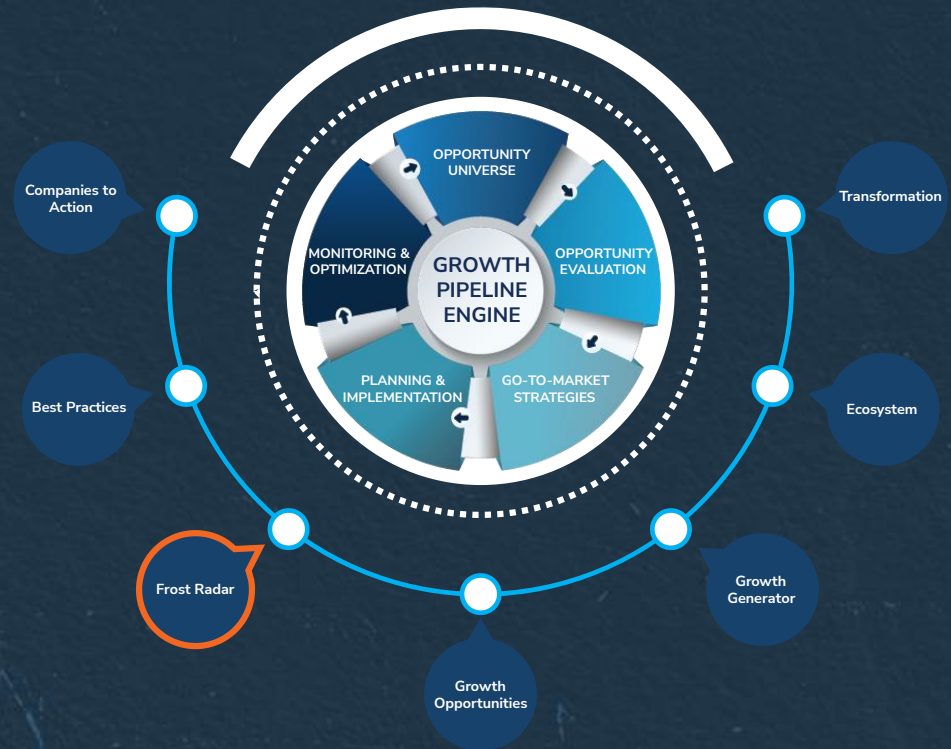


Frost Radar™: US Population Health Management, 2024

A Benchmarking System to Spark Companies to Action - Innovation That Fuels New Deal Flow and Growth Pipelines



Strategic Imperative and Growth Environment



Strategic Imperative

- The explosion of healthcare data from electronic health records (EHRs), wearables, genomics, and other sources presents a rich opportunity for analytics. Payers and providers recognize the value of leveraging this data to identify patterns, improve diagnostics, and make more informed decisions.
- Population health management (PHM) software vendors are now focused on enhancing their analytical capabilities. By integrating artificial intelligence and machine learning (AI/ML), deep learning, and natural language processing (NLP) into their platforms, they can offer more sophisticated risk stratification, predictive modeling, and clinical decision support tools in order to identify at-risk patients, predict healthcare needs, and personalize care plans more effectively.
- Payers, providers, and policymakers in the United States seek ways to curb costs. Providers struggle with operational, financial, and clinical challenges and workforce scarcity; payers struggle with rising healthcare costs and shrinking margins. PHM software that enables cost containment strategies, such as waste reduction, care coordination, and preventative care initiatives, becomes essential in this context.
- PHM software vendors must demonstrate a return on investment (ROI)—how their solutions can identify unnecessary expenditures, streamline care processes, and optimize resource utilization. Providing tools for cost benchmarking and performance improvement is crucial.
- Healthcare reimbursement is moving away from traditional fee-for-service (FFS) models to value-based arrangements, such as pay-for-performance and bundled payments. This shift incentivizes healthcare providers to improve patient outcomes and reduce unnecessary costs. PHM tools can support these initiatives.
- Vendors must develop robust risk assessment and analytics capabilities that include predicting patient health risks, identifying care gaps, and analyzing cost drivers. They can position themselves as strategic partners by helping healthcare providers transition from volume- to value-based care.

