



## Healthcare RCM Outsourcing in India

2019

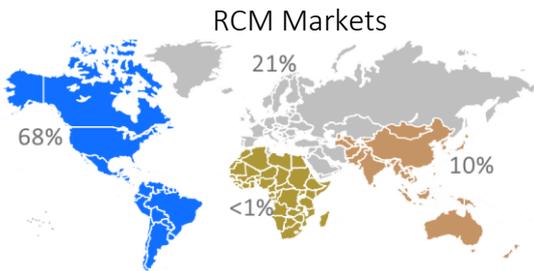
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**\$14.5 bn**

Global RCM outsourcing market  
(2018E)

Source: Technova

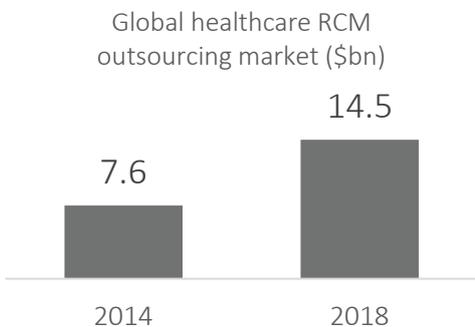


**India – a destination for RCM Outsourcing**

The healthcare industry in the U.S. is undergoing a significant transformation due to changing regulations, a transitioning coding system and increasing pressures on healthcare providers to improve patient services while simultaneously lowering costs.

Revenue Cycle Management (RCM) has become one of the most popular functions for healthcare providers to outsource due to its critical importance and the significant challenges to manage it internally in an efficient and cost effective manner.

India has been and continues to be one of the important markets for outsourcing. While Indian vendors focused on healthcare outsourcing late, but they are gaining market share. Global Healthcare IT BPO players have started looking at India as preferred delivery center location.



**Global RCM Outsourcing market**

Global healthcare RCM outsourcing market is close to \$14.5 bn. This is driven mainly by the revenue cycle management business by healthcare provider. Global RCM outsourcing market is expected to grow 18+% annually for next few years.

In terms of Healthcare RCM, majority of market is in North America (mainly US). North America and EU contributes to nearly 90% of revenue cycle management market.

**\$200+ mn**

Indian RCM outsourcing market  
(2018E)

Source: E&Y Medical process outsourcing in India

**Indian RCM Outsourcing market**

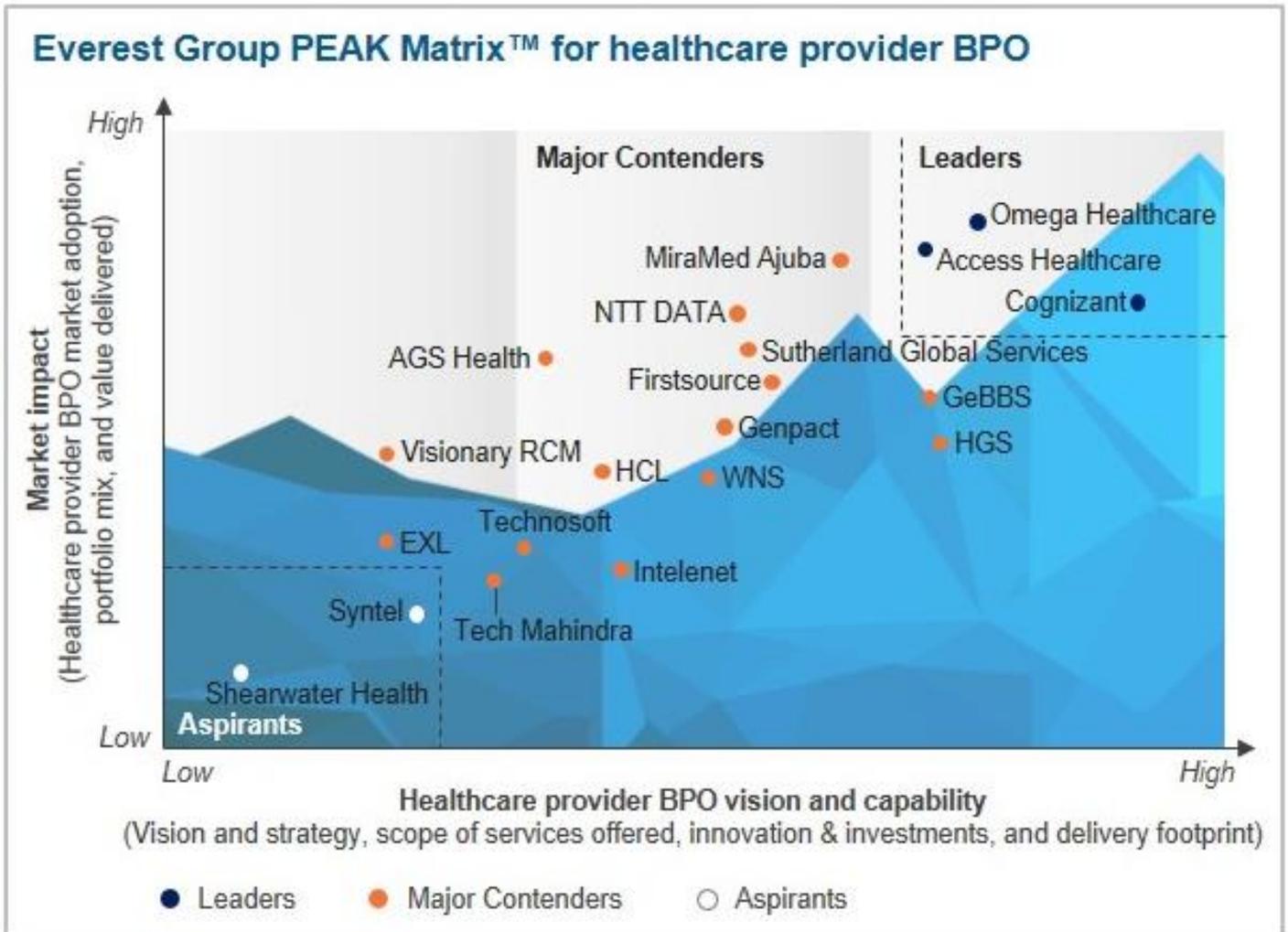
India has been and continues to be one of the important markets for outsourcing. Indian vendors are gaining market share. RCM outsourcing market in India is a relatively small segment with an estimated size of \$200 mn.

