

IDC MarketScape: U.S. Value-Based Health Analytics 2023 Vendor Assessment

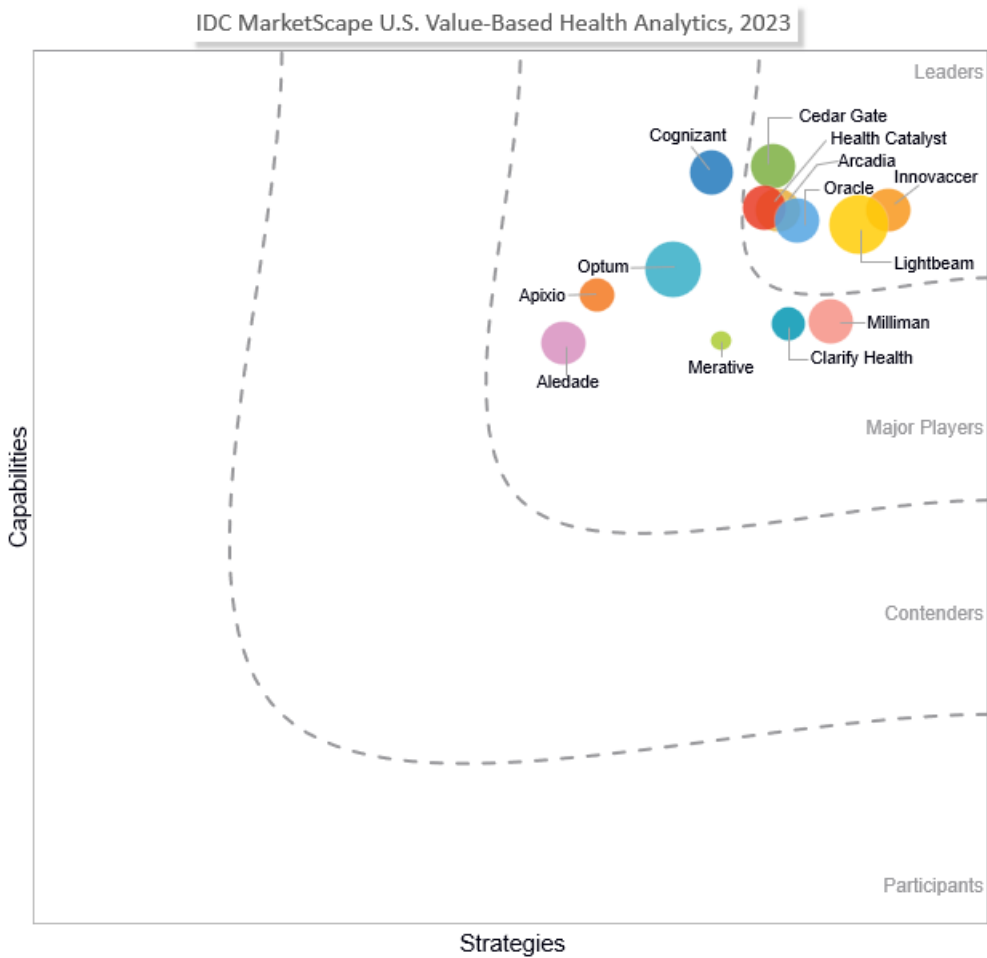
Jennifer Eaton

THIS IDC MARKETSCAPE EXCERPT FEATURES CEDAR GATE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape U.S. Value-Based Health Analytics Vendor Assessment



Source: IDC, 2023

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. Value-Based Health Analytics 2023 Vendor Assessment (Doc # US51244923). 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

With the evolution of value-based healthcare initiatives and goals, organizations are relying on analytic advancements to offset challenges and spur innovation aimed at better healthcare outcomes for all. Healthcare as a whole continues an uphill climb toward lower cost and higher-quality care. Recent mergers and acquisitions are creating new synergies and collaboration that not only changes the healthcare landscape but challenges all members of the ecosystem to reimagine how analytics, artificial intelligence (AI)/machine learning (ML), and other technologies can better support scalable and sustainable change.

This 2023 IDC MarketScape for U.S. value-based health analytics evaluates software vendors providing analytics and insights that support the components of the quintuple aim: improved care outcomes, cost containment, enhanced patient engagement, improved provider experience, and increased health equity.

