IDC MarketScape

IDC MarketScape: U.S. Provider Data Management 2018 Vendor Assessment

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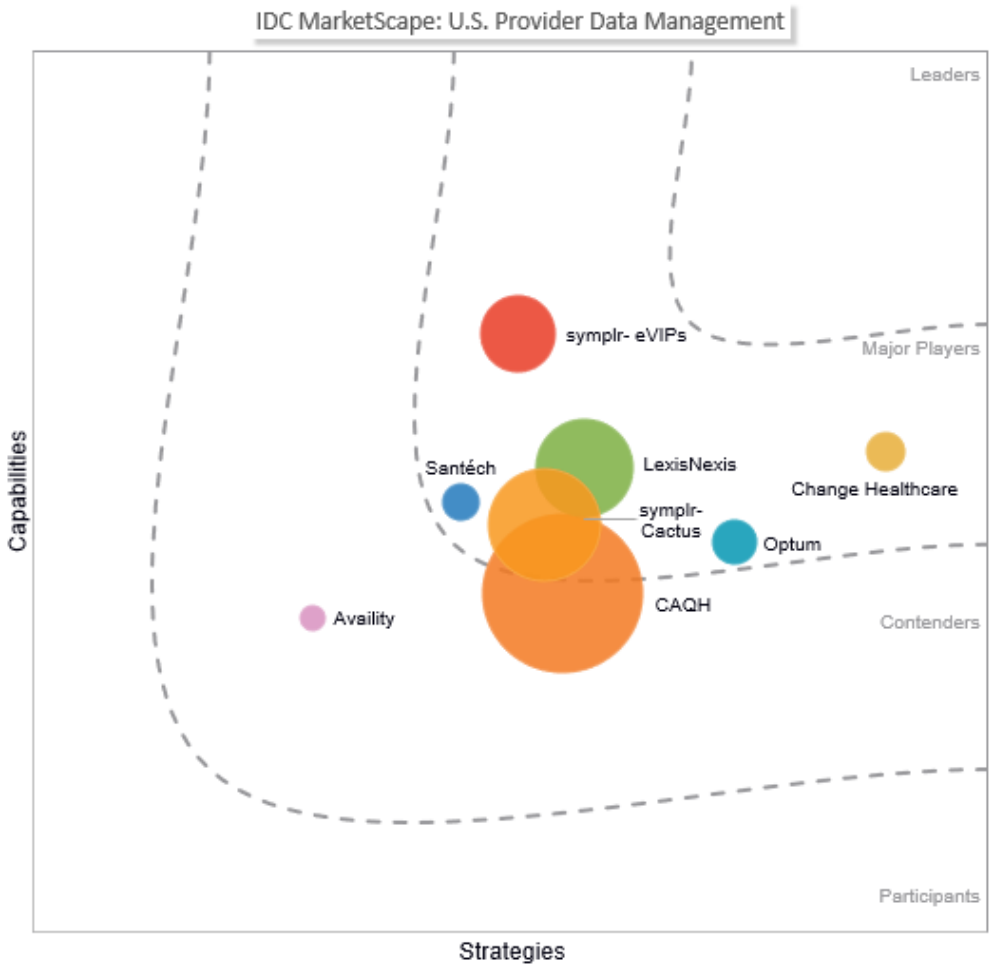
THIS IDC MARKETSCAPE EXCERPT FEATURES: LEXISNEXIS

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape U.S. Provider Data Management Vendor Assessment



Source: IDC, 2018

December 2018, IDC #US44514018e

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: U.S. Provider Data Management 2018 Vendor Assessment (Doc # US44514018). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's current and future success. This study assesses the capability and business strategy of many of the most prominent provider data management (PDM) vendors found in payers that use that software to establish a "core provider system of record or truth" for the payer enterprise. This evaluation is based on a comprehensive framework and a set of parameters expected to be most conducive to success in providing provider data management software today and in the future. A significant and unique component of this evaluation is the inclusion of buyers' perception of both the key characteristics and capabilities of these vendors. Interest in reengineering and automating payers' "provider back office" is stimulated by the evolutionary change of value-based reimbursement provider contracts, the availability of enterprise workflow software, lightweight cloud models of operations proven by cooperatives and start-up health plans, and enhanced document management capabilities. A summary of findings of this study include:

