurity
- GenAI-enabled patient engagement

Ecosystem

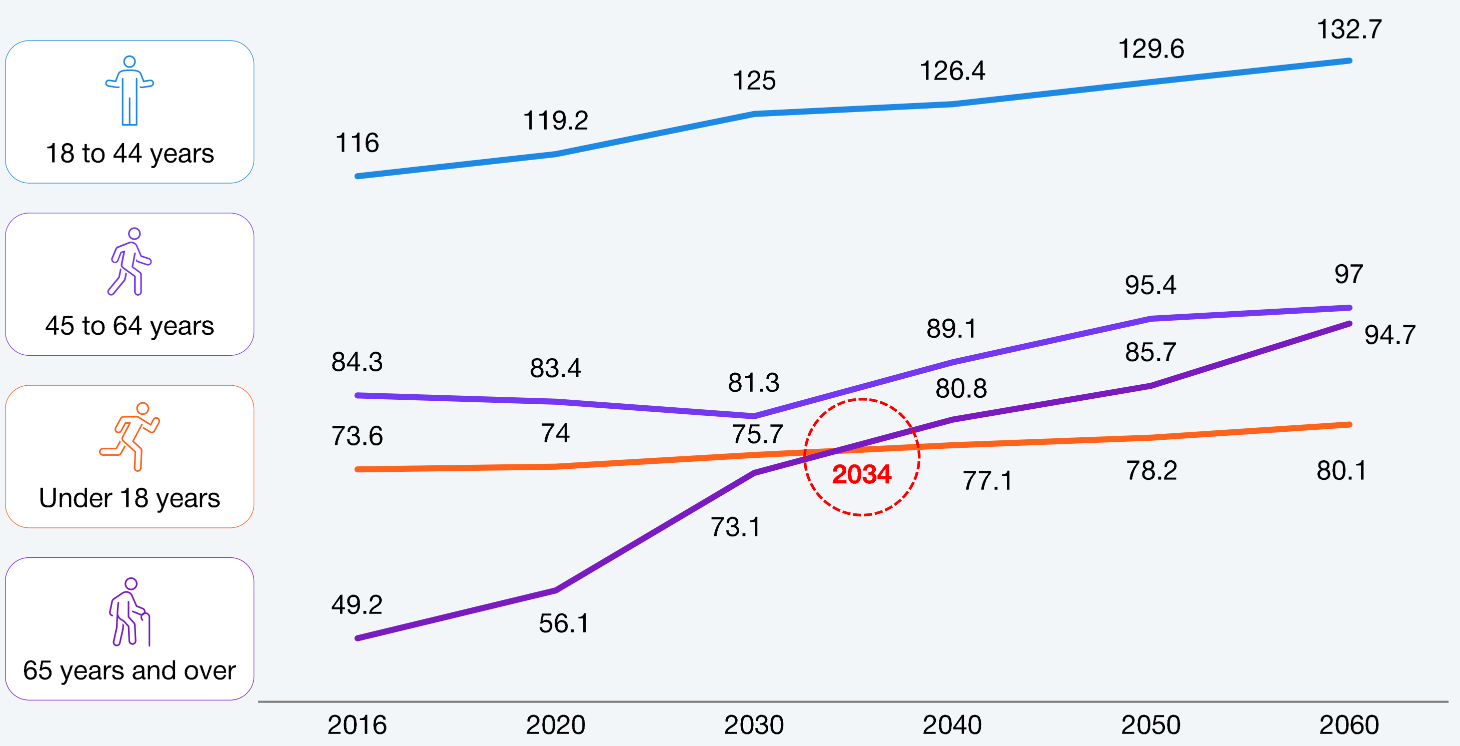
Innovation scope

Organization characteristics
Market dynamics
Digital health manifestation
Emerging-tech-enabled solutions

The HFS Enterprise Innovation Framework lends clarity to the noise of emerging technologies driving digital health

There must be greater urgency to solve the current set of challenges if we are to a have chance to address the coming great demographic shift…

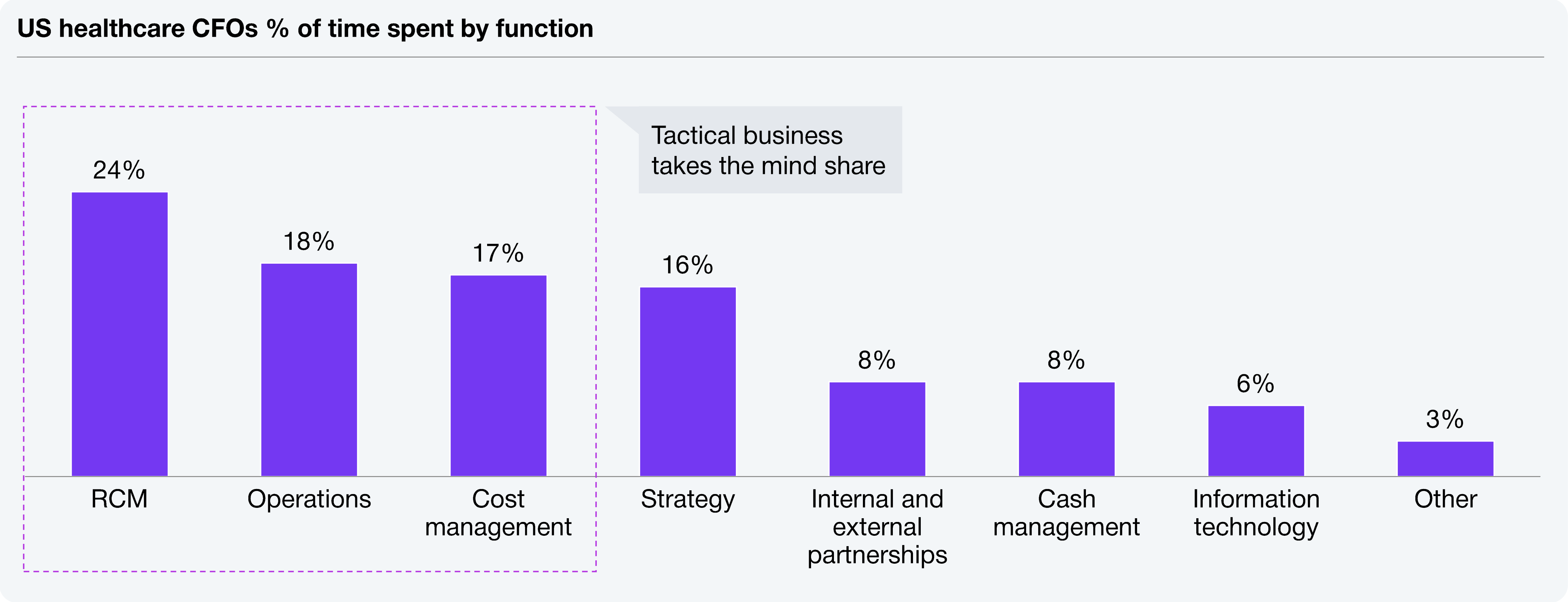
US population (millions) 2016 – 2060 by age groups



- In **2034,** for the first time in the US, the senior population will be larger than the younger population.
- This is likely already true in China, will be the case in India by 2050, and in the western EU in the next 15 years.
- Consequently, there will be an unprecedented impact on funding government programs as the ratio of workers to beneficiaries worsens.
- In addition, the needs of the older population are very different from those of the younger population.
- Net-net, the profile of a covered life today and tomorrow will be drastically different.
- Health and care solutions must be considered in different terms to be effective.

Source: US Census Bureau, HFS Research, 2023

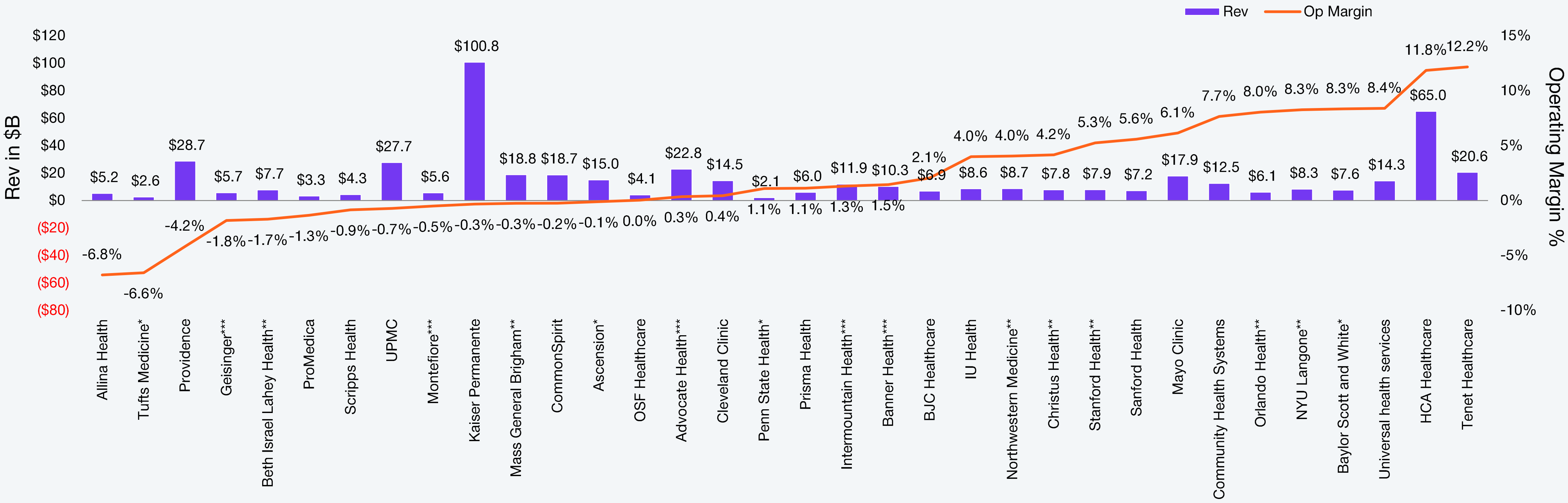
…yet health system CFOs spend nearly a quarter of their time on RCM that can be outsourced and no time on innovation or transformation of care