Growth Environment

- Frost & Sullivan expects US PHM software revenue, which stood at \$11.4 billion in 2023, to increase at a compound annual growth rate (CAGR) of 10% from 2023 to 2029 to reach \$20.0 billion.
- Operational, clinical, and financial challenges that result in inefficient resource utilization and suboptimal healthcare outcomes waste money and time and ultimately affect payers and providers' ability to focus on preventive care and population health improvement.
 - Unnecessary treatments, readmissions, avoidable complications, and administrative errors account for 20% to 25% of healthcare spending annually in the United States¹.
 - Patients often receive care from multiple providers and healthcare organizations. A lack of coordination can result in duplicate tests, medication errors, and inconsistent treatment plans, adversely affecting patient outcomes and increasing costs.
 - Social determinants of health (SDOH)—social, economic, and environmental factors that include income, education, and racial disparities—influence health outcomes among different population segments.
 - Chronic conditions and the aging population are burdens on healthcare systems around the world.
 - Patients' active engagement in their healthcare can be challenging at times. Lack of health literacy, limited access to information, and language barriers could affect informed decisions and treatment adherence and result in preventable medical errors and adverse events, ultimately leading to poor population health.
- The transition from volume care to value-based care drives the need for PHM software that supports risk stratification, care gap identification, and quality improvement initiatives. These solutions enable providers to thrive in value-based reimbursement structures.

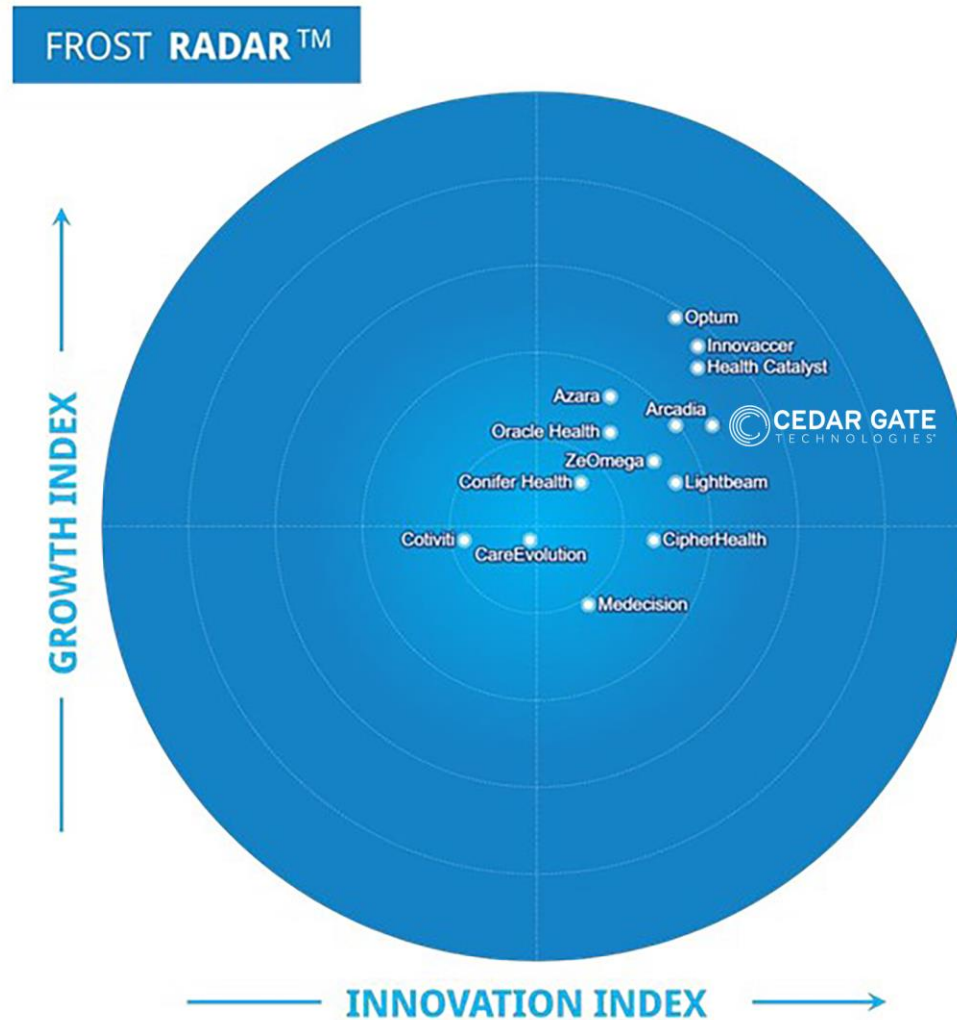
Growth Environment (continued)

- Wearable devices and the internet of things (IoT) enable telehealth services, remote patient monitoring, and real-time data collection. PHM software integrates with these devices to track patients' vital signs, medication adherence, and health behaviors, facilitating proactive care and early intervention. Advanced, AI-driven analytics can scrutinize vast amounts of data for risk stratification, predictive analytics, and treatment plan optimization.