Since the 2020 IDC MarketScape for U.S. population health analytics, there have been notable changes to the capabilities offered by many vendors. The use of artificial intelligence and machine learning in healthcare analytics continues to grow and evolve as healthcare specialty analytics vendors support use cases spanning patient engagement/experience to better medication adherence support and more accurate predictive models related to future health events and outcomes. With a heavy emphasis on not just the quantity of data but the quality and timeliness of the data being used to identify areas of opportunity and better anticipate patient's needs, many vendors are delivering on promises of greater actionable insights at the point of care. Incorporation of social determinants of health (SDOH) and other health status impacting data is also becoming increasingly common components of comprehensive patient profiles that allows value-based health key stakeholders to uncover previously unknown or underrecognized barriers to health.

Vendors included in this IDC MarketScape continue to recognize the value of robust services (and associated multidiscipline subject matter experts) as a must have to complement the technology solutions. These individuals work with clients to optimize analytics, interpret outcomes, identify areas of opportunity, educate key stakeholders on the nuances of government and commercial at-risk contract models, and even guide process improvement efforts. With this level of expertise, many vendors are also providing best practice awareness, benchmarking capabilities, and other guidance to support a client's successful transition to value-based health models.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

Most vendors considered for inclusion in this IDC MarketScape for U.S. value-based health analytics offer an enterprise analytic solution or a specialty niche analytic application to healthcare payers and/or providers. All have the functionality to identify and risk stratify patients based on clinical and financial data and produce actionable insights that support care gap closure and optimization of data insights into care team workflows as well as the functionality to measure the financial and clinical performance of individual physicians at all organizational levels of the enterprise. There are, of course, vendors that have some capability to enable value-based health analytics but do not meet this IDC MarketScape criteria. IDC Health Insights' vendor inclusion criteria for the 2023 IDC MarketScape for U.S. value-based health analytics include the following:

- The vendor has the analytic functionality to identify and stratify patients and to generate performance measurement results for providers/programs at all levels (individual, group, network, etc.). The functionality can be sold as a standalone product or as part of a suite of products or analytic offerings.
- Analytic results can be exported to populate standalone patient registries, care management applications, and/or other workflow tools and populate tools that communicate performance measurement results to clinicians on a periodic basis. Export capabilities may include industry-standard applications such as Excel, the vendor's workflow applications, or a third-party application vendor product.
- The vendor has referenceable clients (at least two that will speak to IDC Health Insights analysts) that are using all or the majority of the product's value-based health service solution functionality. Reference clients must be in production for at least 12 months.
- Technology solution/services must be installed and in production in 10+ payer or provider (hospital and or physician group practice) organizations for at least 12 months.
- The vendor commits to making the required resources available to meet the research timeline.

ADVICE FOR TECHNOLOGY BUYERS

Technology buyers should:

- **Prioritize data quality:** Recognizing that the ability to synthesize data from a multitude of sources is commonplace today, data quality is now an evolving differentiator. The lack of confidence in data quality and accuracy can lead to downstream adoption barriers and blunt the impact of the data analytics technology. Healthcare organizations should ensure that the technology vendor proactively addresses any barriers or known issues impacting data integrity, as a first step. Next, examine how the tool standardizes data to allow for identification of vulnerable workflows, processes, and patients, thus promoting highly informed decision making at every level. Finally, ensure ongoing checks and balances are in place to quickly assess variances when any new or revised data sources are introduced so that timely corrections can be made.
- **Understand retrospective versus real-time data analytic capabilities:** Understanding use cases for both retrospective and (close to) real-time data enables an organization to optimize use of existing data and analytics while creating a practical and realistic set of expectations for the future. With technology advancements occurring almost daily, quantities of data are expanding. Don't lose sight of the benefits and the need to sustain and scale retrospective analytics (i.e., utilization compared with total cost of care) while expanding and testing the

newfound application of real-time data insights (i.e., care gap analysis at the point of care or data-driven care paths based on health status changes). Examine benchmarking and KPI capabilities (including customization) to ensure capabilities are in line with industry standards, best practices, and internal goals.