- **Provider data is now its own core application.** Provider data has moved from being a set of tangential reference data used to validate claims to become a core administrative asset.
- **Provider data management has a crowded, dynamic field of vendors, and nobody does everything well.** Vendors are being challenged by start-up and established companies that are creatively offering services, lightweight search, and modular approaches to function. Therefore, no outstanding "leaders" were derived from this analysis. Instead, many "major players" were identified, each with its own value proposition. Traditional players are being challenged by an expanding problem set, and newer vendors are just beginning to appreciate the complexity of this space.
- **Provider data is a consumer differentiator.** Consumers now want to search for providers not only by their location or network affiliation but also by increasingly more granular criteria including newly defined specialty types (e.g., adolescent-oriented psychiatrists, autism-inspired art therapists, naturopaths, and wellness specialties).
- **Network adequacy is equivalently important to directory accuracy, but vendors are slow to adopt this function.** Legislatively, an adequate, diverse, and broad network is desired by consumers and required by ACA and state regulations.
- **Data stewardship remains a problem.** Consumers expect payers to make available quality provider data. Unfortunately, providers do not always supply this information to the payer.
- **Provider data management pricing will be more competitive, flexible, and on demand.** Models of pricing that meld the "own the software" legacy mindset with the "buy as you need" incremental functionality will evolve.

- **Provider data management has significant scope and breadth and is enlarging.** Up and coming requirements include tracking value-based provider and community affiliations, active (smart contract) contract monitoring for value-based contracts, smart clauses to provide template-based reuse of active sections of contracts, and truly embedding the contract-to-claims loop into the provider management ecosystem.
- **Provider data management is back-office plumbing and is hard to justify enhancement, funding-wise.** In the race for funding dollars in a cost-squeezed payer industry, back-office operational improvements rarely get high priority, competing against flashier initiatives for funding.

For more information, please refer to the "Detailed Research Findings" section.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This research includes analysis of seven software providers that offer both on-premise and cloud-based provider data management solutions to payers for their purpose of contracting with providers. IDC believes that the vendors in this study generate a majority of the revenue in this market.

The increasing depth and breadth of the data that consumers require from their provider directories, the explosion of new provider types under wellness or specialty care themes, the sunsetting of IBM Emptoris (estimated at over 250 installations) for contract management, the maturation of value-based reimbursement, and the strategic payer advantage of establishing narrow networks cause a rethink of the provider data management software market. Vendors were polled and were included based on the following criteria:

- Enable provider outreach and enrollment. (The ability to find, vet, and enroll providers to a health plan for future contracting)
- Establish the provider "source of truth" for demographics for a payer enterprise.
- Cleanse provider data. (Match with external data sources, identify duplicate or deceased providers, validate various demographics, specialties, and identify sanctions against providers.)
- Maintain provider directories. (Upload new [valid] data, extract print and web and electronic directories in various formats, and support audits when external organizations challenge the completeness, accuracy, and adequacy of the network and directory.)
- Configure and interface to provide provider data inside and outside the payer organization.
- Maintain provider data via mass update, self-service portals, sanctions monitoring, and integration with hospital systems.
- Define and prove network adequacy to customers, regulators, and other parties.

There are a variety of vendors around the broader "provider relationship management" space. The focus of this research is around the core administrative system that provides a "source of provider truth" for the enterprise. Therefore, this scope specifically excludes contract management, product assignment, credentialing, fee schedule management, network modeling, contact management, provider relations, provider quality management, contract monitoring, and visits management.