Data: HFMA, sample – 137 US health systems
Source: HFS Research 2024

Despite the focus on financial management, health systems and hospitals are swimming in the red irrespective of the revenues

Some large US health system revenues and operating margins in 2023

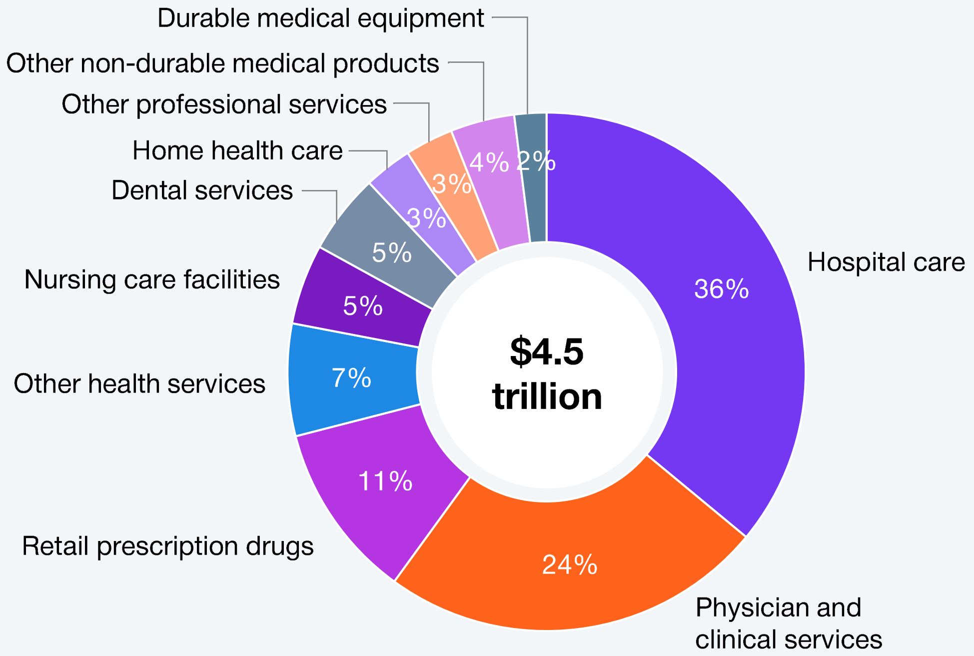


Source: Becker Hospital Review, HFS Research 2024
*Results for the first six months ending Dec. 31 | **Results for the 12 months ending Sept. 30 | ***Results for the nine months ending Sept. 30

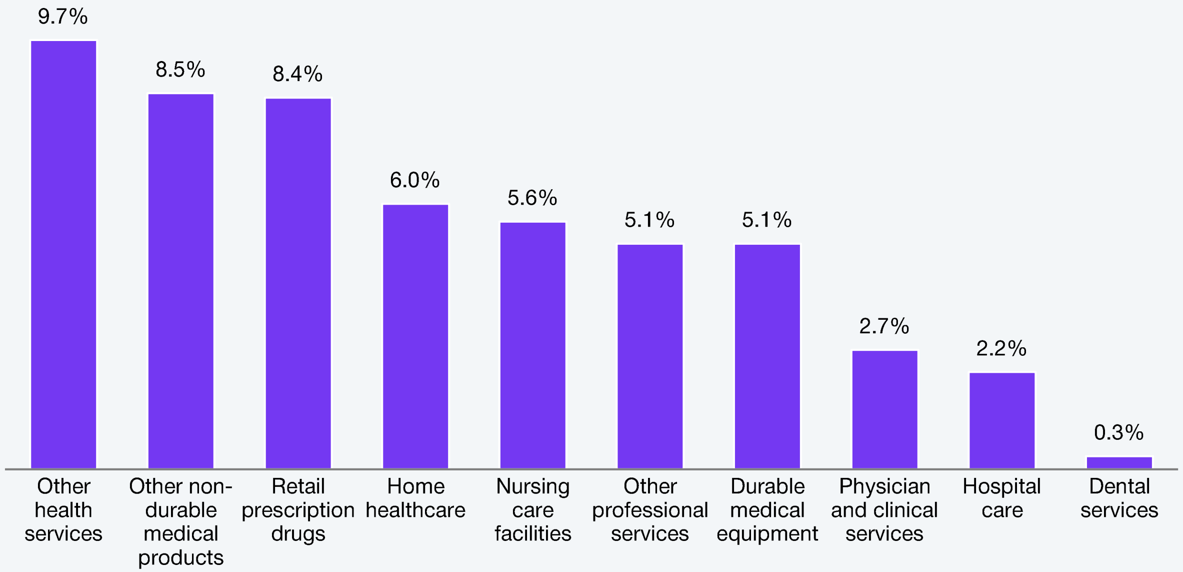
Material growth in indirect clinical services suggests high-dollar-cost items such as physician services may be plateauing pressuring HCPs

In 2022, healthcare spending in the US rose 4.1%, reaching $4.5 trillion. This growth outpaced the 3.2% increase seen in 2021, yet it was significantly moderate compared to the 10.6% surge experienced in 2020.

Health spending by type of service or product
(2022-2023)



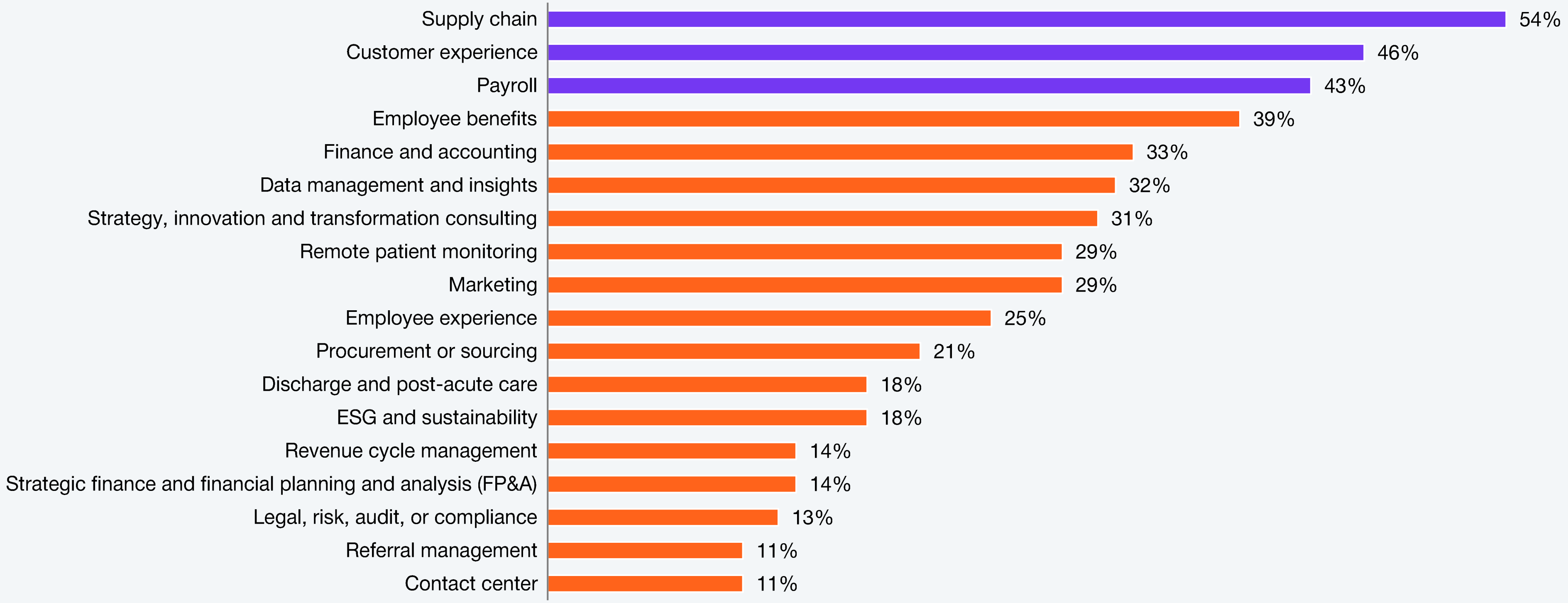
Health spending growth rate by type of service or product
(2022-2023)



Source: Centers for Medicare & Medicaid Services, HFS Research, 2024

So, it's unsurprising that HCPs target non-core processes to outsource and leverage third-party expertise...

