Cognizant – Healthcare Payer BPS

Vendor Assessment
Report Abstract

February 2019

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Healthcare and Insurance BPS Program

NelsonHall

11 pages

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Who Is This Vendor Assessment For?

NelsonHall's profile of Cognizant's Healthcare Payer Business Process Services (BPS) is a comprehensive assessment of service offerings and capabilities designed for:

- Sourcing managers monitoring the capabilities of existing suppliers to deliver business process services to healthcare payers

- Vendor marketing, sales and business managers looking to benchmark themselves against their peers

- Financial analysts and investors specializing in the support services sector.

Key Findings & Highlights

Only a small proportion of U.S. payers fail to do business with Cognizant. Among the top 10 U.S. commercial payers, Cognizant has penetrated every one. Cognizant works with 80% of Blue Cross Blue Shield plans. At the top of the market, therefore, Cognizant's objective is to cross-sell its service lines, and where it already has a BPS presence, to expand its share of clients' wallets.

Payer BPS customer revenue is generated almost exclusively in North America, largely from private sector payers.

Cognizant organizes its practice areas in three groups and is positioning its entire portfolio of offerings around "Digital", subdividing its offerings into front office, middle office and back office groups.

- Digital Business (front office)

- Digital Operations, including BPS services (middle office)

- Digital Systems and Technology (back office).

Cognizant boasts numerous technology platforms and solutions as support for its BPS offerings, most notably TriZetto, which the company acquired in 2014 in a high profile deal.

Global healthcare delivery centers often combine personnel for both payer and provider clients. These include

- U.S.:8 delivery centers

- India: 6 delivery centers

- Philippines: 2 delivery centers.

NelsonHall estimates that 10,000 resources are deployed for healthcare Payer BPS clients. Of these, 2,600 resources work on Medicare/Medicaid lines of business. 1,200 resources work to support payers in their work on insurance exchanges out of 6 delivery centers.

Cognizant's strategic integration of the TriZetto software platforms into Cognizant's BPS business appears to have been more difficult and time consuming that originally planned in 2014, with anticipated sales of BPaaS services based on the TriZetto platforms having disappointed. Currently Cognizant only points to one subsequent "end-to-end" platform-enabled BPaaS contract success (client unnamed). While Cognizant has informed investors that the sales cycle for such platform BPaaS contracts should be expected to last 2-3 years, the period since this was announced is now expiring.

Scope of the Report

The report provides a comprehensive and objective analysis of Cognizant's offerings, capabilities, and market presence in support of business process transformation through the application of healthcare payer BPS including the company's:

- Offerings and key service components

- Delivery organization

- Customer base, including the company's targeting strategy and examples of current contracts (where available)

- Revenue estimates for healthcare payer BPS

- Strategy, emphasis and new developments in support of healthcare payer BPS

- Strengths, weaknesses and outlook.

Contents

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Healthcare Payer BPS Vendor Assessments are Available for:

Accenture

Capgemini

CGI

Cognizant

Concentrix

Conduent

Cotiviti

DXC

EXL

Firstsource

Genpact

HGS

Infosys

NTT DATA

Optum

Sutherland

Tata Consultancy Services (TCS)

WNS