Gartner's 2017 Cool Vendors in health-value management offer U.S. healthcare payer CIOs innovative administrative, customer engagement and analytics capabilities that enable payers to enhance their value to consumers and customers, and disrupt industry norms.

Key Findings

- New analytic and engagement management technologies enable payers to implement transformational business models.
- Consolidated payer datasets fuel artificial intelligence in applied analytics.
- Health value is realized by consumers through payer functions closest to the customer.

Recommendations

U.S. healthcare payer CIOs developing technology-enabled strategies for the next generation of healthcare:

- Focus on the impact on consumer health value to gauge the financial return as well as the administrative efficiency gain of vended services.
- Contract with vendors that solve provider network, customer service and analytic problems in a novel and effective way that typical payer internal technology and current IT resources alone cannot solve.
- Access the power of platforms to increase IT’s effect by extending information, capabilities and functionality beyond the narrow scope of any single vended service or application.
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What You Need to Know

Every year, Gartner selects sets of Cool Vendors — up-and-coming technology providers — across a wide range of industry and functional domains. These vendors' innovative technologies, value propositions and business models will not be suitable for every enterprise's needs. Every organization must consider its priority needs, readiness to innovate and appetite for risk when considering new market entrants and new technologies. For those so inclined, the offerings of these companies are well worth evaluating.

This year's Cool Vendors share a common theme of leveraging a new technology to provide an innovative new offering or solution that addresses payers' most pressing problems. In this sense, they are not just technology companies, but also firms that creatively apply technology in support of new value delivery and business models. These new Cool Vendors enable payers to disrupt their positions in the healthcare value chain and capture a larger share of economic returns. What results is a redefinition of payers' value propositions from providers of administrative services to orchestrators of member health value. Each of our 2017 Cool Vendors (see Table 1) supports a different specific element of payer transformation under Gartner's health-value management framework (also see Table 2, as well as "Industry Vision: Health-Value Management, the Next-Generation Healthcare Payers' Transformation Strategy").
Table 1. 2017 Summary of Cool Vendors in Health-Value Management for U.S. Healthcare Payers

<table>
<thead>
<tr>
<th>2017 Cool Vendor</th>
<th>Health-Value Management Business Capability</th>
<th>Description of Primary Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cedar Gate Technologies</td>
<td>Applied BI/Analytics</td>
<td>Forward-thinking, big math, value-based analytics for payers and providers</td>
</tr>
<tr>
<td>Interpreta</td>
<td>Applied BI/Analytics</td>
<td>Precision medicine and cutting-edge application of genomic analytics</td>
</tr>
<tr>
<td>Santech</td>
<td>Provider/Partner Alignment</td>
<td>Provider network management (PNM) platform that integrates provider-facing functions, thereby breaking down the silos separating payer PNM applications</td>
</tr>
<tr>
<td>Zipari</td>
<td>Consumer Engagement Management</td>
<td>Customer-centered, data-rich and workflow-enabled payer platform for value-driven customer service and other engagement uses</td>
</tr>
</tbody>
</table>

BI = business intelligence

Source: Gartner (April 2017)

Table 2. Where Are They Now?

<table>
<thead>
<tr>
<th>2015 Cool Vendor</th>
<th>Health-Value Management Business Capability</th>
<th>Description of Primary Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>PNT Data (formerly Post-n-Track)</td>
<td>Applied BI/Analytics</td>
<td>Modern clinical data coordination capabilities for new payer initiatives</td>
</tr>
</tbody>
</table>

BI = business intelligence

Source: Gartner (April 2017)

Gartner predicts 2017 will be a year of increasing alignment between payers and providers in service of their shared members/patients. With increasing emphasis on population health goals, value-based funding arrangements and rewards tied to shared outcomes, payer CIOs will need more intelligent, technology-enabled methods to:

- Synchronize healthcare services rendered by providers with community resource partners (e.g., social service supports and in-home care)
- Centralize information and workflows on end-user members and providers, thus increasing the transparency of services in motion and improving coordination of next-best action to deliver health value
- Seize the opportunity of big data and analytics to orchestrate healthcare services quickly as well as anticipate the medical needs of members before they enter treatment
New technology effectively implemented by innovative organizations will play a key role in upending conventional thinking about how U.S. healthcare payers service members and maintain profitability. Payers that do not heed the power of disruptive technology change will find themselves without a compelling value proposition in the healthcare market of the future.