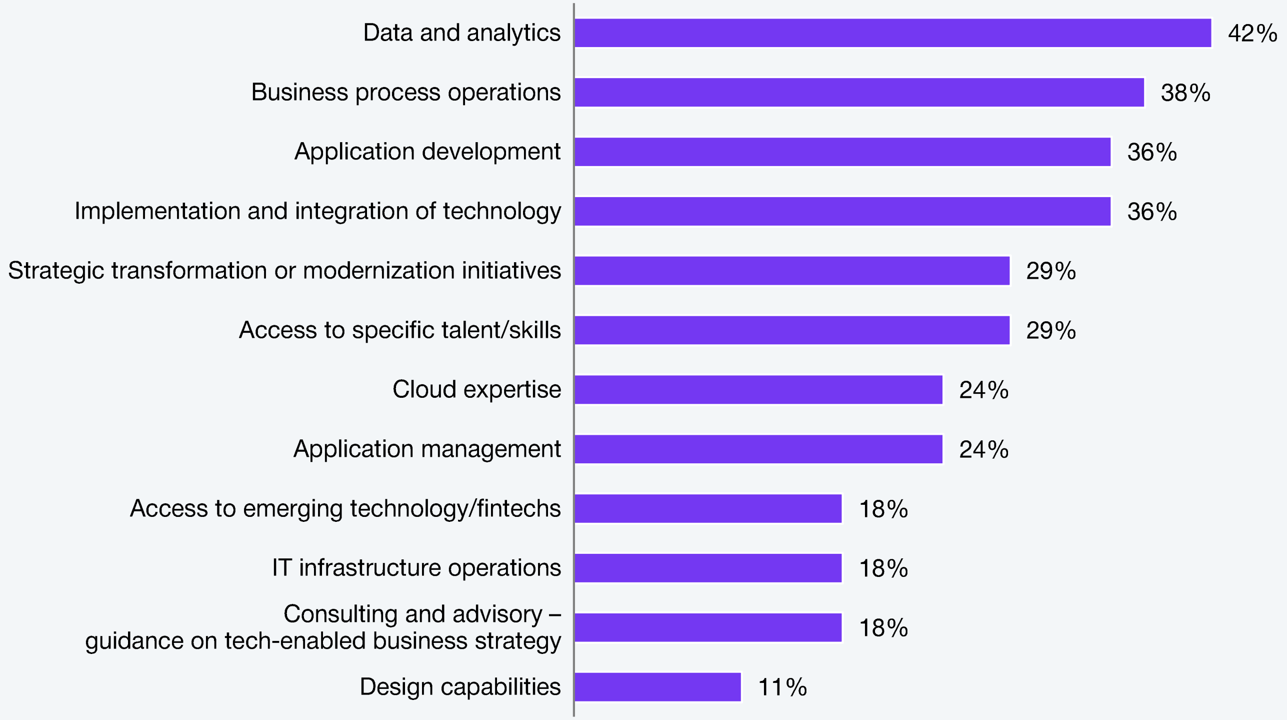
ADOPTION: Please indicate for which of the following business process services your enterprise currently uses third-party service providers.



Sample: HFS Pulse, 2024; 28 healthcare providers global 2000 enterprise executives
Source: HFS Research, 2024

...and technology and business process functions...

For what do you use third-party service providers?
(% respondents)

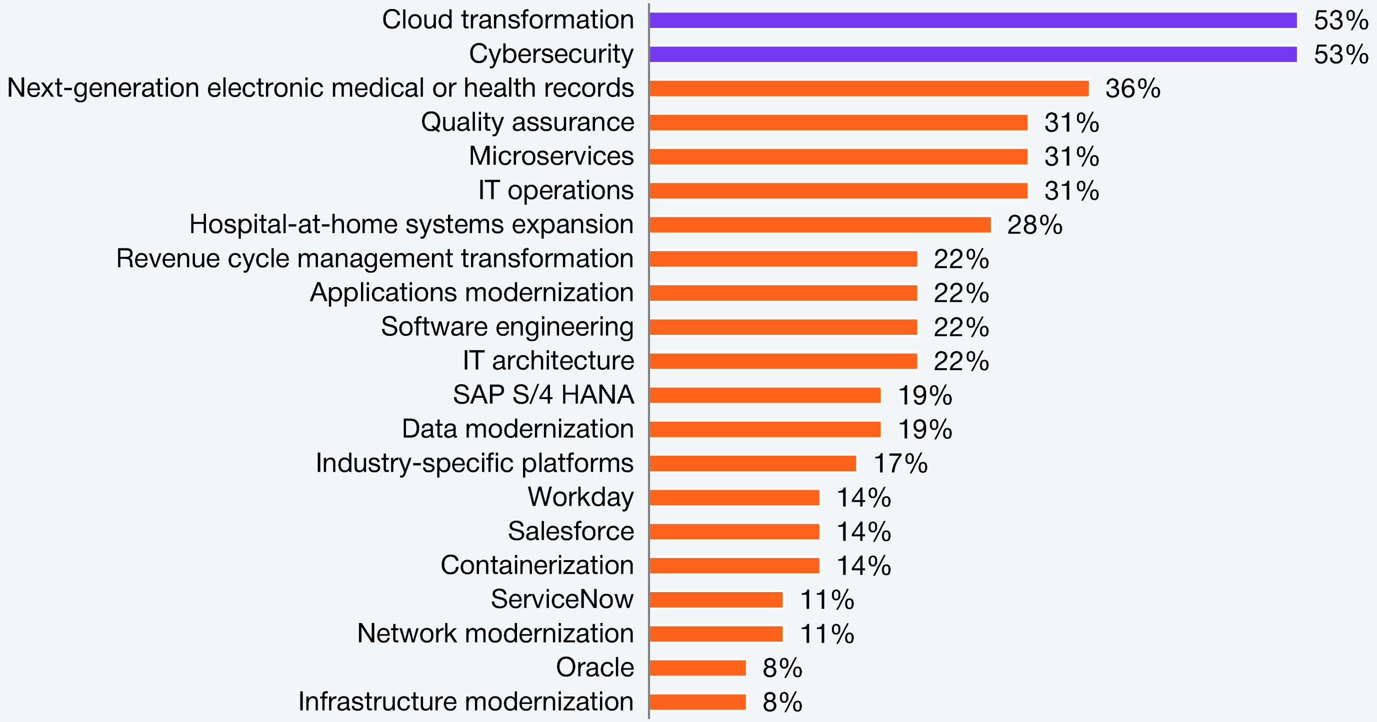


- Service providers have an opportunity to address complex clinical challenges, including early identification of disease conditions, increasing the accuracy of diagnosis, and enhancing care outcomes by applying emerging tech innovatively.
- However, service providers and HCPs do not appear to be leveraging those opportunities at scale.
- Instead, service providers are left to manage non-core functions, including BPO, application management, and managing data.
- Consequently, it is an opportunity that both parties must seriously revisit to make a meaningful push into addressing the triple aim of care.

Source: HFS Research healthcare provider reference survey
Sample: 45 enterprise references

...while also leveraging third-party expertise to bolster infrastructure and tighten cybersecurity given the acceleration of bad-actor attacks