Key areas picking well in India are medical transcription, medical imaging related reporting, medical coding and billing. An “onshore-offshore model” where technology

30+%

CAGR growth expected in Indian Outsourcing Market

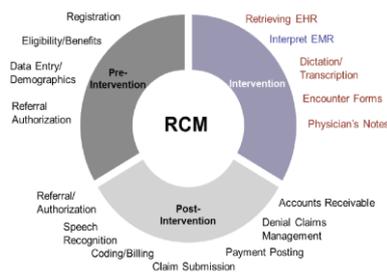
support is still provided by the onshore specialists; and services support is further outsourced to India-based BPO companies seem to be working well with healthcare providers. Indian players form majority in the global healthcare provider BPO rankings, as seen in the Everest group matrix below.



Source: Everest Group

Hospitals and healthcare institutions to outsource their RCM process in bid to reduce costs

Functional areas of healthcare RCM services



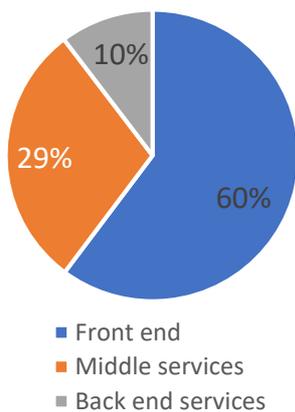
**Rapidly growing on account of regulations in US and EU**

The healthcare industry is witnessing the introduction of new reimbursement models due to the increase in uninsured patients and the aging population. There are three main reimbursement models: the traditional fee-for-service model, the value-based model, and the blended model.

Furthermore, the market is also driven by accountable care participation, ICD-10 coding challenges, and physician practice association that result in highlighting the need for outsourcing RCM.

The changes in payment models and the changing regulations in the healthcare sector are continuously pressuring hospitals and healthcare institutions to outsource their RCM process to reap the inherent advantages of drawing on the resources and expertise of third-party providers.

Hospitals are the major contributor to this market because of their larger size and greater number of patient visits as well as their offering of multispecialty treatments.



**Move towards Value Added Services**

More and more front end services (client focussed, value added services) are being outsourced in bid to cut costs. With use of technology and automation tools, RCM outsourcing companies are able to provide better customer experience to their clients.

RCM has emerged as fundamental component to the profitability of struggling US healthcare providers. While some parts of the healthcare RCM process require on-site staff support, rest is outsourced to low cost vendors.

