

FROST & SULLIVAN



VIRTUALHEALTH

**2017 North American
Population Health Management
Product Leadership Award**

FROST & SULLIVAN

BEST
2017 PRACTICES
AWARD

**NORTH AMERICAN
POPULATION HEALTH MANAGEMENT
PRODUCT LEADERSHIP AWARD**

Contents

Background and Company Performance 3

Industry Challenges..... 3

Product Family Attributes and Business Impact of VirtualHealth 4

Conclusion..... 7

Significance of Product Leadership..... 8

Understanding Product Leadership..... 8

Key Benchmarking Criteria 9

The Intersection between 360-Degree Research and Best Practices Awards..... 9

Research Methodology 9

About Frost & Sullivan 10

Background and Company Performance

Industry Challenges

The concept of population health management (PHM) was created to address critical challenges encountered by all healthcare entities—government, providers, health plans, and patients. The emphasis of United States (US) healthcare has been on patient conditions that require immediate attention. In most cases, the market has failed to successfully manage at-risk patients, and indirectly catalyzed incremental demand for healthcare services. Some of the critical factors that prompted PHM in the US are as follows:

- Prevalence of legacy health IT systems that do not optimally support goals such as ease of data interoperability
- Rising demand for healthcare services, indicating the need for efficient IT solutions that can better manage patient requirements
- Massive cost burden of chronic condition management
- Evolving reimbursement programs

Patient care is moving into a broader but coordinated environment where PHM solutions automate routine, manual tasks. These offerings integrate siloed systems, stratify at-risk patients, empower patients through engagements, benchmark outcomes, and generate evidence-based, patient-specific workflows at point of care. The PHM ecosystem is larger and inclusive of data management, risk management, care management, and performance management solutions. Therefore, PHM requires long-term strategic commitment from top-level executives, physicians, and care managers. Health systems that begin to assess the potential and applicability of PHM follow a 4-step approach: assess past performances, identify core care delivery goals, investigate operational and technological feasibility, and define short- and long-term PHM goals. As a result, PHM vendors are investing significantly through research and collaboration to build robust solutions to help clients establish value-based care cost effectively.

The US PHM market is poised for unprecedented growth as providers and payers are turning to PHM technology and service solutions in pursuit of value-based care. Frost & Sullivan expects the US PHM industry to grow at a CAGR of 30% during 2015 to 2020 and believes that PHM vendors who offer flexible, robust systems that are scalable to customers' needs, both in capabilities and pricing, are poised for rapid growth. These offerings must integrate siloed systems, stratify risk, engage patients, and benchmark outcomes to provide high value to customers.

Product Family Attributes and Business Impact of VirtualHealth

Headquartered in New York City, New York, VirtualHealth takes a unique and innovative approach to its PHM platform, providing a full-scale, agile solution to enhance interoperability. The platform's modular design allows for customization and configuration based on the customer's specific needs and allows VirtualHealth to develop and integrate additional services or capabilities quickly to meet customers' emerging needs.

A Comprehensive and Full-Scale Solution Streamlining Workflows

Like traditional PHM solutions, VirtualHealth designed its platform with case management (CM), disease management (DM), and utilization management (UM) capabilities; however, unlike other PHM vendors, the company wanted to go further, giving health organizations, including health plan providers, MCOs, ACOs, and health systems, extended support services to better manage their patient populations. In-line with this strategic approach, VirtualHealth designed a variety of tools and capabilities uncommon for traditional PHM platforms, including telehealth integrations, support for services like transportation and nutrition, built-in provider and member portals, and a whole suite of communication tools, including secure messaging, video conferencing, email integration, and media sharing. As a result, VirtualHealth provides healthcare customers with tightly-integrated, streamlined workflow capabilities and reduces sourcing complexity, as customers can leverage solutions from a single vendor instead of integrating tools from multiple vendors. VirtualHealth built its extensive tool and capabilities offerings in a modular design, allowing customers to select the capabilities that best fits their specific organization's needs to minimize overall costs and ensure customers receive a high return on investment (ROI). As a result, customers capture significant value from the platform, including better regulatory compliance, improved clinical and operational efficiency, and substantial financial savings.

Recognizing the large constraint of data compatibility among many PHM platforms, VirtualHealth builds interfaces around customers' data formats, heightening interoperability and streamlining the overall implementation process. Since VirtualHealth has been taking this approach from its founding, the company has developed interfaces that are interoperable with dozens of systems, including electronic medical records, health information exchanges, enrollment and eligibility systems, provider management tools, authorization solutions, concept management systems, and assessment management systems. Consequently, as new customers have data in different formats, VirtualHealth leverages its expertise to qualify data integration to ensure it is imposing proper validation and business logics upon the desired process to ensure customers can better manage their populations.

Ensuring a Highly Flexible and Configurable Platform

VirtualHealth worked closely with NextLevel Health, a Medicaid plan in Illinois, while developing its innovative platform and immediately saw the need to develop its platform with advanced customization and configuration to provide solutions to a variety of different customers. Since NextLevel Health is managing a difficult population, VirtualHealth receives quick feedback on workflow effectiveness, empowering it to quickly make adjustments to enact greater impact and incorporate specific learnings into its future solutions. In addition to its partnership with NextLevel Health, VirtualHealth gathers feedback from a variety of other clients, including payer-provider clients, human service agency clients for disability and mental health, and municipal clients needing supportive services in the community, to identify pathways within its platform that can support all these different stakeholders along the care continuum. The platform has different portals, user roles, and functional subsets, allowing VirtualHealth to deliver custom functionality that not only meets the organization's overall needs, but also tailors solutions to specific user roles. VirtualHealth also creates and releases new functionalities with highly configurable controls. As a result, VirtualHealth empowers a highly flexible workbench that customers can adjust to their own needs or pathways.

