IDC MarketScape: U.S. RCM Service Solutions 2022-2023 Vendor Assessment
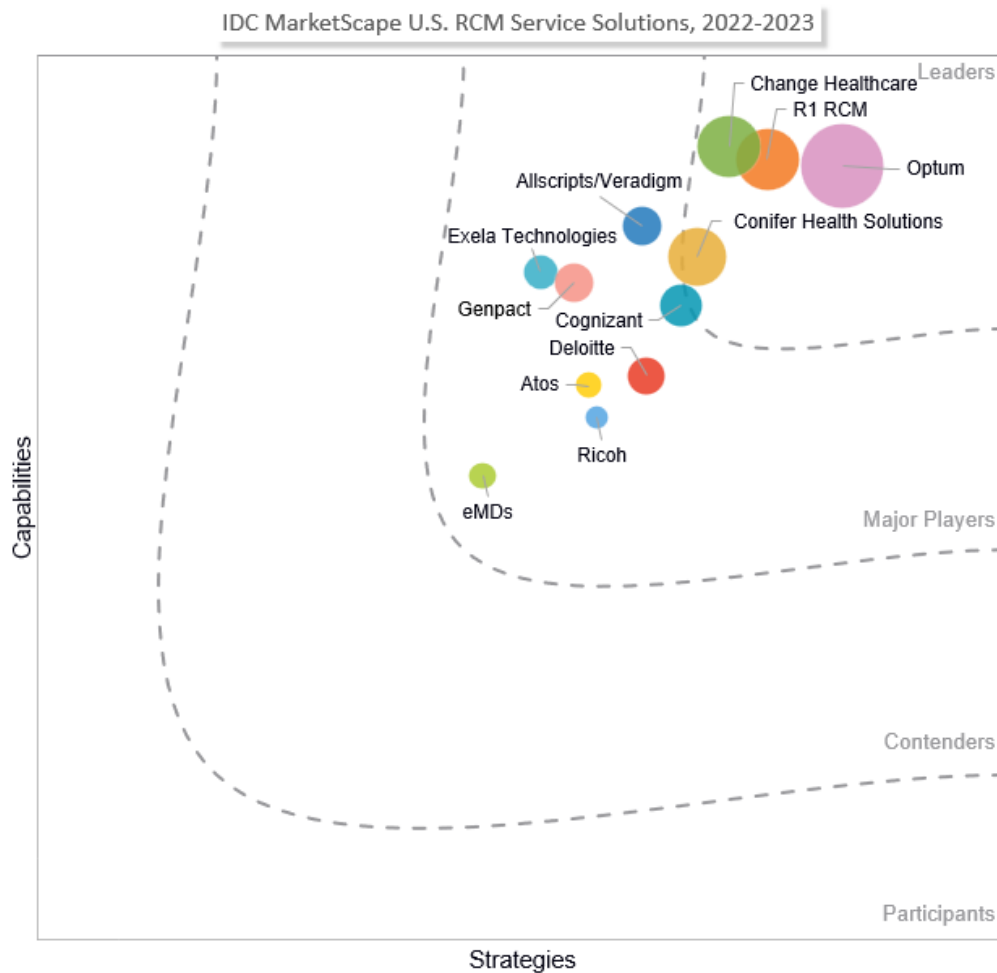
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THIS IDC MARKETSCAPE EXCERPT FEATURES RICOH

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape: U.S. RCM Service Solutions Vendor Assessment

Source: IDC, 2022

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. RCM Service Solutions 2022-2023 Vendor Assessment (Doc # US43720618). 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

Revenue cycle management (RCM) continues to be reinvented for the digital era. Much has changed since RCM first emerged to streamline back-office billing. Sweeping macro- and microenvironmental factors continue to drive RCM transformation across the U.S. provider landscape. Everything from razor-thin profit margins, merger and acquisition activities, the shift to value-based care, high-deductible health plans, consumerism, the aftereffects of the COVID-19 pandemic, worker shortages, and inflationary conditions rock the boat. Despite much progress made, opportunities abound that providers cannot afford to miss, which go beyond traditional RCM and back-office billing operations to optimize revenue. Since 2017, IDC Health Insights has closely studied RCM and recommended approaches that support better end-to-end processes, automation, optimization, and next-generational workflows.