- **Assess scalability and sustainability:** Shortsighted analysis of any technology solution could result in quickly outgrowing the capabilities and thus not meeting the needs of the organization. Therefore, it is imperative to validate that the technology's scalable options will meet the needs of today and the projected long-term needs as well. Also, ensure that the technology rollout process includes a robust discovery and readiness assessment to ensure that the current environment is well understood. Road map recommendations should include an organizational and technology infrastructure design that supports scalable and flexible development options that can encompass a variety of value-based health models. Healthcare organizations should also be aware of customization opportunities (and limitations), who has access to make changes (client versus vendor versus both) and how quickly these needs are typically addressed.
- **Prioritize end-user experience:** Improving data literacy, enhancing collaboration, and provisioning of coaching and support, all while elevating the use of data to highlight performance and care gaps, are monumental undertakings. Visuals that aid in quickly identifying the information that is most valuable to each stakeholder group will be vital. Healthcare organizations should assess and validate that the interfaces, dashboards, and reporting options are customizable to allow for continued support during periods of growth, scale, and evolution. Initiatives that fail to proactively engage key stakeholders in order to reduce friction/optimize experience will miss the opportunity to realize the full potential of data-driven insights that support higher-quality, individualized care.
- **Ensure expertise at every level:** Healthcare organizations should have a clear understanding of the organization's current analytic capabilities including technical and clinical experts that support initiatives of this type. Identify any gaps associated with bandwidth, skills/labor shortages, and so forth and then align those needs with vendor offerings. Most value-based health analytics vendors offer a range of services to complement technology solutions so pinpointing internal gaps will guarantee that the right mix of technical, clinical, and regulatory support can be assessed and identified.

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.

Cedar Gate

Cedar Gate is positioned in the Leaders category in this 2023 IDC MarketScape for the U.S. value-based health analytics market.

Based in Greenwich, Connecticut, and founded in 2014, Cedar Gate Technologies (www.cedargate.com) supports payers, providers, and employers and their advisory partners with the transition to value-based care. Ranging from SaaS, cloud-enabled, to on-premise delivery, a unified data lake connects analytics, population health, and payment technology solutions. Supported by a cloud-based, SaaS solution hosted by Amazon Web Services (AWS), Cedar Gate offers solutions that are actuarially driven through descriptive, predictive, and prescriptive analytics and are specifically designed to improve clinical, financial, and operational outcomes. Cedar Gate's core competencies

include delivering solutions focused on managing, enriching, and translating data from the healthcare ecosystem into comprehensible information that can be used by our customers to drive insightful, actionable decision making. Across all lines of business, Cedar Gate has over 350 clients representing more than 45 million member lives.

The Enterprise Data Management system, which consists of critical data onboarding, cleansing, and enrichment processes in preparation for insight generation across the entire platform, and the Cedar Gate Value-Based Care Analytics and Healthcare Benefits Analytics solutions, which are cloud-based, SaaS solution hosted by Amazon Web Services, are the primary features accessed in this study.

Cedar Gate's proprietary technology platform is architected to provide an enterprise data lake that informs enterprisewide value-based care initiatives through a single source of data. The quantity and quality of the data ingested and analyzed enables a 360-degree view of clients' members and patients. Analytic capabilities enable clients to visualize the impact of clinical, operational, and financial insights and act on the prescriptive recommendations through workflow planning capabilities. The analytics solutions are tailored to the specific needs of payers, providers, and self-funded employers and their advisor partners. Self-service dashboard creation and sharing functionality allows users to create stakeholder-specific dashboards that automatically refresh and send from a centralized reporting module. Cedar Gate also provides cohort creation capabilities that define and track populations of interest when assessing differences in outcome that tie directly to social determinants of health, vendor efficiency/efficacy, or the long-term effect of specific conditions. Cohorts can also feed into integrated care management, care coordination, and clinical decision support modules to drive workflows that are informed by analytic insights.

Cedar Gate utilizes risk scoring capabilities to provide risk adjustment and stratification throughout the solution based on proprietary calculations, client-defined calculations, and the following models and scoring methodologies:

- Milliman Advanced Risk Adjuster (MARA) for generic risk assessment
- 3M CRG for episode-of-care risk adjustment and stratification
- 3M PPC, PPR, and PFP classifications for provider performance
- CMS HCC (Center for Medicare and Medicaid Services Hierarchical Condition Categories) and HHS HCC
- Hopkins ACGs
- HEDIS Measures

In addition to all the standard risk adjustment or stratification models and methodologies (including HCC gap tracking), Cedar Gate can also ingest any risk stratification data at the member level for creation of near-infinite levels of aggregation (LOAs) or cohorts/populations. The scrub and enrichment engine also produces a member-level Care Alert Risk Score using the logic and algorithms for over 115 quality metrics. Cedar Gate has recently harnessed the power of AI to develop 14 machine learning models that help identify members with potentially undiagnosed/misdiagnosed disease and predict the likelihood of certain utilization events/patterns. A social determinants of health risk score that utilizes the Area Deprivation Index (ADI) value generated using ZIP codes from an eligibility file is also utilized for insights into health risks. Cedar Gate's intent is to deploy an algorithm that not only outperforms the clinical business rule or legacy predictive modeling tools but also generates lists of members who may have the condition but are under coded and who may be at risk for developing the condition in the future.