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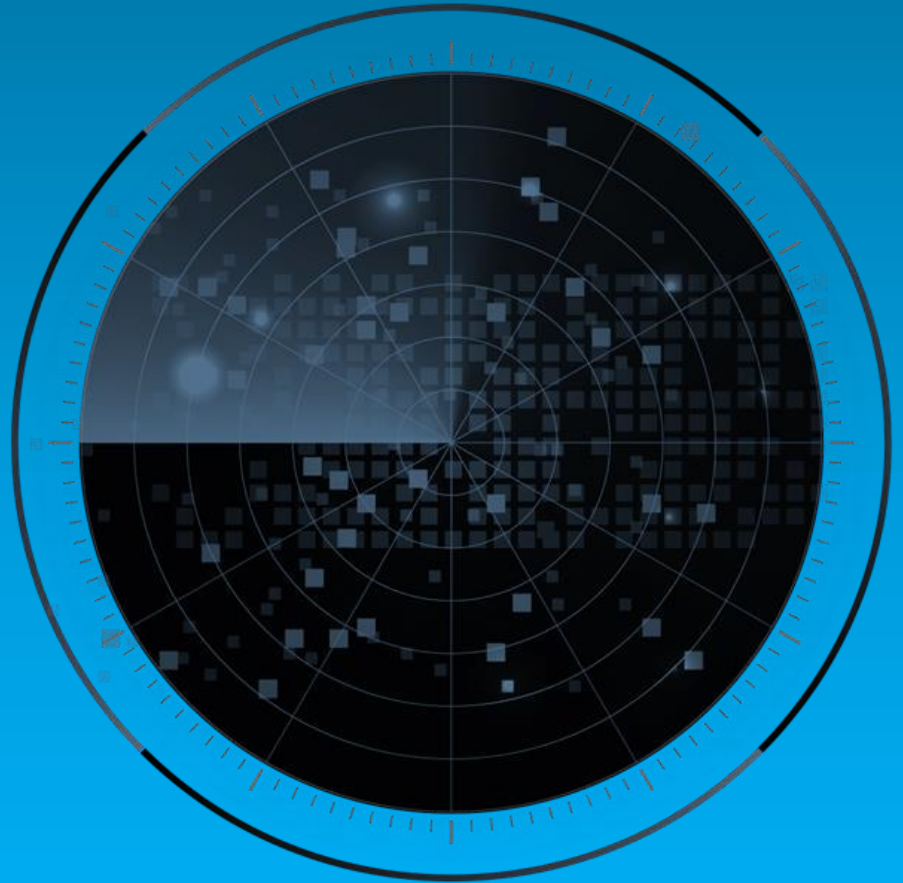
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Frost Radar™ Competitive Environment

- From a field of more than 50 industry participants, Frost & Sullivan independently plotted the top 14 PHM vendors in this Frost Radar™ analysis. Optum, Innovaccer, Health Catalyst, and Cedar Gate are the leaders for 2024.
- Cedar Gate Technologies scored highest on the innovation index with its composable, flexible, robust, and configurable platform and targeted efforts on AI/ML and generative AI capabilities for PHM.

Frost Radar™: Companies to Action



Cedar Gate

INNOVATION

- Cedar Gate looks at its PHM product line as a composable solution for the value-based care journey. Its flexible, robust, and configurable enterprise data management system starts with a data lake that is equipped to manage more than 50 types of data categories with capabilities to integrate external data warehouses.
- Cedar Gate's platform manages volume and complexity from data acquisition, enrichment scrubbing, and normalization, adding that into the data lake for analysis, ensuring that the client's focus is on actionable insights.
- Cedar Gate AI/ML/deep learning models are trained with claims data for 50 million member lives. Cedar Gate analytics experts create dashboards focused on chronic conditions, such as coronary artery disease, chronic obstructive pulmonary disease, and congestive heart failure, that are integrated into the software and accessible to every client. Dashboards help clients focus on specific indications and generate insights that will help them identify at-risk individuals. Predictive models further support clients with tools to pinpoint disease risk and utilization.
- The company has committed to a generative AI roadmap and expects to release capabilities in the product in 2025.
- Aligning with value-based care trends, the company offers value-based care and healthcare benefits analytics solutions with highly configurable user management as per the level of details needed for the client. The company helps clients overcome challenges with quality measurement and risk measurement by increasing client participation in CMS models such as ACO Realizing Equity, Access, and Community Health (REACH), Medicare Shared Savings Program (MSSP), and Medicare Advantage.