Reducing costs and denials while increasing collections are critical for healthcare providers

### Key findings of RCM survey

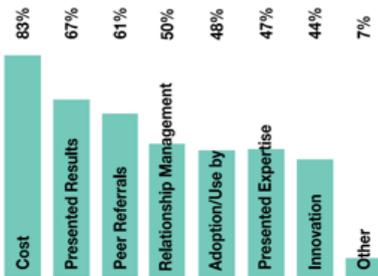
Survey was conducted amongst major healthcare providers by [Reaction data](#). Following are the key findings:

1. Track record and costs are most influencing factors in selection of RCM vendor.
2. Collection, Coding and Patient Billing are top three outsourced services.
3. Providers are concerned most about Denial management and Value based reimbursement with Outsourced partners

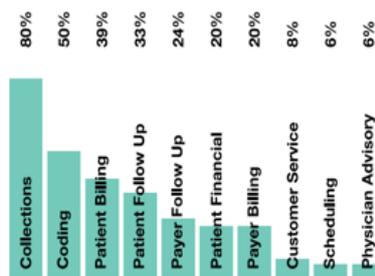
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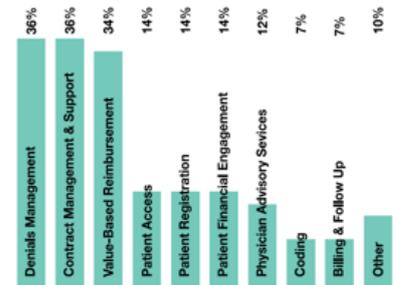
Top factors in Revenue Cycle Management Selection



Top Outsourced Services Among Providers



RCM needs not being met by vendors



Source: Reaction Data

### 3. Global M&A and PE Activity

List of transactions involving companies with significant presence in India:

Date	Target	Acquirer
2018	GeBBS	ChrysCapital
2018	Pacific Global	Access Healthcare
2018	Bolder Healthcare, US & India	Cognizant
2017	Visionary RCM	Carlyle
2017	nThrive	e2e Healthservices
2017	HealthHelp	WNS
2017	TMG Health	Cognizant
2017	Compliance Specialists, Inc. (CS Eye)	Knack Global, LLC (Knack), a NJ
2016	Anthelio Healthcare Solutions	ATOS
2015	Benchmark Systems, US	Antworks'
2015	Serco	Intelenet Global Services / Blackstone
2015	Colibrium, US	HGS
2014	TriZetto,	Cognizant
2014	The Delta Companies, "Delta"	Mitsui
2014	Pharmalink Consulting	Genpact
2012	Apollo Health Street (AHS),	Sutherland
2012	BPO business of Deloitte	Hinduja Global
2012	HCCA Business Services Pvt Ltd	Hinduja Global
2012	On-Line Support Inc., Canada	Hinduja Global
2012	Omega Health	TA Associates
2012	Marsh, US	Infosys BPO
2012	PharmARC Analytics Solutions Ltd	IMS Health

Source: Multiple Industry News

## Select Players in India

ACN Healthcare	Inventurus Knowledge Solutions
AGS Health	Lapiz
Avontix	MedAbyss RCM Healthcare
CLARUS RCM	MedusInd
Comat technologies	Meraki RCM Solution
Datamatics	Miramed Ajuba
E-care India	NExtGen Healthcare
ECLAT Health Solutions	Omega Healthcare
Elico HealthCare Services	Skyline Group
Emids	SysInformation Healthcare
EqualizeRCM Services	Tranquilmoney
Exdion	Trupp Global
Fedora solutions	UMED RCM
Fore Support Services	UnitedHealth Group
GeBBS	VEE Technologies
Indian Healthcare Solutions	Visonary RCM
Infinx	Vission Health Source
Invensis	

## Opportunity for Indian Companies

India has been and continues to be one of the important markets for outsourcing. While Indian vendors focused on healthcare outsourcing late, but they are gaining market share.

Global Healthcare IT BPO players have started looking at India as preferred delivery center location.

**At IMAP, we believe that this growth opportunity will lead to significant deal activity on this front in 2019. We at IMAP with global network are well positioned to help Healthcare BPO players in their growth – finding strategic partners or identifying acquisition opportunities which help Indian companies in driving future growth**

**208**

Deals closed in 2018

**\$10+ bn**

Transaction value of deals closed in 2018

**29%**

Cross border transactions share in 2018

## About IMAP

IMAP is a global network of investment banking firms with presence in 39 countries. IMAP closed over 2100 transactions valued at \$90+bn in last 10 years. IMAP is ranked 7th in the world in the mid-market segment by Thomson Reuters and has executed 208 transactions worth US\$10 billion in 2018. IMAP has 60 offices in more than 35 countries, > 500 M&A professionals. IMAP India is exclusive India partner of IMAP.

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