This IDC MarketScape aims to assess RCM service solution vendors in terms of strategies and capabilities that support the next-generation revenue cycle. IDC defines a next-generation revenue cycle as "holistic and intelligent enablement of automated revenue optimization and denial prevention across the provider service continuum in alignment with value-based outcomes." The vendors in this study are all in the RCM service solution market but differ in their respective market positioning, strategies, capabilities, and range of functionality. In addition to core RCM workflows and general billing functionality, IDC identified several industrywide trends related to next-generational end-to-end RCM service solutions, such as:

- Automation of intelligent prior authorization, billing, and reimbursement at the core
- Distribution of capabilities to streamline coding and alleviate productivity burden
- Facilitation of digital access for patients to schedule appointments and act on responsibilities
- Generation of insight and intelligence to align provider performance with payer incentives
- Normalization of data and enhancement of revenue integrity across services and silos
- Identification of new opportunities for value creation between providers, payers, and patients

There are many ways to segment RCM service solutions (e.g., by integration – in-house, hybrid, outsourced; market; and subsegment). This IDC MarketScape seeks to go beyond traditional assessments based on the by-product of a segmentation exercise and an evaluation of core RCM strategies and capabilities. Instead, this study combines all relevant vendors in the services space together and applies a framework to generate both individual and collective insight into the vendors as well as a comprehensive view of the market that evaluates how vendors are maturing in the current market conditions and positioning as industry needs shift, specifically, in terms of next-generational, end-to-end revenue cycle strategies and capabilities. This study is designed to be forward-looking by offering a retrospective and prospective analysis of the market to help health IT executives and technology

buyers better understand how the vendors are positioned relative to one another and how they can support their organizations to contend with current and future RCM challenges.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

IDC Health Insights has unique visibility into vendor selection processes in the healthcare industry through interactions with its clients and contacts and continuous monitoring of healthcare digital transformation trends. For this IDC MarketScape, the vendor inclusion criteria aimed to include and assess vendors identified as most relevant and representative of the U.S. RCM service solutions market. To be considered in this study, IDC Health Insights stipulated that vendors should meet the following minimum criteria:

- **Market presence.** The vendor has an established corporate presence (e.g., main/branch office) in the United States that manages (or supports) the sales, delivery, and/or implementation of health IT solutions.
- **Service offering.** The vendor sells RCM service solutions in the U.S. health IT market.
- **Vertical alignment.** The vendor delivers RCM service solutions to healthcare provider customers.
- **Segment alignment.** The vendor competes in the RCM service (or consulting, BPO, and professional services) solutions segment.
- **Annual revenue.** The vendor had at least $250 million in annual revenue for the fiscal year 2020. Owing to the impact of the COVID-19 pandemic, an exception to this criterion would be honored if the vendor could demonstrate no less than $150 million in annual revenue for 2020 and $500 million for 2019.
- **Claims processing.** The vendor processed at least $500 million in claims for its RCM customers in the fiscal year 2020. Owing to the impact of the COVID-19 pandemic, an exception to this criterion would be honored if the vendor could demonstrate no less than $250 million in claims processed for 2020 and $1 billion for 2019.
- **General purpose.** The vendor offers RCM service solutions for general (not purpose-built or specialty) RCM that covers the following functionality areas:
  - **Pre-service:** Patient registration, scheduling, eligibility verification, benefits authorization, and referral management
  - **Point of service:** Data entry, medical coding, charge capture, and prior authorization
  - **Post-service:** Claim submission, remittance processing, denial management, collections, and utilization review
- **RCM road map.** The vendor currently or plans in its service roadmap to deliver an end-to-end RCM service solution with technologies and capabilities that enable customers to focus on the "pre-service' and "point of service" stages in addition to the "post-service" stage.

The evaluation in this study is based on information obtained from primary research data collection, company briefings, and secondary research sources such as past research data and publicly available information disclosed in any or a combination of company filings, press releases, company websites, and other official sources. It should be noted that this study got delayed in its publication due to the unforeseen impact of the COVID-19 pandemic on the U.S. healthcare provider vertical and investment plans related to the topic of interest (i.e., RCM service solutions). Provider organizations continue to contend with the aftereffects and impact of the pandemic in the United States. At its height, RCM did not form as high a priority for most healthcare organizations preoccupied with responding to the

pandemic. For this reason, IDC postponed the original publication date to give the industry time to recover, refresh the data, and add more longevity to the shelf life and value of the study for readers.