Cedar Gate Technologies
Greenwich, Connecticut (www.cedargate.com)

Analysis by Jeff Cribbs

Why Cool: Cedar Gate Technologies' unconventional application of predictive and prescriptive analytics to value-based performance management sets it apart in the race for superior population health management (PHM). The company's early releases of a visionary value-based performance management tool, Intelligence System for Advanced Analytic Computing (ISAAC), prescribe enterprise solutions to population health management that improve medical loss ratios for its payer clients. Conventional population health management analytics vendors connect ever more data sources at ever-decreasing latencies to capture the illusive "360-degree view" of an individual. ISAAC, instead, utilizes a cloud-based analytics environment to load claims, value-based contract financial details, and provider cost and quality information. Where competitors aim to perfect disease registries, clinical segmentations, behavioral profiles, quality gaps and coding opportunities, and ultimately a hit list of individuals to pursue in care management, ISAAC's aim is to improve healthcare delivery systems. ISAAC is also tightly focused on predictive and prescriptive analytics at the level of clinical pathways, and ultimately exports a "Playbook" to guide value-based modeling and contracting, provider engagement and referral networks.

ISAAC brings enterprise performance management analytics to conventional population health management analytics. Gartner's population health management framework identifies and defines the four operational components of PHM required for payers and at-risk providers to execute in a value-based healthcare environment (see "Gartner Population Health Management Framework for Healthcare CIOs"). Further, Gartner takes the position that "Technology support is currently weakest in the essential operational area of performance management," which is defined as "the daily practice of synchronizing the operations and outcomes of the PHM program with the objectives of the organization. It includes performance against enterprise key performance indicators (KPIs — revenue goals, cost control, and clinical and experiential measures), contract management, measurement of PHM performance against contracts and relationship management with external stakeholders of the PHM program."

The lag in solutions to performance management is due to a lack of standardization in contracting, a constantly changing regulatory environment, and evolution in the minutiae of quality and process measurement. Lack of clarity around the scope of adjacent application spaces such as population health analytics, care management and provider network management (in the case of payers) also contributes to the lag.

Cedar Gate Technologies addresses performance management and more. Looking at the analytic workflow and visualizations of ISAAC, you get the sense that you are looking at the future of
provider network management (for payers) and referral network analysis (for providers) in a value-based environment.

**Challenges:** While ISAAC represents an illuminating approach to value-based performance analytics, it does not displace most organizations' need for more conventional PHM analytics. Prospects will naturally wonder why both cannot be represented in a single application, avoiding duplicative costs, data governance and user training. That will require Cedar Gate Technologies to selectively expand its application footprint or choose vendors with which to partner.

**Who Should Care:** Payer CIOs who are looking to pilot a fresh approach to provider network analysis, contract forecasting or value-based performance analytics should gather stakeholders from medical management, provider contracting and informatics teams to have a discovery call with Cedar Gate Technologies. CIOs should pay special attention to the implications of analytic workflow and visualization, beginning with detailed contract modeling and prospective contract performance. The result is a set of prescriptive business-to-business actions, rather than conventional care management interventions.

**Interpreta**
San Diego, California ([www.interpreta.com](http://www.interpreta.com))

*Analysis by Jeff Cribbs*

**Why Cool:** Interpreta's strong architectural vision for the future of near-ubiquitous genetic testing sets the company apart. At the same time the company is working to deliver real value in the data domains and use cases of today, Interpreta is also in the business of what it terms "real-time clinical and genomic interpretation." The solution combines lab testing results (including genetic sequencing, where and when it becomes available), electronic health records (EHRs), claims and wellness data into a cloud-based repository. The company continuously processes this data to create and update individual care plans for the patients or members it monitors. These care plans are delivered to a clinical workflow application (such as an EHR, or a payer or provider care management workflow application) through an API call, a web portlet or a single sign-on (SSO) connection to the Interpreta website.

Interpreta offers a compelling solution to address the challenges and advantages of genetic testing. Many expect the cost of genetic sequencing to drop to $100 in the next five years (the stated aim of a recent product release by genetic testing giant Illumina). Many also expect genetic testing to become the standard of care prior to ordering even some of the most banal medical services and drugs. Those testing results will need a place to reside that can handle the storage requirements, which in a 2015 Public Library of Science article were likened to a "four-headed beast … that is either on par with or the most demanding of the [data] domains … in terms of data acquisition, storage, distribution and analysis." To be the most valuable, those data will need to be integrated with other critical data from EHR, conventional lab testing and claims history. Organizations will need to govern and secure the data in a way that is compliant with regulations such as the U.S. Genetics Information Nondiscrimination Act (GINA). GINA tightly restricts payers' use of genetic data, but allows the data to remain accessible to deliver critical insight to providers, medical
directors and care managers to create care plans, authorize appropriate medical services and prevent medical error to improve an individual’s health. These extreme requirements must become a practical reality in the era of precision medicine.

