

# 2023 Frost & Sullivan Enabling Technology Leadership Award

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The North American Healthcare Claims Management Industry  
Excellence in Best Practices

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Change Healthcare excels in many of the criteria in the healthcare claims management space.

AWARD CRITERIA	
<i>Technology Leverage</i>	<i>Customer Impact</i>
Commitment to Innovation	Price/Performance Value
Commitment to Creativity	Customer Purchase Experience
Stage Gate Efficiency	Customer Ownership Experience
Commercialization Success	Customer Service Experience
Application Diversity	Brand Equity

### *The North American Healthcare Claims Management Market Overview*

The healthcare industry faces numerous obstacles, including severe labor shortages and intense competition for entry-level workers from other sectors. In addition, healthcare providers must navigate complex regulations and laws, such as the No Surprises Act, and prepare for potential future legislation. The rise of consumerism, where patients shoulder a significant portion of healthcare costs, also poses challenges for providers, who must find ways to collect upfront payments and reduce collection costs. In addition, decentralization of care has resulted in healthcare services relocation from hospitals to specialized areas, necessitating tailored solutions to meet each specialty’s needs. As a result of these impediments, healthcare providers are seeking companies offering healthcare claims management solutions to increase labor productivity, streamline operations, and identify areas for optimization.

Frost & Sullivan estimates the United States (US) healthcare claims management market will reach about \$24 billion in 2026, with a compound annual growth rate of about 11% from 2021 to 2026.<sup>1</sup> Change Healthcare uniquely leverages its services to meet market and customer needs. It is well-positioned to capitalize on new growth opportunities, cementing its position in the North American healthcare claims management industry.

<sup>1</sup> US Healthcare Claims Management Growth Opportunities, (Frost & Sullivan, January 2023).

### ***A Trailblazer's Path: Unmatched Scalability, Enhanced Capabilities***

Change Healthcare is a healthcare technology provider of innovative solutions that improve clinical, financial, and care outcomes for all healthcare system participants.

The company's commitment to innovation and creativity enables it to develop new technologies that meet client needs and market demands. Moreover, its technology development processes allow it to stay ahead of the competition by launching new solutions quickly to address customer needs.

Change Healthcare implemented a product development lifecycle (PDLC) and an Accelerate framework that empowers it to "think big, fail fast, and move quickly."<sup>2</sup> The organization then educated its core stakeholders (including the product management, engineering, marketing, sales, services, and support teams) about the framework to ensure its optimum utilization. PDLC involves:

- ideation,
- providing initial capital,
- defining and iterating the idea, and
- presenting the concept to a product steering committee to determine whether to pursue it with additional funding.

Change Healthcare has numerous programs throughout the year to encourage innovation, such as Code Fest, during which small teams from different departments collaborate to develop a prototype or a concept. A committee then evaluates these ideas. Additionally, the company has an invention disclosure procedure with monetary incentives for idea submission. Frost & Sullivan finds Change Healthcare's emphasis on innovation and provision of a creative framework highly impressive.

### ***Assurance Reimbursement Management™***

Change Healthcare's industry-leading solution, Assurance Reimbursement Management™ (Assurance), has proven valuable to healthcare providers in traditional hospital inpatient settings for nearly 30 years. With decentralization, the company is tailoring the solution to dialysis and behavioral health centers. While Assurance is best for larger health systems and hospitals with 100+ beds, smaller urgent care centers can also benefit from its functionality.

Assurance centers on three core architectural principles:

- Using the available data to drive analytics into customer workflows, thus providing actionable information at the point of need.
- Leveraging advanced technologies such as artificial intelligence (AI) and machine learning to drive greater customer value.

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<sup>2</sup> Interview with Change Healthcare, 17<sup>th</sup> March, 2023.

- Creating a microservice architecture to allow seamless integration with customers' existing revenue cycle management (RCM) products. Providers may not have the entire RCM product suite; therefore, ensuring interoperability with existing products is crucial.

Assurance's capabilities include revenue integrity and charge capture. Change Healthcare ensures its customers receive accurate reimbursement for the patient services provided via proper coding for correct refunds.

Claims management and payer collaboration are other fundamental competencies the company enhances through automation. Customers view Change Healthcare as a vendor that can change provider-payer relations. It adds smart payer-specific edits to the provider workflow so they can make changes before sending the claim to the payer for payment, securing proper reimbursement and cash flow.

Further, the company uses data and AI to identify insurance claims likely to be denied and the reasons behind the rejection. Therefore, customers can fix the issue before submitting the claim to the payer. This strategy has been successful for professional claims and application to more complex facilities and

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*- Ojaswi Rana,  
Best Practices Research Analyst*

institutional claims, an ongoing area for continued focus.

Change Healthcare aims to enable higher levels of predictive intelligence and automation to identify automation and workflow configuration scenarios. Unlike other solutions, Assurance has access to the backend system and can automate at the microservice level instead of utilizing user interface bot technology for automation. Therefore,

Assurance distinguishes itself in the market by allowing customers to configure and scale automation.

Moreover, the solution has improved hospitals' financial performance. Hospitals using Assurance have a 95%+ claim acceptance rate, and its exception-based claim processing has saved them an average of five accounts receivable days.<sup>3</sup>

*"With Assurance Reimbursement Management, there was a quantifiable difference of \$1 million in cash flow realized within the first 30 days."*

*- Linda Morris, Director, Nanticoke Health Services<sup>4</sup>*

### **Ongoing Innovation**

Change Healthcare's Digital Biller™ entails automating back-office procedures to improve labor productivity. The process involves analyzing claims data to identify errors or edits that can be resolved

<sup>3</sup> Interview with Change Healthcare, 17<sup>th</sup> March, 2023.