ADVICE FOR TECHNOLOGY BUYERS

When purchasing provider data management software, consider these recommendations:

- Take an inventory of the number of possible data sources or origination points of provider reference data within your organization. Consider all the departmental/external responsibilities.
- Take an inventory of the number of provider data "targets" or systems that need provider data. The typical payer may have more than a dozen provider targets. While normal, if not addressed comprehensively, there is a potential risk with duplicative ETL or overlapping SOA services executing.
- Include reference systems such as provider data in the commitment to revamping next-generation administrative systems. Address provider data and the corresponding vendors that support the desired business capabilities comprehensively, considering all applications in a "suite" approach, however vendor diverse. Since no vendor today provides all functions, and the space is growing, consider best of breed.
- Establish (buy or build) an independent flexible system of record for provider data. Use master data management principles.
- Use an independent canonical data mart approach for downstream access that allows separation of data concerns. Collect universally and comprehensively and then enable data access downstream via canonical marts or directly from the (potentially vendor based) system of record.
- Consider plug-and-play application architecture for the system of record/data mart.
- Isolate workflow, document management, and other business capability applications from structured and unstructured data whenever possible.
- Consider point solution, best-of-breed API, or microservices-oriented applications as the requirements are changing rapidly.
- Educate providers as to the downstream value of having their data correct, and incent them both negatively and positively to comply and communicate. Continue/implement the "carrot and stick" approach to partnering with your providers to enable quality provider data.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges. IDC's assessment includes seven vendors:

- Availity
- CAQH
- Change Healthcare
- LexisNexis
- Optum
- Santéch
- symplr

LexisNexis

According to IDC analysis and buyer perception, LexisNexis is positioned in the Major Players category in the IDC MarketScape for provider data management for payers software in the U.S. market for 2018.

Products

Provider Data Intelligence Suite

LexisNexis uses its vast data resources, big data technology, analytics, linking, and industry-specific expertise to provide an end-to-end solution for a system of truth. Its acquisitions of the Enclarity and Health Market Science (HMS) companies a few years ago reinforced a commitment to provider data, and today it is one of the two companies in the United States that aggregates provider data from every state. It maintains information on more than 8.5 million U.S. healthcare practitioners and reviews 1.64 billion claims annually.

Its suite contains five products. These products are complementary and are often bought together. The products are:

- **Provider Data MasterFile** is a subscription service to access slices of provider data, used by payers considering network expansion, analyzing network adequacy, and understanding and contacting nonparticipating providers.
- **Provider Data Enhancements** (including ProviderPoint) is an API- or batch-based service to take in a payer set of data, cleanse (deduplicate, verify, correct, augment) the data using proprietary algorithms to maintain data currency, and return the data cleaned with flagged records to activate, inactivate, or investigate. This can be done and be cleaned multiple times per day and/or on a periodic basis. In addition, changes can be "pushed" in between processing cycles.
- **Provider Data Validation** is a web-based, real-time provider information search service. It provides healthcare entities with an efficient means to research new providers, healthcare organizations, and affiliations to help claim/service operations or to assist with credentialing and provider data maintenance.
- **Verify HCP** is a bundled product that combines the Provider Data Enhancements (aforementioned) and claims analytics and multichannel outreach, including a portal for confirmation, correction, and roster management.
- **Provider Integrity Scan** is a pre- and post-enrollment product that uses both healthcare professional and personal characteristics, such as criminal history, bankruptcies, liens, and judgements, to screen providers (this is especially important when dealing with both typical and atypical Medicaid providers) for fraud, waste, and abuse; licensing; and credentials. Notably, this product is used to comply with CMS mandates that Medicare, Medicaid, and CHIP providers be screened for the risk of committing FWA before being allowed to enroll in federal programs.

Add-ons include:

- MarketView delivers insights into areas including referral patterns, physician alignment strategies, the quality of clinically integrated networks, patient volumes, and reimbursement insights. Historically, this product was not available to the Payer market, but recent data rights expansion has enabled LexisNexis to introduce this product to Payers.
- Email Append is an email service designed to offer reliable, verified physician business email addresses.
- Verified Secure Fax Append is a service designed to offer reliable, verified physician HIPAA secure fax numbers.