**Challenges:** It is difficult to deliver technology solutions that are both practical for today and optimized for a dramatically different future. To its credit, Interpreta leadership knows this well. Its founder Ahmed Ghouri previously founded Anvita Health, an early mover in claims-based clinical decision support, which was purchased by Humana in 2011. Therefore, immediate payer business drivers like HealthCare Effectiveness Data and Information Set (HEDIS) quality improvement, improved risk adjustment and drug monitoring are featured prominently in Interpreta’s messaging. But the company won’t stand out from the establishment players in these areas unless Interpreta can message the urgency of preparing for the rapidly emerging era of precision medicine.

**Who Should Care:** At a minimum, payer CIOs and data and analytics leaders should consider Interpreta a thought leader and bellwether for the use of genetic testing results in managing the care of individuals across payer and provider boundaries. Other payer organizations, especially those with pervasive access to clinical data sources including the EHR, should consider Interpreta as a real-time insight service provider for more immediate use cases in care management.

**Santech**

Oxnard, California ([www.mysantech.com](http://www.mysantech.com))

*Analysis by Bryan Cole*

**Why Cool:** Santech's platform approach to a single source of truth for provider data sets the company apart and is very cool. Inaccurate provider data is a major impediment to many dependent workflows. Santech’s provider network management platform solution is centered on solving that problem. Santech is laser-focused on provider data; it’s not a sideline or extension of another product capability. The company’s three products — I-Enroll for providers, I-Network for payers and I-Net eXchange — comprise a complete provider data platform that serves as the unified repository for provider data. The platform features a data-cleansing layer that automatically scans for inaccuracies. It then pulls verification data, detects excess data variation and triggers outreach, and feeds medical and dental provider network files to core administrative processing systems.

The rationale for investing in provider data management has never been stronger. Members and providers alike experience the friction of data gaps and slow manual data entry processes common at many payers. Furthermore, payers bear the compounding costs of additional staffing, legacy provider data system maintenance and the mounting costs of penalties levied by frustrated regulators. The U.S. Centers for Medicare & Medicaid Services (CMS) recently announced hefty fines on Medicare Advantage organizations for inaccurate provider data. And, in addition to Affordable Care Act Exchange and managed Medicaid contractual penalties, 17 states have commercial market rules stipulating that provider directories be updated and validated at least quarterly. The pressure for improvement will only grow further in 2017 and beyond.

What separates Santech from the competition is its understanding of the nuances and challenges of provider data. These complex affiliation and participation relationships are reflected in its patent-
pending product I-Net eXchange. The Santech platform’s open, flat data structures connect payers and providers in a real-time data exchange with outputs consumable by incumbent payer care management, financial and quality IT systems. The potential of this platform to consolidate and streamline payer interactions with providers and make them collaborative is in keeping with Gartner’s provider/partner alignment framework. It distances Santech from competitors offering basic provider credentialing and data management tools. Creating narrow, value-based and custom networks utilizing varying fee schedules for different plans becomes easy for payer product development teams. Bidirectional workflows to and from providers facilitate easier contract execution, provider education and credentialing for provider contracting staff. In addition, Santech’s data structure and open APIs allow other IT systems to leverage the platform for submission and consumption of provider data. Future applications could include connections to consumer cost and quality tools for best choice providers and provider appointment scheduling among other use cases and value drivers.

Challenges: The biggest challenge to Santech is payer inertia. Payer business leaders have lived with provider data gaps and human work-arounds such as double data entry and manual report reconciliation for so long that it can be difficult to embrace better approaches. Furthermore, even as provider contracting and credentialing teams realize the power of provider data platforms, short-term budget constraints and siloed operations perpetuate continued use of spreadsheets for managing provider data. In this sense, Santech’s primary competitor is the status quo. However, network management is no longer a credentialing paperwork backwater creating provider directories. With value-based payments playing a bigger role in all lines of business, more complicated quality-based network construction criteria and increased regulatory scrutiny are driving progressive payers to treat their network relationships as a key strategic asset. Payers that can nimbly adapt their networks to changing business conditions, update provider data and collaborate with providers on more effective member care management have a strategic advantage in orchestrating health value for their customers.

Who Should Care: Payer CIOs experiencing the pain of provider data management should espouse the virtues of — and benefits from — provider network management platforms, with business leaders overseeing provider contracting and provider data entry teams. CIOs should then collaborate with business leaders to inventory costs of current provider data processing gaps and estimate staff, turnaround time and regulatory penalty avoidance gains from implementing solutions such as Santech’s I-Network.

Zipari

Brooklyn, New York (www.zipari.com)

Analysis by Brad Holmes

Why Cool: Zipari passes the cool test with its snap-in approach to customer data mapping combined with customer value analytics to enable payers to act more like consumer businesses and act fast. Zipari has built its business around enabling smarter, faster, targeted consumer engagement specifically for the healthcare payer market. Through the domain expertise of its team, Zipari has engineered a combination of automated consumer data feeds and data mapping and
tracking, consumer behavior segmentation and lifetime value analytics, flexible predesigned service workflows, and direct-to-consumer tools and experiences. The combination of capabilities in its InsureCX and CX Platform products both accelerates and enhances Zipari’s customers’ ability to prioritize and engage their members by leveraging existing or newly purchased CRM applications. In addition, Zipari has developed a number of preconfigured member-facing tools remarkably quickly, due to its management pedigree and the quality of the company's technology.