<sup>4</sup> Change Healthcare, "Accelerating Cash Flow and Business Office Efficiency," Change Healthcare, 2023, <https://www.changehealthcare.com/insights/accelerating-cash-flow-case-study>.

automatically. If not, it routes the claim to a queue for human review. The company has completed a pilot and is planning a beta release in the summer of 2023, followed by a limited release later in the year.

Frost & Sullivan applauds Change Healthcare's enhanced capabilities and unmatched scalability, differentiating the company from competitors in the healthcare management claims space.

### ***Roadmap to Success: Innovative, Collaborative, and Customer-centric***

With its customer-centric corporate philosophy, Change Healthcare operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices.

Customer advisors meet with potential customers pre-sale to assess their needs and develop tailored solutions with roadmaps for seamless execution. Then the implementation team takes over, utilizing their past experiences and best practices. Again, customer advisors monitor goals at 30, 60, 90, and 120 days after implementation to ensure customer satisfaction. Additionally, Change Healthcare collects customer feedback through net promoter scores, customer satisfaction surveys, post-implementation surveys, and quarterly business reviews. This foundational approach establishes ongoing customer trust for long-lasting relationships throughout the product's lifecycle.

The company identified a contract intelligence gap in its portfolio, specifically in the ability to extract payment information from provider contracts to detect under and overpayment. In October 2022, the UnitedHealth Group acquired Change Healthcare. As a result, the company is working towards integrating Optum's middle office revenue cycle capabilities into its offerings. Incorporating Optum's robust contract management capability will enable Change Healthcare to address its portfolio gap. Further, while Optum™

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Claims Manager's strength lies in the professional space, Assurance is proficient on the institutional/facility side. This integration enables the company to offer a more holistic workflow capability.

Change Healthcare recognizes vendor fatigue as one of the most common challenges that customers experience. They prefer to partner with a single vendor that can deliver a comprehensive suite of

complementary capabilities. The company is the "electronic health records plus one" vendor for clients, providing a consolidated platform and extensive capabilities that do not necessitate engagement with multiple add-on vendors. It distinguishes itself from market participants that offer specialized expertise in one area but lack the additional competencies that customers seek.

Additionally, Change Healthcare has a productized integration with Epic Systems (Epic), one of the US' most popular electronic medical records systems. Its edits application programming interface writer integrates with Epic through a Clearinghouse bridge, where claims go through Change Healthcare's

insurance edit engine and return to the Epic workflow. Therefore, this integration further adds value to its offerings since users do not need to switch systems.

Frost & Sullivan believes Change Healthcare's innovative, collaborative, and customer-centric approach has paved its path to success, making it the preferred partner of choice.

### *Earning Clients' Trust and Loyalty through Customer-centric Practices*

Since its inception, Change Healthcare's sterling reputation has helped acquire a range of new customers to its established base. The company has a strategic advisory council and partners with strategic customers and industry leaders to drive brand equity. It collaborates with customers to understand their business challenges and jointly bring solutions to the market. This synergetic approach demonstrates to clients that they are valued as partners.

Change Healthcare expects the assurance business' revenue to increase by double digits annually. It does not engage in price competition and fairly charges for the return on investment and value it brings to clients. The company plans to succeed financially by maintaining a customer-focused strategy throughout its administrative processes and the entire revenue cycle. This approach will increase patient satisfaction and loyalty and improve the healthcare ecosystem.

Frost & Sullivan believes Change Healthcare is well-positioned to drive the healthcare claims management space into its next growth phase, capturing market share and sustaining its position in the coming years.

## **Conclusion**

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Technology integration is a critical success factor for the healthcare claims management industry. Yet, with many options available, market stakeholders need to leverage the most appropriate and best technology-based solutions to optimize their market impact. With its Assurance Reimbursement Management™, Change Healthcare delivers accurate reimbursement to healthcare providers and improves their overall financial performance.

The company stands out from competitors based on its commitment to innovation, creativity, and ability to launch new solutions with far-reaching impact. Change Healthcare enables clients to configure and scale automation, distinguishing itself from competitors. Further, the company pairs its technology focus with customer-centric values, thus earning a solid reputation in the healthcare claims management market.

For its strong overall performance, Change Healthcare is recognized with Frost & Sullivan's 2023 North American Enabling Technology Leadership Award in the healthcare claims management industry.

## What You Need to Know about the Enabling Technology Leadership Recognition

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Frost & Sullivan's Enabling Technology Leadership Award recognizes the company that applies its technology in new ways to improve existing products and services and elevate the customer experience.

### Best Practices Award Analysis

For the Enabling Technology Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Technology Leverage*

**Commitment to Innovation:** Continuous emerging technology adoption and creation enables new product development and enhances product performance

**Commitment to Creativity:** Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

**Stage Gate Efficiency:** Technology adoption enhances the stage gate process for launching new products and solutions

**Commercialization Success:** Company displays a proven track record of taking new technologies to market with a high success rate

**Application Diversity:** Company develops and/or integrates technology that serves multiple applications and multiple environments

#### *Customer Impact*

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and high quality

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty