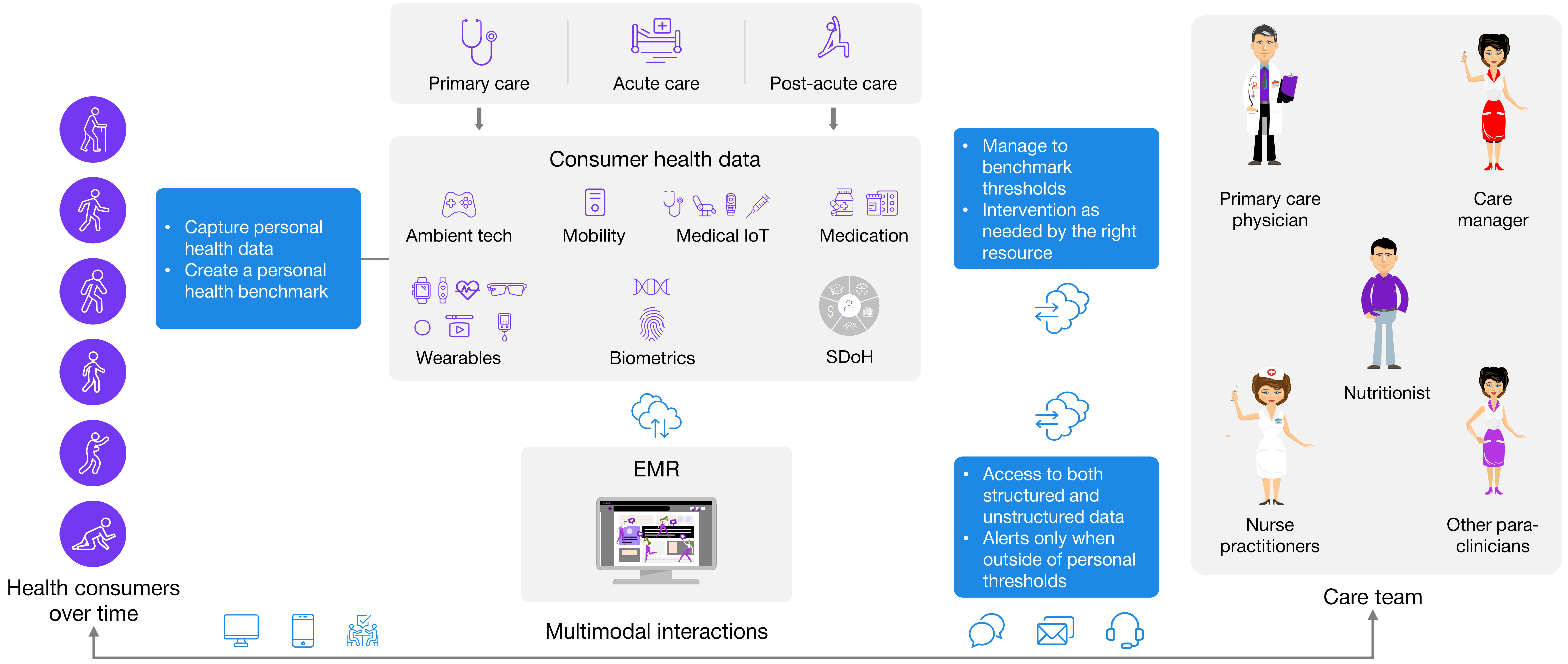
ADOPTION: Please indicate for which of the following IT services your enterprise currently uses third-party service providers.



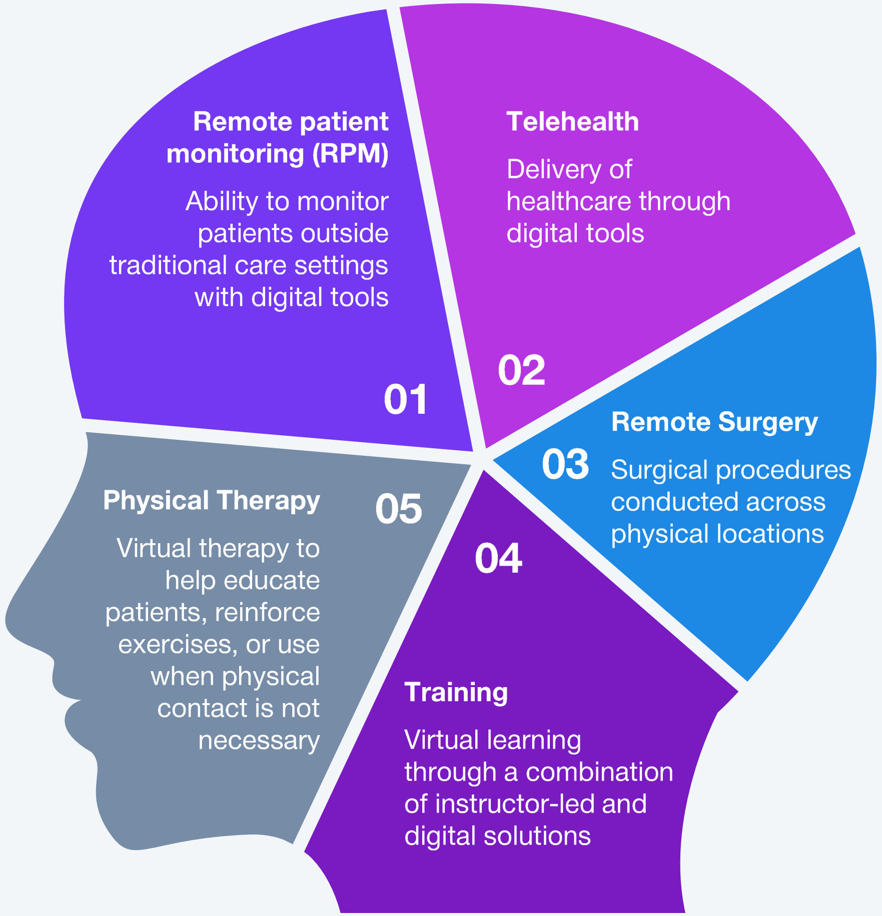
- While infrastructure focus has decreased, given progress over the last several years, HCPs continue to leverage service providers to address their cloud needs to optimize spend and strengthen their delivery foundation.
- HCPs are a prime target for ransomware attacks and data breaches. The Department of Health and Human Services (HHS) Office for Civil Rights (OCR) reported a 239% increase in hacking-related data breaches between January 1, 2018, and September 30, 2023, and a 278% increase in ransomware attacks over the same period. The penalties, reputational damage, and serious harm to human health are drivers for addressing cybersecurity with urgency.

Sample: HFS Pulse, 2024; 36 healthcare providers global 2000 enterprise executives
Source: HFS Research, 2024

There is an opportunity to significantly transform healthcare—and optimize resources—by shifting from an on-demand to a need-based clinical care paradigm



That need-based paradigm can be best supported by always-connected remote-management-as-a-service (RMaaS)



Remote-management-as-a-service

- With an aging population, RMaaS can leverage technology to monitor patients' health remotely, offering real-time data tracking and timely medical interventions.
- RMaaS can monitor daily health parameters and activities and minimize unnecessary clinical interventions and hospital visits for in-person consultations.
- With remote patient monitoring (RPM), RMaaS can predict health trends, potentially preventing severe medical issues.
- For chronic conditions, RMaaS services can provide continuous supervision without needing in-person consultations or interventions.

Payment evolution can reduce administrative burden while increasing access to affordable care by experimenting with new models

	Individual insurance plans		Subscriptions
Annual	**Typical**	**High-deductible (HDHP)**	**Individual**
Average premiums	$5,616	$1,715	
Average deductibles	$4,500	$1,600	
Average subscription			$1,200
Total cost to consumer	$10,116	$3,315	$1,200

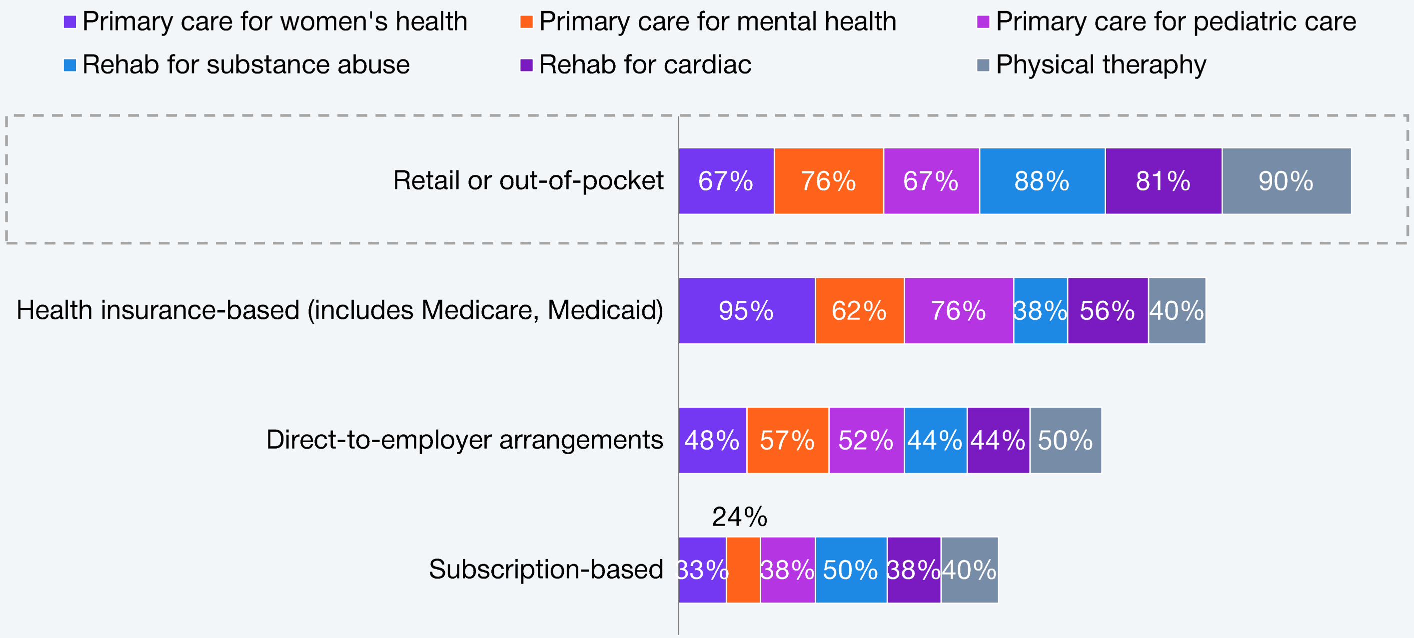
- The average health insurance benchmark premium (silver plan) on the US exchange marketplace is $468 per month in 2024; the average deductible is $4,500.
- The combination of subscription-based primary care and a high deductible health plan (HDHP) could translate into savings of about $5,500, or 55% lower than the benchmark plan for an individual.
- Out-of-pocket medication costs with insurance can be higher than the retail price of Mark Cuban Cost Plus for some drugs.

Clinicians **DO NOT** need incentives to care for their patients | Value-based is a risk management construct

Data: Kaiser Family Foundation, Government Employees Health Association (GEHA)
Source: HFS Research, 2024

Primary care and rehab are quietly disrupting payments in US healthcare that could upend health insurance for primary care

Which of these describes your business model?
(Percentage of respondents in each category using each business model for at least part of their practice)

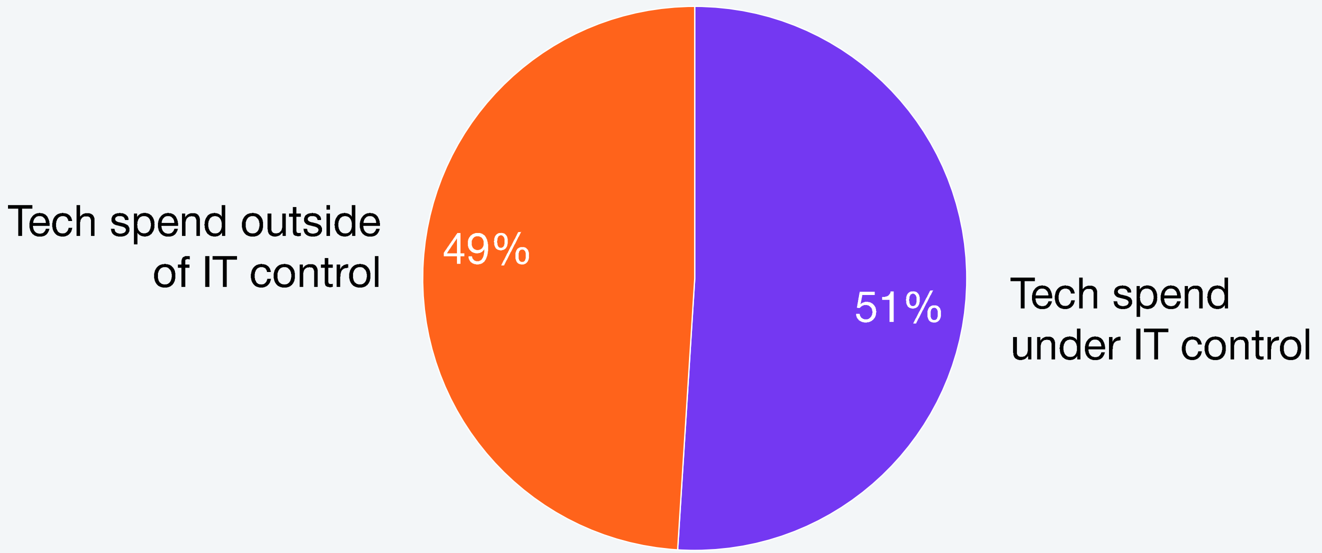


- Primary care and rehab providers' chief source of revenue is out-of-pocket (OOP) payments, followed by insurance reimbursement and others.
- This has been a significant change in payment collection construct over the last number several years driven by difficult health insurance processes (prior-auth), lower reimbursement rates, and the proliferation of high-deductible health plans where consumers never reach the deductible threshold.
- The resurgence of digital health primary care providers has attracted a new class of consumers (millennials) who are driving the retailization of care delivery.
- Price transparency and the lack of VBC adoption at primary care levels likely will continue to drive OOP for non-acute care.

Sample: 105 US primary care and rehab providers
Source: HFS Research, 2024

Technology will be key to transformation, and winners in the emerging technology arbitrage era will require strong business acumen

What percentage of your enterprise's technology-related spending is controlled by IT?
(Weighted average across respondents)

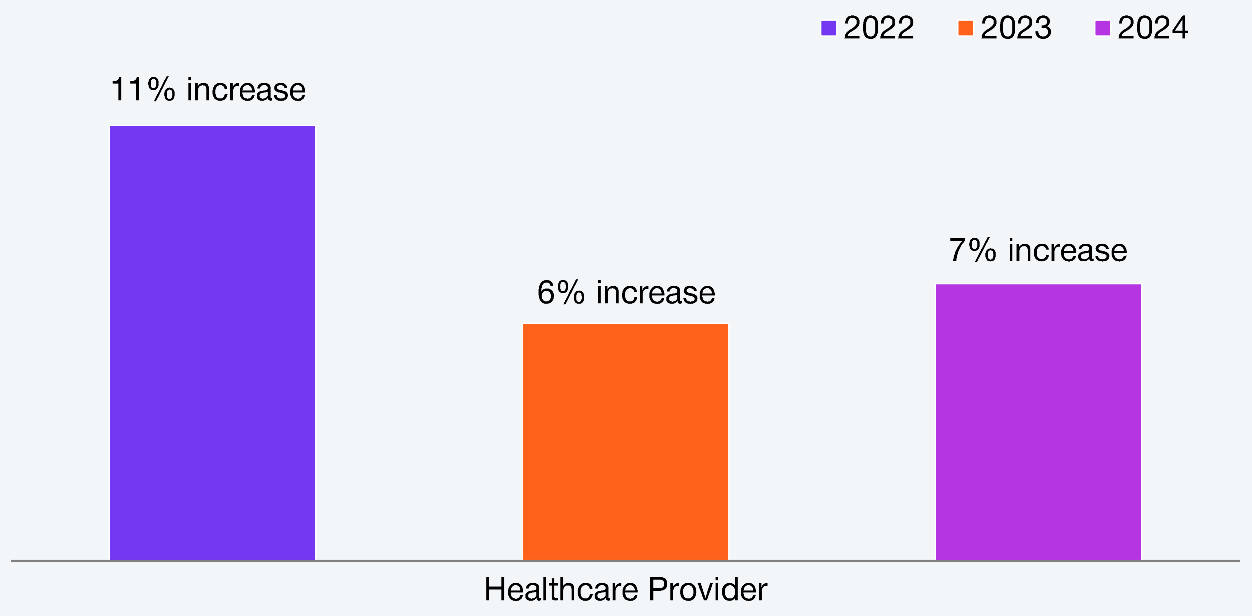


- As traditional IT and business process services start to flatten out, service providers must align their value proposition more closely with the increasing tech spending outside of IT control.
- Business leaders have an opportunity to address their process debt and use their influence on IT spending to make a real and positive change.

Sample: HFS Pulse, 2024; 51 healthcare providers global 2000 enterprise executives
Source: HFS Research, 2024

Mid-year data shows an IT spending rebound in 2024 by US health systems and hospitals

How is your IT-related budget expected to change in the next 12-18 months?
(Percentage of change)