Strengths

LexisNexis commitment to cleansed, quality provider data is outstanding and evident. Its presence in dozens of payers, including the vast majority of the top 10, shows its scalability and range. Its data points are drawn from over 3,000 verified sources of provider data including 400 routine feeds from state license boards, and it leverages 1.6 billion claims a year (60% of all claims) to ensure recency of (billed and rendering, TIN, and NPI) provider data. Accordingly, its understanding of the MDM life cycle, operational job tracking and submission, and hands-off operations is inherent for a company that works data for a living. In addition, it is unique in offering personal data about a provider to get a more accurate demographic profile.

Challenges

As a "big data" horizontal company in a payer vertical world looking for industry-specific solutions (although the company has an extensive API architecture), LexisNexis doesn't bundle or package its solutions in a "payer process intuitive" manner, making it hard to do head-to-head comparisons of feature and function. Functions such as integration with other vendors and features like easy user interfaces, workflow, and other "complete solution" operational components are not emphasized. This perhaps keeps LexisNexis off provider data management short lists where it might belong. LexisNexis markets and packages products as "nouns" when the payers are looking for operational processes/solutions "action verbs." It also does not have companion products in the payer ecosystem such as claims, care, or enrollment engines that leave the company perceived as a data island with its subject matter expertise suspect to some whose payers would prefer to see explicit vast SME knowledge about healthcare and provider use cases.

Consider LexisNexis When

Buyers may consider LexisNexis when very, very serious about provider data quality, have their own workflow infrastructure or are willing to give up control or supplement of some processes of validation. As nontraditional (non-NPI) providers enter the payer spectrum through the expansion of provider types (home health, holistic, deeper specialties, social determinants, etc.), horizontal big data services like LexisNexis become more relevant and attractive.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed. Critical to a successful vendor selection is the articulation of the priorities and strategy of the purchasing organization.

Recognize that a vendor's market share as represented in this document is a snapshot in time and may not reflect its near-term growth, or consider its experience and success with related legacy products. A vendor's market share should be considered when evaluating the relative risk of a relationship with a vendor. For example, if a vendor's product has been active in the market for 10 years and has less than 20 clients further, due diligence is required.

The IDC MarketScape is a valuable representation by a neutral third party of a vendor's current capabilities and future strategy. The IDC MarketScape should not be used in a vacuum but rather be one of several inputs to short listing vendors.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants and end users. Market weightings are based on user interviews, buyer surveys and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Provider data management in the payers' back office involves creating a "system of truth" for provider data in a payer organization. Concerns include demographic data capture, facilitating provider relations, enabling network formulation, establishing a provider relationship, credentialing, contracting, and directory publication as well as enabling the rest of the organization to refer to the system of truth for reference.

Detailed Research Findings

Interest in reengineering and automating payers' "provider back office" is stimulated by the evolutionary change of value-based reimbursement provider contracts, the availability of enterprise workflow software, lightweight cloud models of operations proven by cooperatives and start-up health plans, and enhanced document management capabilities.

There is a lot of manual, paper-based workflow existing today in the payers' back office concerning provider relations, network formulation, establishing a provider relationship, credentialing, contracting, and directory publication. Similarly, there are a lot of spreadsheets and emails around the communication of the state of the networks inside the organization and external to the providers' back office. While not flashy to invest in, this manual workflow paradigm has moved past annoying to affecting competitiveness for payers. Without an ability to flexibly design networks to support creative products, payers lose consumer attraction. These manual and piecemeal "systems" are being looked at for enhancement or replacement to automate and digitally store provider materials in an incremental fashion. The sections that follow provide the findings of this study.

Provider Data Is Now Its Own Core Application

Internally, for payers, gone are the days where limited provider information could be maintained inside core administration/claim adjudication engines and extracted and passed around the payer enterprise for various operations. As payers consolidate and/or rethink their provider data comprehensively, they are using a holistic approach to their provider data architecture and its accompanying applications, normally called "provider data management." Provider data has moved from being a set of tangential reference data used to validate claims to become a core administrative asset.