Gartner believes that payers’ path to delivering greater health value to their end customers, or members, is hindered today by the combination of siloed and inaccessible data, missing or delayed financial and health insights, and a weak — and even irrelevant — resulting customer experience. Zipari has the technology and know-how to help payers close this business-critical gap through customer-centered, intelligent relationship management and proactive service delivery.

**Challenges:** Payers’ risks associated with their current customer experience gaps are increasing. The shift of members into the Affordable Care Act’s (ACA’s) individual markets, combined with deepening competition for group enrollment, means payers must be able to assess and value members individually to tune their service levels and proactively support their most potentially profitable customers. Doing so remains a major challenge. Payers have reported to Gartner that better consumer engagement is a major business driver for 2017, and they plan to spend discretionary IT budget on both analytics and CRM to help increase consumer engagement (see "Gaps in U.S. Healthcare Payer CEOs' and CIOs' Priorities and Perceptions Require Closing").

Zipari can help in three important ways. It can:

- Shorten the time to initial impact of a CRM implementation by fast-tracking the data capture, data mapping and robust workflow management on which effective CRM depends.
- Enable fresh insight about the value of each member and the timing of outreach to prioritize service engagements and customer touches, thereby allowing payers to track and measure resulting member impact and return on investment.
- Deliver prebuilt end-user service modules to expedite and improve a digital self-service experience via provider, broker and member portals.

Zipari has validated its model with early customers and is in the midst of raising capital and rapid growth, so customers should be aware of the potential for resource constraints associated with any smaller but growing company.

**Who Should Care:** CIOs and their business partners in several functions share a common challenge that Zipari can help address. The individual product line leader has an immediate need to serve and renew its most profitable members. At the other end of the spectrum, government program managers can realize profitability primarily by better managing the inevitable heavy medical costs of the most vulnerable members. Both business needs can be realized through more informed, timely, targeted interventions and self-service resources, the kinds of end-user touches Zipari helps deliver to payers in individual, group and government program markets. While all payers have these business needs, Zipari narrows the gap in the consumer experience and consumer analytics that small regional payers can operationalize with thin IT resources and larger national payers can operationalize with more substantial development programs.
Where Are They Now?

PNT Data (formerly Post-n-Track)
Rocky Hill, Connecticut (www.pntdata.com)

Analysis by Bryan Cole and Jeff Cribbs

Profiled in "Cool Vendors in Healthcare Payers, 2015"

Why Cool Then: PNT Data, formerly known as Post-n-Track, rose to Gartner's attention for its unique perspective on and capabilities in data coordination as a service. From its roots offering electronic data interchange to healthcare payers, PNT Data built an impressive managed service offering featuring clinical data coordination that connects many providers supplying multiple types of electronic clinical data to PNT to validate, normalize and monitor before delivery to payers on their schedule. This approach allows payers to get clinical data more quickly than securing single integration agreements one provider at a time. With multiple data types, payers in turn can use that data to improve care management, risk scores, quality metrics, HEDIS measures and Medicare Star ratings.

Where They Are Now: PNT Data has gained considerable market traction in the two years since earning the Cool Vendors designation. In addition to the company's rebranding effort, its new leadership team has expanded its customer base to include a large number of national payers with significant membership bases. As a service-disabled veteran-owned small business, PNT is now looking to expand with government state and federal agencies and contractors.

Who Should Care: Healthcare payer CIOs and business leaders overseeing quality improvement, care management and risk adjustment optimization should evaluate the gains to be had from clinical data coordination in general. Leaders should then consider the specific knowledge base PNT Data uses to solve client problems and respond to customer requirements.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Industry Vision: Health-Value Management, the Next-Generation Healthcare Payers' Transformation Strategy"

"Hype Cycle for U.S. Healthcare Payers, 2016"

"Cool Vendors in Healthcare Payers, 2016"

"Cool Vendors in Healthcare Payers, 2015"

"Business Drivers of Technology Decisions for Healthcare Payers, 2017"
"Developing Technology-Enabled Strategies for the Next Generation of Healthcare Primer for 2017"

Evidence
Gartner interacts regularly with healthcare payers in various stages of procuring or supporting applications. Their observations, challenges and successes form the primary source data for this research. Additional evidence was obtained from vendors in this space, industry inquiries, previous Gartner research, public sources and direct experience.


5 "Network Adequacy in a Nutshell." Berkeley Research Group.