2014 North American Health Data Analytics Product Leadership Award
Background and Company Performance

Industry Challenges

Numerous social, political, economic, and cultural forces are coming together to transform the way healthcare services are paid for and delivered. Healthcare system transformation encompasses operational and infrastructure realignment, work process redesign, changes in healthcare provider ownership, and, perhaps most importantly, payment reform. In addition, successful transformation must promote positive behavioral changes among all stakeholders that help foster a holistic culture of health that goes across the entire healthcare ecosystem.

Frost & Sullivan recognizes that information technology is central to the process of healthcare transformation. Digitized data of all types are collected and stored electronically at every point of care. Administrative and financial data related to healthcare has been collected for the past 20 years. Today, digitized data is increasingly becoming the norm with the growing adoption of electronic health records (EHRs). The need to bring clinical, administrative, and financial data together, to extract actionable insights, and to apply these proactively for the greatest benefit is of paramount importance for health system transformation. In addition, as the setting for healthcare expands beyond the traditional four walls of the hospital or physician office, the seamless flow of data across care settings becomes increasingly important. Healthcare providers need access to data from myriad internal and external IT systems, preferably at the point of care where it can be most beneficial. For this to happen, disparate internal and external data must be aggregated and aligned so that providers have a clear and comprehensive view of a single patient and/or a patient population. It is this single view that enables the best decision-making for safe and efficient care. The smart application of health data is not only critical for improving care quality but also enables payment reform. This matters due to the growing consensus that fee-for-service reimbursement simply does not encourage cost-efficient and high quality patient care. Thus, reimbursement must be focused on the quality of care as opposed to the quantity of care. This concept is at the heart of value-based reimbursement and accountable care. By some estimates, in the next five years, over 70% of provider reimbursement will be subject to value-based or risk-based contracts. These new reimbursement and care delivery models will further increase providers’ reliance on enabling information technology solutions that are designed to help track patient treatments and related outcomes.

Accountable care cannot be achieved without data analytics solutions that can help improve the quality of care and help providers manage the increased financial risk that comes with value-based reimbursement. The health data analytics solutions that providers seek today must incorporate a range of functionalities that are designed to enable health system transformation. These functionalities include the ability to access and analyze structured and unstructured data from a variety of care settings (including the patient’s home), the ability to detect data patterns that get at insights for the most at-risk patients,
and the need to customize analytics functionalities to meet constantly changing technical, operational and financial dynamics.

The market for health data analytics solutions is being driven by the promise that new insights will drive improved quality in care processes and patient outcomes, better coordination in provider workflow, more efficient utilization of resources, and greater insights to drive innovation – all of which adds up to greater satisfaction for patients and providers.

**Implementation and Product Excellence**

**Vision Alignment**

The move away from fee-for-service and towards pay for performance with reimbursement directly tied to patient outcomes is significantly influencing the healthcare market today. The end fee-for-service will not happen overnight. Most providers will experience a phased transition as payers increasingly adopt value-base reimbursement contracts to help mitigate new financial risk resulting from the rise of health insurance exchanges. In this new risk environment, providers face the prospect of financial penalties for gaps in care transitions that lead to poor outcomes, early readmission to the hospital, or patient dissatisfaction and noncompliance, all of which drive higher costs and greater inefficiencies. Providers understand that their financial viability is now highly dependent upon their ability to meet designated quality metrics around patient care, but Frost & Sullivan's research confirms that they need more and better insights into best practices to make this goal a reality. Those insights can only be derived from analyzing comprehensive data sets to better understand, manage, and proactively predict processes and behaviors that yield the highest quality outcomes for all patients. Payment reform is thus incentivizing providers to take a population management approach which requires the ability to bring clinical and financial data together to model risk and implement new capabilities designed to improve clinical care and patient engagement as well as the efficient utilization of healthcare resources.

The Optum One intelligent health platform is a game changing cloud-based population health analytics tool from UnitedHealth Group’s Optum business. This comprehensive decision-support solution is exceptionally aligned with the direction of the healthcare marketplace as transformation progresses. The Optum One platform includes several applications that enable four core IT capabilities that providers need for the transition to risk-based contracts – 1) data aggregation that brings together disparate data at the individual and population levels; 2) risk stratification methods to apply to aggregated data to identify and stratify at-risk patients and provider performance metrics; 3) care coordination to bring insights from data analysis to the point of care; and 4) patient engagement tools that help drive compliance for individuals and populations.
Product/Service Value

The Optum One platform and applications are compatible within the dynamic reality facing medical practices in this era of transformation. The solution provides superior value on several dimensions and is designed to support providers as their needs change. For example, Optum One is compatible with a variety of reimbursement methods including traditional fee-for-service arrangements as well as various new fee-for-value arrangements including accountable care organizations and patient centered medical homes. Frost & Sullivan firmly believes that this is important because providers need flexible technology solutions that can adapt to changing organizational objectives as realignment transpires. Optum One can be deployed as an end-to-end analytics solution or customers can choose to leverage modular applications, accessing exactly the tools they need to accomplish current objectives.