Cedar Gate licenses the core software solutions on either a per employee per month (PEPM) or a per member per month (PMPM) basis. The PMPM fees include the software license fee, support, and maintenance as well as ongoing access to software version upgrades. In addition, implementation and data integration fees may be applied. Optional offerings may be on a per user/per year basis or a flat amount per month or year.

Strengths

Cedar Gate excels at successfully managing large data projects while ensuring a high level of data integrity. With access to anonymized data from more than 12 million member lives, confidence in the quality of the data and methodologies is prioritized along with a dedication to continuous data quality improvements and quick turnaround times. One of Cedar Gate's differentiators is an integrated, purpose-built platform and solutions that reside on a single data lake, which supports deep, flexible data exploration and executive, plan, contract, and member analytics across diverse data sets.

Challenges

While Cedar Gate supports a variety of client types, customers report larger learning curves associated with payer partnerships and the need for robust, dedicated resources to support the learning curve associated with self-service reporting.

Consider Cedar Gate When

Consider Cedar Gate for large-scale data integration needs and insights driven by robust national-level patient population data for benchmarking, planning, best practice awareness cohort creation capability, leakage awareness, and contract modeling.

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. It's important to recognize that a vendor's market share, as represented in this study, is a snapshot in time and may not reflect its near-term growth or consider its experience and success with related legacy products.

Vendors in the Leader category may not be the best fit for all organizations. Successful vendor selection is often dependent on the articulation of the priorities and strategy of the purchasing organization and the vendor's ability to align with those criteria.

The IDC MarketScape is a valuable representation by a neutral third party of a vendor's current capabilities and future strategy. The IDC MarketScape should not be used in a vacuum but rather as one of several inputs to short-listing vendors.

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

Value-based health analytics is a series of strategies and tactics used to manage patients at risk of poor financial and clinical outcomes. Therefore, the key capabilities required of an analytic application include the following:

- The vendor has the analytic functionality to identify and stratify patients and to generate provider performance measurement results on providers at all levels (individual, group, network, etc.). The functionality must be sold as a standalone product or as part of a suite of analytic offerings.
- Analytic results can be exported to both populate standalone patient registries, care management applications, and/or other workflow tools and communicate performance measurement results to clinicians electronically on a periodic basis. Export capabilities must include industry-standard applications such as Excel, the vendors workflow applications, or a third-party application vendor product.

LEARN MORE

Related Research

- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2023: Value-Based Health* (IDC #US51044123, August 2023)
- *IDC Market Glance: Value-Based Health Services, 2Q23* (IDC #US50940223, June 2023)
- *IDC Market Glance: Social Determinants of Health (SDOH), 2Q23* (IDC #US50784623, June 2023)
- *Driving Customer Experience and Engagement Through Technology* (IDC #US50475323, March 2023)
- *IDC Market Glance: Value-Based Healthcare Analytics, 1Q23* (IDC #US49340623, March 2023)
- *IDC Market Glance: Healthcare Ecosystem, 4Q22* (IDC #US48583722, November 2022)

Synopsis

This IDC study evaluates the value-based health analytics market. The market is evolving as at-risk contracts tied to quality and cost performance mature and become more commonplace. Client needs are also evolving as a growing number of data types and sources such as SDOH become vital to support more robust analytics and AI/ML supported workflows. Whether supporting enhanced data analytics, risk stratification, interoperability, and/or end-user efficiency, the need for value-based healthcare analytics as the foundation for sustainability and success is becoming clearer.

"We have to meet clients where they are. This was the resounding call to action for value-based health analytic vendors represented in this IDC MarketScape. With a mixture of subject matter expertise, deep understanding of value-based payment models, innovative technology solutions, and advanced analytics and data science, many are well positioned to support their client's current and future value-based health goals." – Jennifer Eaton, research director, IDC Health Insights

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Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com

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