Research data on RCM service solution vendors included in this study was collected and reviewed from March 2021 to March 2022, with data refreshes since then. Participation in this study was extended to vendors that met the minimum criteria through direct and indirect channels. Excluded from the study were vendors that were later discovered not to meet the criteria, met the criteria but whose solution did not unequivocally align with IDC's market definition as outlined in this study, or declined to participate or could not be reached for participation and for whom insufficient data existed, in lieu of participation, to produce a well-researched judgment. Vendors that declined to participate could not exclude themselves from the assessment if they met the inclusion criteria.

ADVICE FOR TECHNOLOGY BUYERS

Shortcomings in traditional RCM shape the next-generational opportunity. Errors in RCM often prove costly, if not disastrous, because of the impact on the bottom line. Common pain points include claim status errors (e.g., claim status inquiry "276 transaction" and claim status response "277 transaction") that cause payment delays; workflow inefficiencies, such as during denial management, and appeals that lead to productivity drops and costs when manually reworking claims; and unmet expectations that can manifest during eligibility checks, prior authorizations, or because of payer rule changes.

RCM inefficiencies and errors ultimately impact staff and patients, in addition to operations and financial performance. Many vendors currently go to market with next-generational RCM product and service solution offerings. It would benefit technology buyers to learn more about RCM solution vendor strategies and capabilities through a next-generational lens that looks at the pre-service, point-of-service, and post-service opportunities, not just the back-end billing office.

Technology buyers should:

- **Inspire teams to change how they and the organization should think about RCM.** Billing and non-billing staff need to understand that next-generational RCM is a marriage between capabilities that better serve them, patients, and payers. Engage with internal stakeholders from all teams about the current and future needs of RCM. For example, have conversations with vendor partners and payers about how new rule engines can be integrated into your RCM workflow and how online payment methods can be deployed for patients in the front end. Also, keep an eye on ways to prepare for and address shifting regulatory compliance, privacy, payer rule changes, and emerging standards.

- **Act on low-hanging fruit and long-term opportunities that transform the revenue cycle.** Look to date for insight and heighten your awareness of potential technology gaps. Conduct a detailed and longitudinal analysis into how your RCM performs in ways that can surface data on trends and KPIs (e.g., charges, adjustments, denial rates, rejections, collection rates, discharged not final billed [DNFB], and days in accounts receivable [DAR]). Reporting and analytics must be done daily, weekly, and monthly by your in-house, outsourced, or hybrid teams and, more importantly, ahead of tactical discussions or strategic decisions to make a next-generational revenue cycle leap.

- **Do not get stuck in the weeds of tying RCM to value-based care.** There is often some confusion about how to correlate value-based reimbursement with RCM. The consequent delays spent learning more and acting on this late come at the risk of falling behind other RCM-related initiatives that can transform outcomes. Look to the vendors, experts, CMS, and

other payers for guidance on value-based care alignment. Vendors, especially, are vital in educating you on and enabling a revenue cycle that can support your value-based reimbursement needs. Vendors vary in ability to deliver on your RCM needs, where internal expertise will help navigate the organization to its goals. Trust the voice of your senior billing staff and other organizational leaders, champions, and experts in vendor-related discussions on next-generational revenue cycle strategies.

- **Work with what you have and be selective about how you invest in RCM.** Assess the current strengths of your existing systems and capabilities before considering how new investments to build or rip and replace initiatives can transform your revenue cycle. Look under the hood when selecting vendors, and always seek references and information about demonstrable successes in past implementations when investing in new solutions since the bottom line is at stake. If a short-term next-generation revenue cycle strategy proves demanding or unfeasible, consider longer-term ones that aim to augment your existing revenue cycle with nontraditional capabilities in a series of smaller but impactful steps.

- **Remember that next-generation RCM is not about billing staff reduction but human-machine collaboration.** Set a clear vision and expectations on how roles and responsibilities should change under a next-generational strategy, especially if RCM is being outsourced or upon investing in emerging technologies such as artificial intelligence (AI), robotic process automation (RPA), and cloud-related solutions. The general idea should be that technology complements, amplifies, and augments human talent rather than replaces it.

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.

Ricoh

Ricoh (www.ricoh-usa.com; TYO: 7752) is positioned in the Major Players category of the 2022-2023 IDC MarketScape for the U.S. RCM service solutions market.