Tailoring Solutions to Meet Customers' Specific Needs

VirtualHealth builds interfaces based on the preferred data format of each of its customer's infrastructure components, empowering interoperability across dozens of disparate systems to provide customers with streamlined capabilities. As a result, the company has expertise in data management and transformation across the gamut of both standard and proprietary data formats. Using a truly agile development process, VirtualHealth releases on a bi-weekly schedule, empowering customers to receive value from expanded capabilities in weeks instead of months. VirtualHealth releases new capabilities or tools to a customer's designated testing area for two weeks before broader release, allowing them to become comfortable with the tools and give feedback to VirtualHealth for any last minute adjustments before release across the enterprise. The company also creates communication regarding new capability releases, ensuring users throughout the customer's organization are aware of the new capabilities and can leverage it to streamline their workflows. Finally, VirtualHealth can enable or disable a capability for a specific user's view, decreasing screen clutter to ensure that users are not overburdened with too many or irrelevant capabilities. These client service impetuses support favorable outcomes for Virtual Health's wide variety of healthcare customers.

Guiding Customers to Achieve a High Return on Investment

As VirtualHealth is providing solutions for a variety of stakeholders along the care continuum, the company commits to providing open and honest consultation and support during initial conversations with a prospective client. The company provides extensive information— including demonstrations, documentation, white papers, and case studies—

and hosts multiple question and answer sessions with customers to understand their needs and highlight how VirtualHealth's platform can best support their objectives. For payers, VirtualHealth highlights its ability to provide actionable insights to enhance member engagement and contain overall costs. For providers and ACOs, VirtualHealth:

- Provides an advanced integrated care model, ensuring each provider can properly engage in a patient's care management
- Enhances ACOs abilities to manage outcomes and control risks through bundled payments and full risk models
- Empowers enterprise reporting at both population and provider levels, giving ACOs access to key performance indicators to identify gaps in care

VirtualHealth believes in transparency at each level of the process and makes recommendations regarding customers' specific regulatory requirements and system integrations, particularly regarding customizations versus configuration to ensure high value. VirtualHealth believes that every size health plan should have access to advanced PHM capabilities, and thereby offers a cost-effective, highly-configurable out-of-the-box solution for smaller companies that do not need or cannot afford advanced customization. As a result, these small organizations can still leverage advanced PHM capabilities, increasing access and quality of care for its patient populations.

Continuing Strategic Growth through Flexible Pricing and Customer Support

VirtualHealth assigns each client a dedicated account manager that oversees the development of the customer's specific platform. The account manager ensures that solutions are enacting the desired results and helps customers determine any other capabilities that they could add value. Finally, account managers solicit feedback from customers to help tailor future innovation within the platform or toolset. Traditional PHM vendors require a large upfront cost to develop and integrate their PHM platform; VirtualHealth provides its PHM platform to customers with no upfront or implementation cost, empowering health organizations of all sizes to have advanced population management capabilities. Customers have a consistent monthly cost dependent on the size of the organization and extent of services leveraged with VirtualHealth's platform, minimizing overall cost-risk and ensuring that customers receive a high ROI. As a customer grows and reaches a defined size, VirtualHealth charges an additional per member price of a few cents per month added to the overall cost of the solution, thereby aligning VirtualHealth's financial interests with the customer's growth.

Conclusion

While patient care is moving to a broader but coordinated environment where routine, manual tasks are automated by population health management (PHM) solutions; many PHM offerings do not allow for easy integration or interoperability between systems, creating gaps in care and patient management workflows. Recognizing these challenges, VirtualHealth takes a unique approach to its PHM platform, building interfaces around customers' data formats to empower its platform to integrate with various systems, heightening enterprise-wide interoperability. Furthermore, the company designed its platform with a modular design, supporting extensive customization and configurability and ensuring the product can be cost-effectively tailored to each client's specific needs. As a result, VirtualHealth can keep the platform's price low, providing a cost-effective and customized PHM platform to a variety of stakeholders across the care continuum.

For its strong overall performance, VirtualHealth earns Frost & Sullivan's 2017 North America Product Leadership Award in the population health management market.

Significance of Product Leadership

Ultimately, growth in any organization depends upon customers purchasing from a company and then making the decision to return time and again. A comprehensive product line, filled with high-quality, value-driven options, is the key to building an engaged customer base. To achieve and maintain product excellence, an organization must strive to be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Product Leadership

Demand forecasting, branding, and differentiating all play a critical role in finding growth opportunities for your product line. This three-fold focus, however, must be complemented by an equally rigorous focus on pursuing those opportunities to a best-in-class standard. Customer communications, customer feedback, pricing, and competitor actions must all be managed and monitored for ongoing success. If an organization can successfully parlay product excellence into positive business impact, increased market share will inevitably follow over time.

Key Benchmarking Criteria

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated two key factors—Product Family Attributes and Business Impact—according to the criteria identified below.

Product Family Attributes

- Criterion 1: Match to Needs
- Criterion 2: Reliability and Quality
- Criterion 3: Product/Service Value
- Criterion 4: Positioning
- Criterion 5: Design

Business Impact

- Criterion 1: Financial Performance
- Criterion 2: Customer Acquisition
- Criterion 3: Operational Efficiency
- Criterion 4: Growth Potential
- Criterion 5: Human Capital

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan’s 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan’s research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.