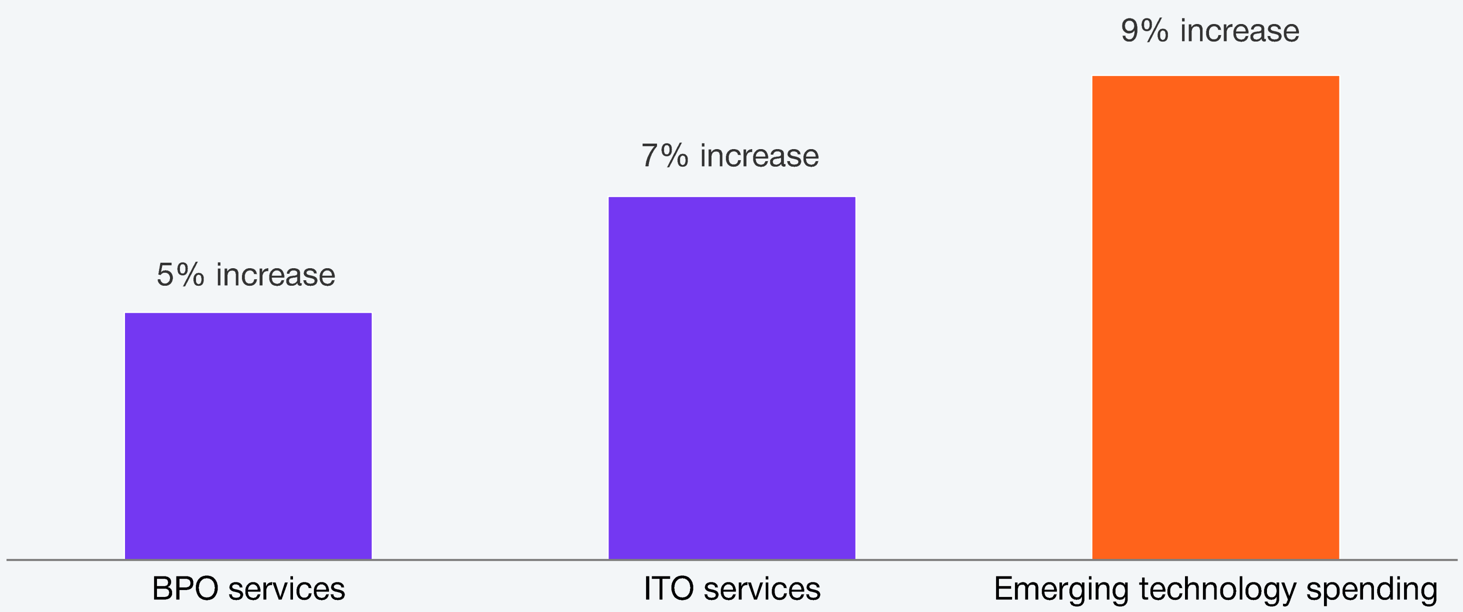


- Increases in IT budgets are greater than nominal inflation, indicating a net increase in spend.
- The spend combines both the operational and innovation.
- The direction of the spend is shifting away from purely the CIO's office to one that is a combination of the business and the technology leadership.
- However, innovation spending is biased toward partners and service providers.
- Consequently, innovation tends to be project-based rather than holistic.
- Primary care and rehab markets remain underserved and underfunded. If not addressed urgently, this could lead a material number of clinicians to quit the field because delivering care will not be financially viable.

Sample: HFS Pulse, 2022, 2023, and 2024; 39 (2022), 102 (2023), and 33 (2024) Health systems and hospitals
Source: HFS Research, 2024

Emerging technology, including AI spending, is expected to be double that of labor-based services in 2024

How do you expect your enterprise spending across the following to change in 2024?

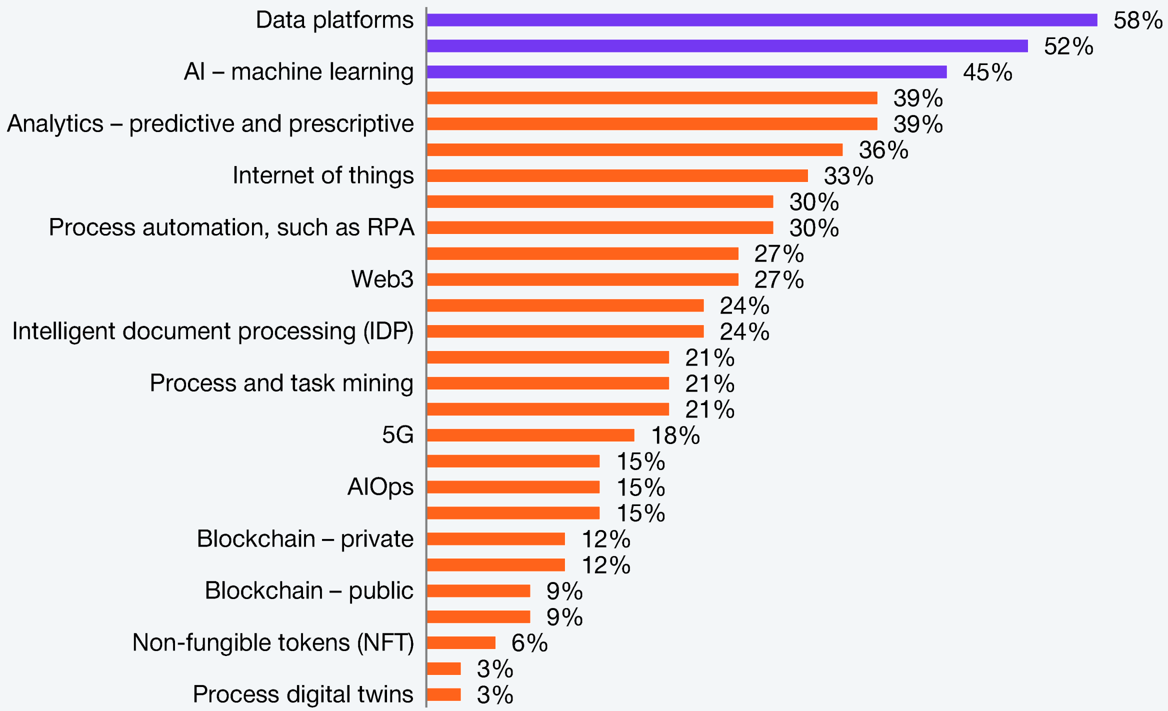


- It is unsurprising that any AI-related spending is going to be larger than labor-based spending. However, the key to evaluating success should be the types of outcomes.
- At this point, there is anecdotal and case study-based evidence about AI and other emerging tech impacting cost, experience, and health outcomes.
- The data points bearing evidence are small, limited, and delivered in controlled environments.
- There is very limited, if any, evidence to suggest there have been at-scale changes to the triple aim of care.
- Consequently, the target must be to scale successes rapidly and build a stronger, sustainable, and resilient tech foundation.

Sample: HFS Pulse, 2024; 51 healthcare providers global 2000 enterprise executives
Source: HFS Research, 2024

Data optimization and intelligence enablement are the top 3 areas HCPs are leaning into

ADOPTION: Which of the following enabling technologies is your organization actively investigating or working with?

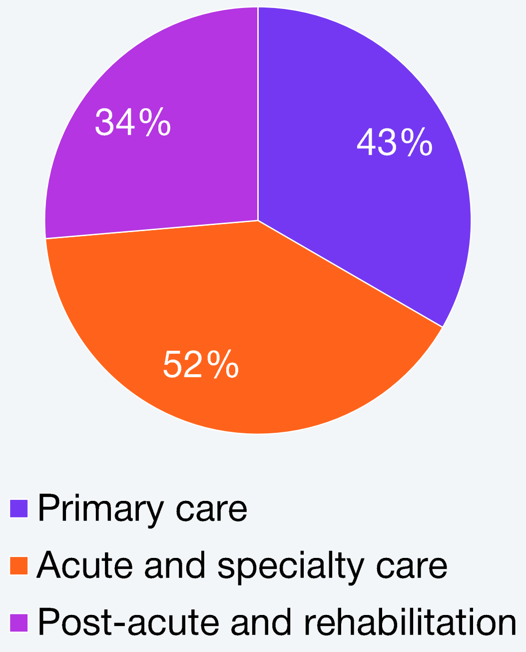


- Infrastructure focus has lightened given progress over the last number of years reflected by only one-third continuing to work on cloud, RPA, or IDP, due to years of investing in it.
- A plurality of HCPs are digging into their data infrastructure and technology enablement to ensure the foundational asset is aligned to help them increase productivity and improve health outcomes.
- The continuum of AI is attracting very high attention across machine learning, conversational, and generative AI.
- It is important to recognize that technology investments are typically not disaggregated but rather connected to other parts already in play.

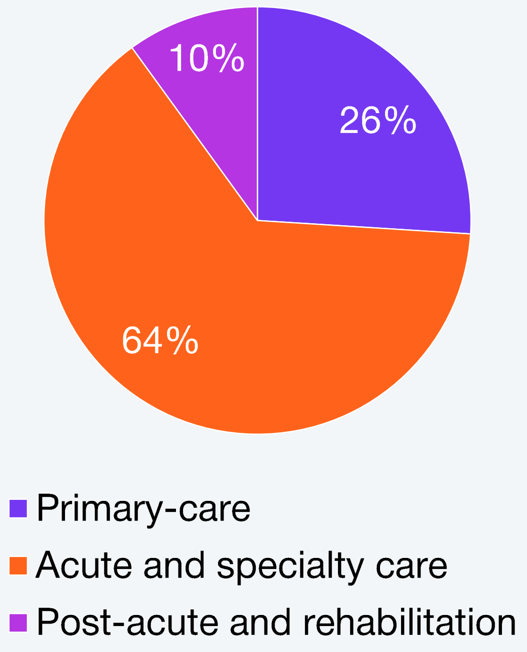
Sample: HFS Pulse, 2024; 33 healthcare providers global 2000 enterprise executives
Source: HFS Research, 2024

HCPs and service providers are biased toward acute care for both scale and affordability

For what care types do you leverage service providers?