Exton, Pennsylvania-based Ricoh USA, founded in 1962, is the U.S. branch of Japanese conglomerate Ricoh Company, Ltd., founded in 1936. Ricoh's RCM service solution aims to deliver next-generation services across the RCM ecosystem to different care settings, especially midsize to large IDNs and hospitals. The solution builds on various assets Ricoh acquired and combined with its business over the years, including InfoPrint IBM, MindShift, PTI (Marcom), Avanti Systems, and DocuWare. The solution includes Patient Information Management Systems (software and integration tools), Intelligent Delivery Service (BPO-powered services library), Intelligent Business Platform (customized services), Healthcare Administration Solutions (pre-admission, pre-arrival financial clearance, patient registration, order management, scheduling, pre-registration, insurance verification, pre-certification, pre-authorization, medical necessity, patient estimates, prior balance reviews, collections, self-pay management, patient arrival management, encounter accuracy, financial services, claims, appeals, and denials management). Ricoh deploys its services through a mixed on-premises and off-premises model.

Strengths

- **Pre-arrival clearance:** Ricoh helps customers act on RCM before the patient even arrives, which is where it matters most. Ricoh applies a combined approach through RCM consulting and software solutions that help streamline and optimize patient access for revenue

optimization. Combine this with Ricoh's strengths in document management, managed services, and information life-cycle management. The result is an end-to-end RCM offering with a strong emphasis on pre-service and front-end service optimization.

▪ **Communication channels:** Ricoh holds strategic assets and technologies that provide multichannel and omnichannel communications, allowing its RCM services to engage consumers through the appropriate media and outreach methods that fit the needs of the individual. Such capabilities could be equated to those of patient financial engagement vendors and benefit Ricoh to have developed in-house. In addition, Ricoh partners with a rich ecosystem of companies that further extends the company's reach and customizes its engagement methods, such as OpenText, HealthWare, Ephesoft, Kofax, InterSystems, Access IFS, Quadient, Pitney Bowes, OPEX, Kodak, Fujitsu, Nintex, EFI, OutSystems, ParaScript, LRS, and AWS.

Challenges

▪ **Market recognition:** Ricoh is not well-known as an RCM provider but an established information management and digital services company. The scope of Ricoh's business reach can enable the company to innovate in the RCM space and invest in advancing its market position and RCM solution. It will be interesting to see how Ricoh can continue to build and expand its RCM capabilities synergistically with its broader capabilities to differentiate further.

Consider Ricoh When

Consider Ricoh if your organization is looking for an RCM service solution or complementary services that can help optimize your revenue cycle to manage information before a patient is seen and with patient financial engagement capabilities coupled to it that help ensure communication is also optimized and continuously aligned with RCM.

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.

Vendor footprint, depicted by the size of the bubble, is based on IDC Health Insights' best estimates of the vendor's market share in the United States for the respective solutions studied.

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

IDC defines revenue cycle management as "the management of all administrative and clinical functions at every point of the claims process through the use of technology that contributes to the capture, management, and resolution of patient service revenue with the goal of reducing the amount of time between providing a service and receiving payment." IDC further defines next-generation revenue cycle as "technologies and capabilities that digitally transform the revenue cycle by holistically and intelligently enabling automated revenue optimization and denial prevention across the provider service continuum in alignment with organizational and value-based outcomes."

LEARN MORE

Related Research

- *What Technologies and Health IT Initiatives Will Impact Providers Most in the Future?* (IDC #US49671122, September 2022)
- *IDC Survey: Provider Investment Plans for Technology – U.S. Hospitals and Medical Centers, 2022-2023* (IDC #US47236721, June 2022)
- *IDC Survey: Provider Investment Plans for Technology – U.S. Outpatient Centers and Physician Practices, 2022-2023* (IDC #US47236821, June 2022)
- *What Are the Top Strategic Business Goals for Healthcare Providers in 2022?* (IDC #US48972722, March 2022)

Synopsis

This IDC MarketScape assesses revenue cycle management (RCM) service solutions currently available in the U.S. market. This study aims to provide technology buyers with insight into the strategies, capabilities, and criteria healthcare organizations should consider when selecting an RCM service solution.

"Many providers do not have a clear idea of what revenue cycle service solutions are out there, better yet the value and benefits these can deliver to their organizations," says Mutaz Shegewi, research director, Worldwide Provider IT Transformation Strategies at IDC. "This is a new day and age for healthcare where the lines between providers and payers are blurrier than ever. RCM service solutions play an important role in ensuring that providers can better manage their revenue cycles from end to end and introduce next-generational capabilities that translate the technology investment into value not only through an impact on their bottom line but through better experiences for staff and patients as well."

About IDC

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