DXC – Healthcare Payer BPS

Vendor Assessment
Report Abstract

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NelsonHall

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Who Is This Vendor Assessment For?

NelsonHall's profile of DXC'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

DXC's Human Services related government business extends broadly across many agencies and IT systems. DXC is an IT systems integrator, an IT outsourcer, and a vendor of BPS (including claims management "fiscal agency" BPS) to state Medicaid agencies. The legacy HPE ES (via EDS) interChange platform provides a central platform for DXC's Medicaid services offerings.

While DXC serves a handful of commercial payers, the company mainly supports them with software sales and IT services, not BPS services.

DXC's BPS business in the healthcare industry is managed in its Global Business Solutions (GBS) unit and operates almost entirely in the government payer sector. NelsonHall estimates that DXC's 2018 healthcare payer revenue from both commercial and government sector customers was $639m. The government sector business generates ~95% of DXC's payer BPS business.

On October 1, 2018 DXC acquired Molina Medicaid Solutions (MMS) for $231m, a Medicaid Management Information Systems (MMIS) business, from Molina Healthcare. This business unit had 1,200 employees and contracts worth $187m in 2017 with six state agencies and one territory. MMS was the fiscal agent and the prime MMIS contractor in ID, LA, ME, NJ, WV, and the U.S. Virgin Island. Prior to the acquisition, both DXC and MMS managed contracts in FL, although DXC was already the prime contractor for Florida's MMIS, called the Florida Medicaid Enterprise System (MES).

Prior to the 2018 acquisition of Molina Medicaid Solutions (MMS), DXC provided health and human services to government agencies across the U.S. through more than 6,000 professionals. The MMS acquisition added 1,200 professionals, all in Medicaid services. NelsonHall estimates that currently 5,000 DXC personnel administer outsourced fiscal agent services, MMIS, provider/network management, program integrity, care management, immunization registry, eligibility, and other services to state Medicaid agencies.

As of November 2018, NelsonHall believes that DXC manages interChange systems (including instances that have been renamed following deployment) in the following 18 states: AL, AR, CO, CT, DE, FL, GA, IN, KS, KY, MA, OH, OK, OR, PA, PR, TN, WI. In most cases DXC is also employed as the MMIS fiscal agent.

For the time being, expect no re-deployment of the Molina HealthPAS platform, which performs functions similar to the DXC interChange platform. This platform had been deployed in ID, ME, WV, and the U.S. Virgin Islands. DXC has indicated that it has no intention of re-platforming in the former MMS states unless prompted by significant state and/or federal actions and/or funding.

Scope of the Report

The report provides a comprehensive and objective analysis of DXC'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.

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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