Provider Data Management Has a Crowded, Dynamic Field of Vendors, and Nobody Does Everything Well

Vendors are being challenged by start-up and established companies that are creatively offering services, lightweight search, and modular approaches to function. These competitive approaches shown by some vendors in this study include:

- Services models using national data as a service
- Start-up and established companies, inspired by HealthCare.gov, establishing national databases of healthcare providers
- Players of more than 20 years revamping their portfolios architecturally and in response to market pressures
- Big data companies showing the value of serious data cleansing

As payers consolidate and providers coalesce, and as affiliations become more complicated to ascertain and verify, services become more attractive, especially to newer entities (ACOs, external nonhealth industry disrupters) that desire a lightweight operational footprint. Like the evolution of centralized consumer credit bureaus, national provider databases with embedded validation are challenging CAQH, NPPES, PECOS, and other established reference sources. HIE, cross-state mergers, HealthCare.gov, and other national drivers now exist where previously plan-specific local directories prevailed. Other established companies are integrating their provider, contract, and reimbursement packages into suites in response to the value-based trend.

Unfortunately, focusing on flexible workflow, exhaustive data cleansing, expansion of provider types, provider engagement, network adequacy, value-based contracting, and a comprehensive yet modular product approach is too much for any vendor to do comprehensively at this time, and therefore no outstanding "leaders" were derived from this analysis. Instead, many "major players" were identified, each with its own value proposition. Traditional players are being challenged by an expanding problem set, and newer vendors are just beginning to appreciate the complexity of this space.

Provider Data Is a Consumer Differentiator

More than the internal systems backbone for provider network definition and demographic capture, detailed provider data is essential for provider directories, which consumers perceive as a market differentiator. Consumers now want to search for providers not only by their location or network affiliation but also by increasingly more granular criteria including newly defined specialty types (e.g., adolescent-oriented psychiatrists, autism-inspired art therapists, naturopaths, and wellness specialties). The ability for a member to understand and easily consume the provider service options within the network via searchable directories is paramount. The payer's response to broadening the concept of "What is a provider and how can I find them?" greatly determines how a payer is perceived in the consumer's mind.

Network Adequacy Is Equivalently Important to Directory Accuracy but Vendors Are Slow to Adopt This Function

Legislatively, an adequate, diverse, and broad network is desired by consumers and required by ACA and state regulations. "Network adequacy" refers to a health plan's ability to deliver benefits promised by providing reasonable access to enough in-network primary care and specialty physicians, as well as all healthcare services included under the terms of the contract. The Center for Medicare and Medicaid Services (CMS) and some states have addressed this issue by enacting laws and regulations to try to ensure that, despite this vague definition, provider networks are of adequate, reasonable, and enough size.

Some vendors studied have not caught the connection that they have the data to do the network adequacy reporting desired by payers (with a little geographic and attribution enhancement), but do not feature it in either their current offerings nor road maps. Puzzling.

Data Stewardship Remains a Problem

Consumers expect payers to make available quality provider data. Unfortunately, providers do not always supply this information to the payer. Challenges concerning provider-supplied data quality are noteworthy in the industry, uniquely spawning a cottage industry of "data cleansing" services, vendors, and websites. Payers are resorting to cash flow "carrots and sticks" to get providers to keep their data current as their data changes. Data updates include providers that move, change professional or financial affiliations, change office hours, segregate specialties by office location, and adopt standard HIPAA transactions such as electronic funds transfer (EFT) and electronic data interchange (EDI) capabilities. These "carrots and sticks" change cash flow via either an increase in pended claims or a reduction/increase in reimbursement, and it usually gets provider attention. Payers are slowly implementing these methods depending on local norms (payer market share and number of dominant providers) and the evolution of the payer/provider collaboration culture.

The lack of direct data stewardship (the payers are semi-responsible for data that is owned and should be maintained by providers, but providers deal with multiple payers, so the process is inconvenient for them) makes a data cleansing capability an industry-unique differentiator in picking a provider system of record system for payers.

Provider Data Management Pricing Will Be More Competitive, Flexible, and On Demand

Models of pricing that meld the "own the software" legacy mindset with the "buy as you need" incremental functionality will evolve. In this model, company-specific rules and incremental functions are bought as needed instead of suite-oriented pricing. As the line between functions blurs because of integrated clinical and administrative networks, value-based reimbursement, and contract modeling, this modular pricing may be more understandable to consumers and procurement.