The average share of revenue by service provider

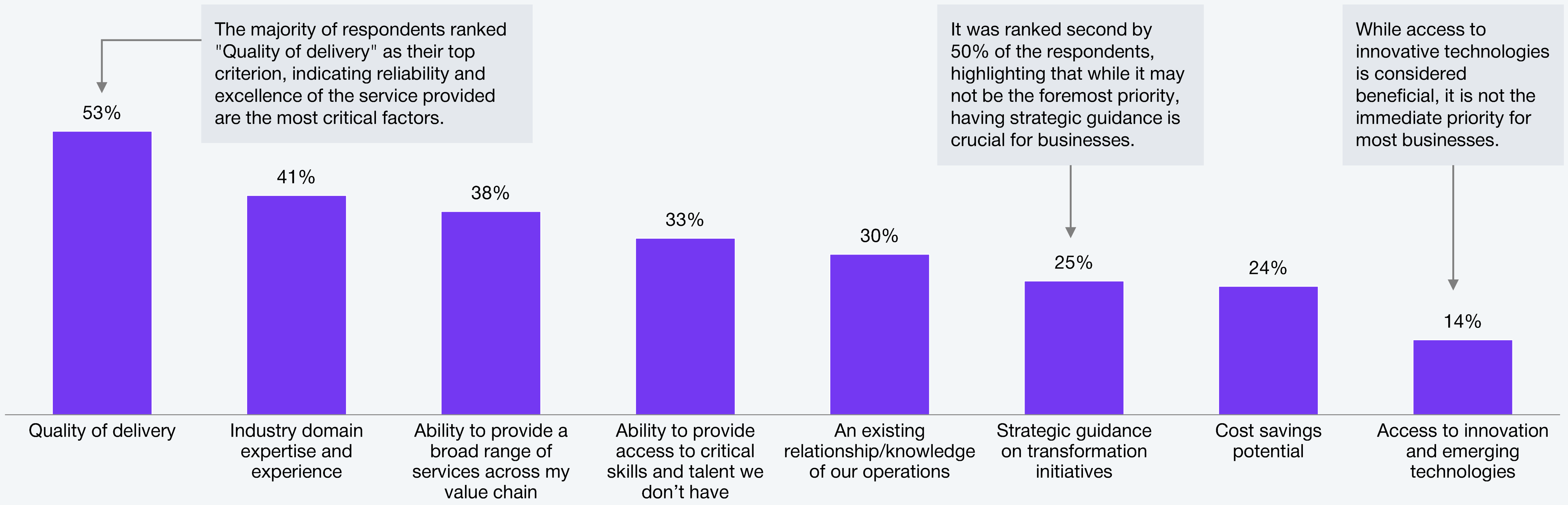


- Acute care attracts the most service provider attention given it typically operates at scale, has material technology needs, and seeks to outsource non-core operations.
- It is also reflected in the revenue service providers generate from the acute care market.
- Primary care and rehab attract limited attention and generate less revenue given they operate at a smaller scale compared to acute care and tend to manage their operations internally with ad-hoc systems and processes.

Source: HFS Research healthcare provider reference survey
Sample: 45 enterprise references

HCPs remain tactical in their service provider selection criteria; service providers must step up to help HCPs reprioritize for the future

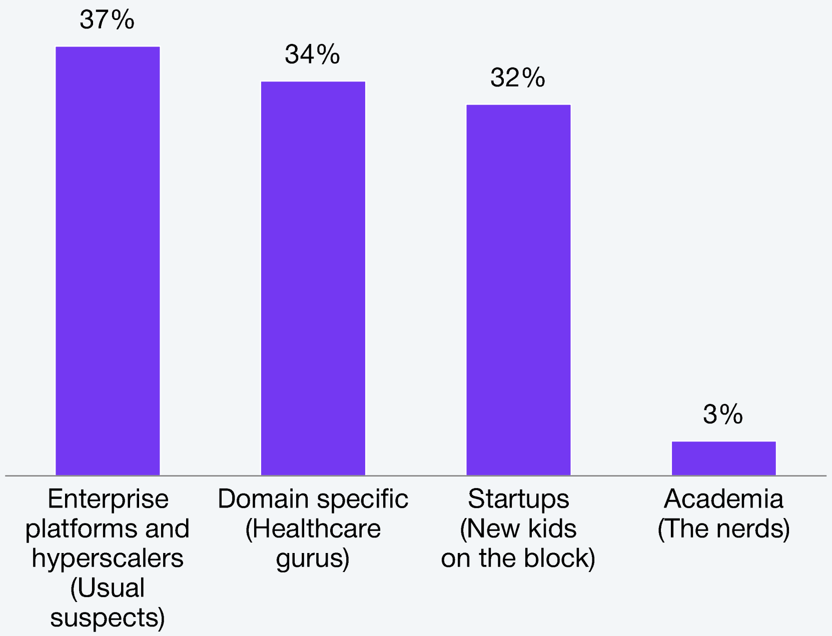
How did you pick this service provider? Please rank the top three criteria.



Source: HFS Research healthcare provider reference survey
Sample: 45 enterprise references

Partner ecosystem must balance a variety of partner types to be purpose-driven to accelerate innovation and differentiate value creation

Service provider configuration of partnerships



Sample: HFS Horizons, Healthcare provider study, 2024; n = 36
Source: HFS Research, 2023

Usual suspects

ABBYY, Alibaba, Appian, Adobe, aws, blueprism, BlueYonder, C3.ai, celonis, Google, HORTONWORKS, IBM, Microsoft, mongoDB, MuleSoft, OpenAI, ORACLE, PEGA, Power BI, splunk>, tableau

The nerds

AAPC, TTCRC, TATA MEDICAL CENTER, BIMRA (Bangalore Institute of Movement Research & Analysis)

New kids on the block

Anaplan, 8chili, CLEARDATA, H2O.ai, HealthTrio by mPulse, Hugging Face, KINAXIS, Tricentis, whiz.ai, yellow.ai

Healthcare gurus

BioIntelliSense, Cerner, Fortis, HEALTHEDGE, KARE HEALTH, MEDITECH, Optum, Rhino Health, Sree Narayana Mission (Singapore), Teladoc HEALTH, veradigm, AXIOM Systems

Enterprises must create a clear path of action to plan and incorporate both the US presidential executive order and the EU AI Act

Top 10 to-do's for healthcare enterprises to ethically, responsibly, and effectively incorporate AI

01	Develop a clear understanding of your business use of AI.
02	Conduct an audit to map out all current and planned AI tools
03	Ensure your AI systems adhere to existing regulatory requirements
04	Understand how suppliers and third-party vendors employ AI
05	Make AI a regular board agenda item for continuous oversight and strategic alignment
06	Establish a strong ethics framework for AI use
07	Appoint a chief AI officer (CAIO) to oversee and ensure compliance
08	Develop and implement effective governance processes
09	Evaluate your AI systems alignment with EU AI Act of 2024
10	Develop and regularly update corporate AI policies and training

3 Horizons results: HCP service providers, 2024

HFS Horizons: Summary of providers assessed in this report (1/2)

Providers (alphabetical order)	**HFS point of view**
Accenture	Addressing contemporary challenges while investing in future possibilities
Apexon	Platform-centric approach to address provider challenges
Capgemini	Leverages a global footprint and sustainability to highlight differentiation
CitiusTech	Creates value at the intersection of emerging technologies, healthcare expertise, and legacy offshoring
Cognizant	Creating a path to address the market with clinical expertise combined with product enablement
Deloitte	Strength in expertise and experience delivering value globally
Emids	Industry focus and technology enablement drive value creation
Eviden	Enabling healthcare providers a safe passage into the future
EXL	GenAI investments to expand provider analytics value creation
EY	A global perspective that consistently informs the strength of its domain impact and value creation
Firstsource	Emerging tech powers the full scope of RCM potential
Genpact	Intersecting enterprise functions with clinician productivity and technology enablement
HCLTech	Emerging tech innovation and delivering health outcomes drives growth
Hexaware	Innovation and acquisition integrations are powering value creation
Hitachi Digital Services	Provider transformation to enable care delivery models of the future across care settings
HTC	Domain focus and talent management is creating opportunities and driving rapid growth
Infinite Computer Solutions	Amplifying population health management with full stack ITO capabilities
Innova Solutions	Enabling ecosystem-led value creation through technology and service

HFS Horizons: Summary of providers assessed in this report (2/2)

Providers (alphabetical order)	**HFS point of view**
Inovalon	A connector of the contemporary healthcare ecosystem
KPMG	Healthcare expertise augmented with innovation; top growth in the segment
LTIMindtree	Opportunity to bring together domain and tech expertise to solve for outcomes
NTT DATA	Innovation that can create new care paradigms excites the possibilities
Omega Healthcare	Rapid transformation from a labor-driven provider to a tech-enabled partner delivering robust outcomes
Optum	Deep expertise, wide access, and influence means size matters
Persistent	Domain expertise powered by ecosystem connectivity shapes the possibilities
Publicis Sapient	Digital experience and engagement expands access to care
PwC	Advisory maintains enterprise mindshare backed up by execution assets
Sagility	Helping move the financial needle for providers with a positive impact on experiences
SoftServe	Clinical innovations and technology enablement are key value creators
Sutherland	Next-gen RCM drives end-to-end financial optimization
TCS	A holistic ecosystem approach leveraging their broader conglomerate assets to create value
Tech M	Allowing the outcome to speak for itself with an opportunity to simplify its portfolio and deliver greater impact
UST	Potential and possibilities intersect with tactical operations to manage industry evolution
Virtusa	Reinventing and reimagining value proposition with new assets acquisitions
Wipro	Driving the shift toward value-based care leveraging emerging tech
WNS	Clinical ambitions buttress core RCM and customer experience strengths

HFS Horizons for Healthcare Provider service providers

Horizon 3 – Healthcare Provider native transformation providers demonstrate

- Horizon 2+
- Ability to drive "One Ecosystem" to find completely new sources of value
- Ability to impact the triple aim of care by reducing cost of care, improving the experience of care, and impacting health outcomes
- Strategy through execution at scale with sophisticated capabilities across all value creation levers
- A culture of innovation to develop IP while adopting emerging tech to address complex industry challenges
- Addressing new or adjacent markets
- Majority of outcome-based contracts or other creative contracts to deliver HCP-specific transformation
- Consistently co-innovating or co-inventing with healthcare provider enterprises
- Referenceable and satisfied clients by impacting the triple aim

Horizon 2—Enterprise business transformation providers demonstrate

- Horizon 1+
- Ability to drive "OneOffice" mindset to break down the barriers imposed by the value chain
- Ability to reduce the cost of care and improve the care experience
- Ability to support clients on their enterprise transformation journey
- Global capabilities with strong consulting skills and partnerships with major players
- Platform assets-built ground up and augmented through inorganic assets
- Addressing outcomes through proprietary and or industry-specific technologies (platforms, applications) enabled by domain experience
- Underwriting risk of implementations and/or other creative contract models
- Referenceable and satisfied clients for ability to enhance experience

Horizon 1—Functional transformation providers demonstrate

- Ability to drive digital transformation to digitize legacy processes
- Reduce cost of care, operations, and/or delivery
- Primarily focused on technology implementation
- Offshore-focused execution with strong technical skills and partnerships
- Addressing client-specific problems vs. industry-oriented challenges
- Addressing legacy processes and tactical operational challenges
- Delivering functional transformation
- Referenceable and satisfied clients for ability to execute

4 TCS profile: HCP service providers, 2024

TCS: A whole of an ecosystem approach leveraging their broader conglomerate assets to create value

HORIZON 3 — Market Leader

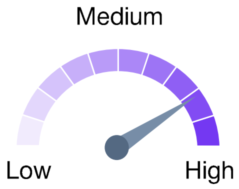
TATA CONSULTANCY SERVICES

HORIZON 2 — Enterprise Innovator

HORIZON 1 — Disruptor

Strengths	Development opportunities
• **Value proposition:** Supporting contemporary challenges with research, services, and technology while leaning into innovating for the future, addressing the triple aim of care in complex environments. • **Capabilities:** Addressing the entire HCP value chain from patient engagement (patient outreach, counseling), diagnosis (appointments, pre-treatment), pharmacy services (Rx fulfillment, medication guidance), clinical services (sample collections), and RCM. • **Go-to-market:** A combination of partners, innovation, and connected capabilities powered by expertise targeting key industry challenges (interoperability, clinical ops, patient experience, compliance, HIE) • **Outcomes:** Accelerated emergency intervention for mental health conditions and avoided death, improved systems availability to improve access to care and experience, optimized RCM to reduce denials. • **Innovation:** A structured approach targeting high-mortality diseases (cardiac, stroke, cancer) to create new capabilities and enhance existing ones, while enabling clients and the broader market. • **Customer:** Global portfolio who credits TCS for the depth of their skills and talent. • **Partner:** A diverse partner ecosystem, delivery excellence, and leveraging partners to drive transformation.	• **Customer:** Address the market perception around competitive packaging of capabilities and pricing. • **Partner:** Expanding partner-enabled growth and driving increased awareness of the brand and capabilities in key geographies will be very important going forward.

Relevant M&A and partnerships	Key clients
M&A (2020-2023): • **None** **Partnerships:** • AI, Cloud AWS, Azure, GCP, Snowflake, Cloudera Hortonworks, Teradata, IBM, Oracle • **Platforms and Products:** SAP, Oracle, Salesforce, Microsoft, IBM, ServiceNow, Informatica, Tableau, Power BI • **Startups and Academia:** TCS COIN™ (Co-Innovation Network) • **Industry Partners:** Tata Medical Centre, Tata Translational Cancer Research Centre, Fortis, SNM Singapore	**Number of clients:** Not disclosed **Key clients:** • Large US-based Integrated healthcare provider • Large US-based primary care provider • Large US specialty provider • Large US care-at-home provider • Large UK public services provider • Large Singapore-based senior lab • Large cancer care treatment center in India

Global operations and resources	Flagship internal IP	Sustainability meter
Headcount: Not disclosed **Delivery and innovation centers:** • Delivery centers in US, Europe, LATAM, Australia, India, etc. • **TCS Pace Ports™:** Physical hubs for collaborative experimentation with customers on disruptive ideas • **Powered by PACE Centers:** Labs that embody the essence of "Best of TCS Innovation" at a lower level of scale and scope than TCS Pace Ports • **Rapid Labs:** A sandbox to accelerate innovation by delivering POCs/POTs/MVPs in rapid iterations	• **TCS Healthcare Analytics:** AI-driven analytics for value-based care. • **TCS Health and Wellness:** Virtual care with telemedicine and programs. • **TCS Data Integrator:** Converts and integrates healthcare data formats. • **TCS Living with Confidence:** IoT platform for elderly care. • **TCS Customer Intelligence & Insights™ (CI&I):** AI analytics for provider network management. • **TCS Connected Health Platform:** Integration and interoperability in healthcare. • **TCS ignio™:** Cognitive automation solution for pattern mining of denied claims.	

5 HFS Research authors

HFS Research authors

Rohan Kulkarni

Executive Research Leader

rohan.kulkarni@hfsresearch.com

Rohan leads the Healthcare practice at HFS, bringing to bear his vast experience across the healthcare ecosystem. His experience includes being the Head of Healthcare Strategy at multiple Fortune 500 companies, Product Management leader, and CIO at two health plans. He is passionate about the Triple Aim (improving health outcomes, reducing the cost of care, and enhancing the care experience) and believes that health and healthcare is a polymathic opportunity that intersects with every industry and facet of our lives. His well-rounded experience and passion bring a practical approach to his analyst role at HFS.

Rohan has an engineering degree from the University of Mysore, India, an MBA from the University of Dundee & the London School of Economics in the UK, and Product Management diploma from the Harvard Business School.

Mayank Madhur

Associate Practice Leader

mayank.madhur@hfsresearch.com

Mayank is an Associate Practice Leader at HFS Research, with a horizontal focus on IoT, Industry 4.0, and Sustainability. He also works with practice leads focused on Industry verticals (mainly across Healthcare and Life science). He is a certified Sustainability and Climate Risk (SCR) professional from the Global Association of Risk Professionals (GARP).

He holds a certificate in Strategic Management from IIM Kashipur. Mayank holds a Master's in Business Administration from Birla Institute of Technology and Science College, Pilani (BITS, Pilani University) and a Bachelor's in Engineering in Electrical and Electronics from Jawaharlal Nehru National College of Engineering (Visvesvaraya Technological University), Karnataka.

Jahnavi Ravindranath

Associate Practice Leader

jahnavi.ravi@hfsresearch.com

Jahnavi Ravindranth covers the research focus for global business services (GBS), finance and accounting, and sourcing and procurement at HFS. A central theme of her research focuses on digital business models and the impact of generative technologies on business services. She leverages her diverse expertise across business, law, and technology disciplines to build on her research and solve complex problems.

Before HFS, Jahnavi was part of the Executive Leadership Team at Anheuser Busch InBev's GBS organization in Bangalore, India. She was one of the company's first employees in India and worked closely with the global leadership to craft AB InBev's Global Business Services strategy, which included setting up and scaling AB InBev's Global Capability Center to more than 3,000 employees in three years.

Jahnavi holds a master's degree in law (LL.M.) from the George Washington University Law School, where she studied the intersection of law and technology. In her free time, she loves hitting the gym, discovering new hiking trails, and traveling around the world. She lives in New York City.

HFS

About HFS

- **INNOVATIVE**
- **INTREPID**
- **BOLD**

HFS is a leading global research and analysis firm trusted at the highest levels of executive leadership. Our mission is to help our clients—major enterprises, tech firms, and service providers—tackle challenges, make bold moves, and bring big ideas to life by arming them with accurate, visionary, and thought-provoking insight into issues that impact their business.

Our analysts and strategists have deep, real-world experience in the subjects they cover. They're respected for their independent, no-nonsense perspectives based on thorough research, demand-side data, and personal engagements with industry leaders.

We have one goal above all others: to propel you to success.

www.hfsresearch.com

hfsresearch

www.horsesforsources.com