As a cloud-based SaaS solution, Optum One offers a quick start process that avoids a costly and time-consuming implementation that can often be a barrier for physician practices looking to bring on new analytics capabilities. For providers ready to deploy population health capabilities, Optum One is the ideal solution. Value-based reimbursement means that providers must pay close attention to the management of all patients under their care. By leveraging Optum One’s advanced health data analytics capabilities, providers can understand and engage with their patient population at a much broader and deeper level. Optum One helps providers access the knowledge and insights needed to improve patient care by integrating claims, clinical, socio-demographic, and care management data in one seamless platform. Using this tool, providers can perform a number of retrospective and prospective analyses that can help identify the most feasible and effective areas for proactive intervention, particularly for chronic disease management.

Reliability and Quality

Population health management is a complex process that requires a high degree of expertise and precision. Most provider organizations do not have the capability or resources to go it alone and seek out trusted vendor partners. However, the health IT vendor market is highly fragmented and characterized by numerous providers of technology solutions and related services. Providers struggle to find the best company to fill their needs. This concern has grown in the past several years as increasing numbers technology vendors seek to capitalize on strong market opportunities driven by health system transformation. In this environment, Frost & Sullivan competitive analysis reveals that Optum’s strong capabilities in health data analytics offers a distinct advantage vis-à-vis the numerous competitors in the market. Optum not only offers proven leadership and deep expertise in health data analytics but also has an unmatched understanding of what it takes to help providers successfully deploy these solutions to improve patient care and operational efficiencies. Optum’s expertise is derived from its extraordinary access to
health system data and vast experience across the healthcare landscape, spanning 20-plus years. Optum has built an outstanding reputation for the thoroughness, reliability, and quality of its structured and unstructured data sets which are derived from numerous sources such as clinical data (including clinician notes, lab results, prescriptions, and procedure data) from nearly 40 million patients as well as data 20 years of longitudinal claims data.

**Technological Sophistication**

Optum One, which is built on Humedica’s cloud-based analytics platform, supports integrated analytics and population management applications on a single infrastructure. The Optum One platform aggregates data across a variety of diverse administrative, financial, and clinical data systems. In addition, the solution includes the ability to analyze unstructured data, such as clinician notes, with built in Natural Language Processing software. Frost & Sullivan notes that the solution is completely vendor neutral and is capable of working with a number of health IT solutions found in provider settings.

The Optum One platform is comprised of six modular apps – the Population Analytics Application, which provides a patient-centered longitudinal view that can be leveraged to perform a variety of analyses; the Risk Analytics Application which provides critical financial analyses; the Patient Engagement Application which identifies patients for interventions that improve compliance and health outcomes; the Care Coordination Application which helps providers design care plans; the Registry Application which combines population health data with real time ADT data to create exportable patient registries; and the Software Development Kit which allows customers to build and customize their own Optum One applications depending on their needs.

As a cloud-based solution, the Optum One platform has the ability to analyze complex and diverse data but is not dependent on the presence of a data warehouse to deliver analytics as “the data is the platform”. That means the integrated Optum One platform enables providers to leverages predictive and clinical analytics where it has the most impact—at the point of care, wherever that may be.

**Positioning**

Optum understands that on-demand, cloud-based solutions such as Optum One have enormous potential to help providers meet the numerous changes that come with health system transformation. Optum is focused on providing state-of-the-art, integrated, solutions that address critical challenges around the delivery and payment of healthcare services. Frost & Sullivan's research finds that Optum’s solutions help customers build capabilities in workflow optimization, information connectivity, patient and consumer engagement, and data analytics. As a leader in providing risk prediction solutions, Optum understands the new environment facing providers as they move into value-based
reimbursement. The company’s strength and expertise in data analytics and risk prediction is based in part on its unsurpassed access to vast stores of clinical, claims, socio-demographic and care management data. No other analytics vendor can come close to matching Optum’s strength in this area.

Company Culture

As the health services platform of UnitedHealth Group, Optum’s core goals are to provide solutions that align care delivery to improve quality, reduce costs, and help modernize the infrastructure and technology of the healthcare system. The company has a strong commitment to supporting research to drive innovation. For example, Optum Labs, a collaborative research and development center founded by Optum and Mayo Clinic in January 2013, brings together diverse stakeholders across industry and academia to help develop strategic insights and thought leadership that can be applied to improving patient care. Its partners include a number of prestigious organizations and companies including the American Medical Group Association, Boston University School of Public Health, Rensselaer Polytechnic Institute, Tufts Medical Center, the University of Minnesota School of Nursing, Boston Scientific, and Pfizer. In addition to Optum’s continual focus on internal product development, the company has an exceptional track record of success in gaining access to new markets and technologies through strategic acquisitions. Optum is, in fact, increasingly viewed as the partner of choice for many emerging health IT technology vendors.