Provider Data Management Has Significant Scope and Breadth and Is Enlarging

Standard components of provider data management include a central system of record storing provider demographic and network data and workflow to manage onboarding, recredentialing, contracting, pricing, and directory publication processes in and around the provider portal. These functions can include document management, scanning and searching, forms generation, third-party verification connections, rules engines, and reporting/analytics.

Up-and-coming requirements include tracking value-based provider and community affiliations, active (smart contract) contract monitoring for value-based contracts, smart clauses to provide template-based reuse of active sections of contracts, and truly embedding the contract-to-claims loop into the provider management ecosystem. On the horizon, factor in blockchain as a potential immutable technology as well.

For any vendor, especially one new to the space, to comprehensively address all this scope is daunting. On the other hand, new approaches using rules-based/AI, blockchain, and extendable data models are more easily facilitated by vendors without legacy baggage.

Provider Data Management Is Back-Office Plumbing and Is Hard to Justify Enhancement, Funding-Wise

In the race for funding dollars in a cost-squeezed payer industry, back-office operational improvements rarely get high priority, competing against flashier initiatives for funding. This cross-department set of requirements requires enterprise coordination to show the executive council the comprehensive need.

Other Findings

Other findings of this research include:

- Payers rarely "rip and replace" their core claims system, and now they also rarely replace their core provider system in toto. However, changing requirements around expanded/niche directories, network adequacy, narrow networks, expansion of provider types, payer/provider systems integration, regulatory requirements, telemedicine, plan design, and value-based provider reimbursement cause major rethink and payers struggle to incrementally improve.
- Clients generally have a positive outlook on the capabilities of their vendors, particularly in supporting technical requirements, domain expertise, and support for the baseline demographic capture and workflow requirements of most payer organizations.
- Demographic capture and workflow requirements are now only a portion of the fundamentals in establishing a core for the provider information management ecosystem. Scalability, data model flexibility, and a vendor's entire suite of products are more relevant in this space than simple demographic seamlessness.

A divide now exists between payers using their own internal master data management (MDM) approach to provider data and those that are willing to have other companies be their source.

LEARN MORE

Related Research

- *IDC MarketScape: U.S. Contract Management Tools for Payers 2018 Vendor Assessment* (IDC #US43511218, February 2018)
- *IDC PlanScape: Payer/Provider Contract Management 2.0 for Payers* (IDC #US43259117, December 2017)
- *IDC Market Glance: Payer, 4Q17* (IDC #US43315917, December 2017)
- *Perspective: For Payers, It's Time to Get a New Claims and Billing Engine - Decoupling and Change Have Atomized Your Legacy System* (IDC #US41552216, July 2016)
- *IDC PlanScape: Value-Based Reimbursement Demands Payers Execute an Exchanges-Like Level of Effort* (IDC #US41380616, June 2016)

- *IDC PlanScape: Directory Accuracy and Network Adequacy - For Payers, the Time Has Come* (IDC #US41242516, May 2016)
- *Vendor Assessment: Provider Data and Network Management Solutions Refactor, Expand, Deepen, and Broaden Markets and Function* (IDC #US40702515, December 2015)
- *Perspective: Why a Comprehensive Provider System of Record Is Fundamental for Payers* (IDC Health Insights #HI259664, October 2015)

Synopsis

This IDC study provides an evaluation of seven vendors that provide payer solutions for provider data management. The vendors we chose include front-runners in the industry that were chosen for their market share and penetration of their potential growth opportunities.

According to Jeff Rivkin, research director, Payer IT Strategies at IDC Health Insights, "Provider data management systems of record are being evolved by payers that want to automate workflow, decrease complexity, and enable flexibility in their back office to reduce operational costs. As payers attempt to respond to governmental and competitive pressures, the ability to maintain, control, and evolve networks fast and effectively is a competitive advantage. Those that can't may not survive the onslaught of value-based reimbursement, expanding provider types, and the increased consumer demand for directory accuracy and network adequacy."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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