Cedar Gate (continued)

INNOVATION

- The company also offers point solutions for care management, clinical decision support, and utilization management. These applications integrate through the shared data lake, making it possible to coordinate workflows that act on analytic insights.
- The company proactively works on customer alignment, with about 50% of the product roadmap and strategies focused on addressing client needs. Its client-first engagement approach ensures success with robust training and product support capabilities.

Cedar Gate (continued)

GROWTH

- Cedar Gate primarily serves payers, providers, and self-funded employers. The company is gaining traction with payers and self-funded employers because of payer-led care management initiatives to improve population health. It supports payers with better coordination with providers and effective utilization of healthcare data to enhance transparency.
- It is expanding client relationships by developing integrated workflows between its applications to power a range of PHM use cases. This includes the availability of care and utilization management workflows that are designed to act on analytic insights.
- From a growth perspective, the company focuses on expanding its client base across existing markets. It employs 50% of its resources on product developments addressing future market needs.
- Cedar Gate partners with payers and health systems that want to design and administer their own bundled payment programs to reduce out-of-pocket costs for members and patients. It also supports organizations that are mandated through the CMS TEAM program to participate in bundled payments by optimizing clinical utilization, curtailing avoidable costs, and streamlining claims administration including the bundling, unbundling, and payment of claims to providers.
- The company also partners with organizations that help self-funded public and private sector employers achieve their quality and efficiency goals. For instance, through a partnership with Kairos Health Arizona, Cedar Gate implemented its Healthcare Benefits Analytics product for performance modeling, insights visualization, and identification of best parameters from clinical and social characteristics of Kairos's member population. This partnership helped Kairos save more than \$2 million, empowering it with data-driven decisions and improved patient outcomes.

Cedar Gate (continued)

FROST PERSPECTIVE

- Cedar Gate excels in optimizing value-based and conventional payment models. Employers or ACOs benefit from cross-continuum PHM services that reduce the cost of employee health management.
- With a robust product portfolio for the payer customer groups and proactive PHM initiatives from payer organizations, the company must continue to focus on innovation in payer-provider connectivity.
- The company is in a solid position to capitalize on PHM growth opportunities from payers with value-based payment goals as well as ACOs and large employer groups that are challenged with the rising healthcare costs of their employees.

Best Practices & Growth Opportunities



Best Practices

1

A value proposition addressing client pain points, and proactive integration of client feedback in R&D and innovation.

2

Proven product performance and ROI, directly supporting client goals and success metrics, such as improvements in workflow efficiency, quality, and financial outcomes.

3

Technological capabilities, such as AI, ML, and large language models, aligning with industry trends through an appropriate combination of organic and inorganic strategies.

Growth Opportunities

1

Solutions equipped with AI and ML that can support providers in task automation, insight generation, medical data interpretation, and clinical decision-making.

2

Next-generation PHM solutions that align providers and payers' value-based care agreements.

3

Population health tools that focus on preventive care, improvements in healthcare access, and highly engaged patient care.

Frost Radar™ Analytics



Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform

Growth Index

Growth Index (GI) is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline system; and effective market, competitor, and end-user focused sales and marketing strategies.

GI1

MARKET SHARE (PREVIOUS 3 YEARS)

This is a comparison of a company's market share relative to its competitors in a given market space for the previous 3 years.

GI2

REVENUE GROWTH (PREVIOUS 3 YEARS)

This is a look at a company's revenue growth rate for the previous 3 years in the market/industry/category that forms the context for the given Frost Radar™.

GI3

GROWTH PIPELINE

This is an evaluation of the strength and leverage of a company's growth pipeline system to continuously capture, analyze, and prioritize its universe of growth opportunities.

GI4

VISION AND STRATEGY

This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments that a company is making in new products and markets consistent with the stated vision?

GI5

SALES AND MARKETING

This is a measure of the effectiveness of a company's sales and marketing efforts in helping it drive demand and achieve its growth objectives.

Frost Radar™: Benchmarking Future Growth Potential

2 Major Indices, 10 Analytical Ingredients, 1 Platform (continued)

Innovation Index

Innovation Index (II) is a measure of a company's ability to develop products/ services/ solutions (with a clear understanding of disruptive Mega Trends) that are globally applicable, are able to evolve and expand to serve multiple markets and are aligned to customers' changing needs.



II1

INNOVATION SCALABILITY

This determines whether an organization's innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.

II2

RESEARCH AND DEVELOPMENT

This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.

II3

PRODUCT PORTFOLIO

This is a measure of a company's product portfolio, focusing on the relative contribution of new products to its annual revenue.

II4

MEGA TRENDS LEVERAGE

This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of Mega Trends can be found [here](#).

II5

CUSTOMER ALIGNMENT

This evaluates the applicability of a company's products/services/solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.

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