Conclusion

Optum’s continued success is derived from its visionary growth strategy, commitment to technology innovation, coordinated and cohesive approach to providing solutions aligned with changing industry dynamics, commitment to providing exceptional customer value, and depth and breadth of market penetration. Frost & Sullivan has come to expect excellence from Optum and the Optum One intelligent health platform does not disappoint. Frost & Sullivan’s independent analysis of the Health Data Analytics market clearly shows that this solution will take analytics to the next level and will be widely adopted as providers increasingly move to value-based reimbursement.

In recognition of the breakthrough innovation it delivers into the marketplace, Frost & Sullivan is proud to present the 2014 Product Leadership Award in Health Data Analytics to Optum for the Optum One intelligent health platform.
Product Leadership

Ultimately, growth in any organization depends upon customers purchasing from your company, and then making the decision to return time and again. A comprehensive product line, filled with high-quality, value-driven options, is the key to building an engaged customer base. To achieve product and implementation excellence, an organization must be best-in-class in three key areas: (1) take into account what your competitors are, and are not, doing; (2) meet customer demand with a comprehensive, value-driven product or service portfolio; and (3) establish a brand that resonates deeply with customers and stands apart from other providers. To achieve best-practice levels in brand, demand, and positioning is a rare and significant accomplishment, and that is why Frost & Sullivan celebrates it with the Product Leadership Award. Recipients of this award represent the top ten percent of their industry: the other ninety percent just can’t keep up.

Key Benchmarking Criteria

For the Product Leadership Award, Frost & Sullivan evaluated the total client experience and strategy implementation excellence according to the criteria detailed below.

**Implementation Excellence**

- Criterion 1: Vision Alignment
- Criterion 2: Process Design
- Criterion 3: Operational Efficiency
- Criterion 4: Technological Sophistication
- Criterion 5: Company Culture

**Product Excellence**

- Criterion 1: Match to Needs
- Criterion 2: Reliability and Quality
- Criterion 3: Product/Service Value
- Criterion 4: Positioning
- Criterion 5: Design

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan’s 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges,
trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.

**Decision Support Scorecards**

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard and Matrix. This analytical tool compares companies’ performance relative to each other. It features criteria unique to each award category and ranks importance by assigning weights to each criterion. The relative weighting reflects current market conditions and illustrates the associated importance of each criterion according to Frost & Sullivan. This tool allows our research and consulting teams to objectively analyze performance, according to each criterion, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

**Best Practice Award Analysis for Optum**

**Decision Support Scorecards: Product Leadership**

The Decision Support Scorecard, shown below, includes all performance criteria listed below and illustrates the relative importance of each criterion and the ratings for each company under evaluation for the Product Leadership Award. The research team confirms the veracity of the model by ensuring that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

Finally, to remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players in as Company 2 and Company 3.
DECISION SUPPORT SCORECARD FOR PRODUCT LEADERSHIP AWARD:
IMPLEMENTATION EXCELLENCE

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**Criterion 1: Vision Alignment**
Requirement: The executive team is aligned on the organization’s mission and vision

**Criterion 2: Process Design**
Requirement: Processes support the efficient and consistent implementation of tactics designed to implement the strategy

**Criterion 3: Operational Efficiency**
Requirement: Staff performs assigned tactics seamlessly, quickly, and to a high quality standard

**Criterion 4: Technological Sophistication**
Requirements: Systems enable companywide transparency, communication, and efficiency

**Criterion 5: Company Culture**
Requirement: The executive team sets the standard for commitment to customers, quality, and staff, which translates directly into front-line performance excellence
DECISION SUPPORT SCORECARD FOR PRODUCT LEADERSHIP AWARD:
PRODUCT EXCELLENCE

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**Criterion 1: Match to Needs**
Requirement: Customer needs directly influence and inspire a product’s design and positioning

**Criterion 2: Reliability and Quality**
Requirement: The product consistently meets or exceeds customer expectations for performance and length of service

**Criterion 3: Product/Service Value**
Requirement: Products or services offer the best value for the price, compared to similar offerings in the market

**Criterion 4: Positioning**
Requirement: The product or service delivers a unique, unmet need that competitors cannot easily replicate or replace

**Criterion 5: Design**
Requirement: The product’s visual presentation makes it easy to use, and makes customers happy to use it
About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO’s Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages more than 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.