

FROST & SULLIVAN

BEST PRACTICES

AWARDS

FROST & SULLIVAN

2020 BEST PRACTICES AWARD



**2020 NORTH AMERICAN
AMBULATORY ELECTRONIC HEALTH RECORDS
CUSTOMER VALUE LEADERSHIP AWARD**

Contents

Background and Company Performance	3
<i>Industry Challenges</i>	3
<i>Customer Impact and Business Impact of Kareo</i>	4
<i>Conclusion</i>	7
Significance of Customer Value Leadership	8
Understanding Customer Value Leadership	8
<i>Key Benchmarking Criteria</i>	9
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices	10
The Intersection between 360-Degree Research and Best Practices Awards	11
<i>Research Methodology</i>	11
About Frost & Sullivan	11

Background and Company Performance

Industry Challenges

Digital health solutions increasingly influence the healthcare landscape. The market demands for smart technologies helping patients and medical providers become more closely connected in the face of challenges such as an aging population, rising chronic disease prevalence, medical staff shortages, long wait times (for appointments and in crowded offices), quality-of-care concerns, and the need for a common technology platform.¹

Frost & Sullivan believes that the digital health market will continue to grow at robust rates, from a global total of an estimated \$147 billion in 2019 to more than \$220 billion in 2023.² Composed primarily of revenues associated with electronic health records (EHR) and billing systems and services, the market progressively incorporates advanced and specialty technologies such as analytics, cybersecurity, and telemedicine. While hundreds of EHR vendors compete to differentiate their products and services neck-to-neck, the EHR market is trending towards consolidation.

For the last few years, healthcare providers globally focused on implementing EHR systems and fine-tuning workflow and functionalities to meet infrastructure requirements mandated by regulations and to increase operational efficiency at optimized costs and best suiting end-user needs. In many countries, EHR implementation is complete and quite successful. Yet, more effective EHR use can potentially improve care delivery processes and patient safety.³

In the United States (US), regulatory incentives, such as the Medicare Access and CHIP Reauthorization Act (MACRA), compel US-based physician practices to re-imagine their healthcare information technology (IT) infrastructure priorities, accelerating ambulatory practices' EHR adoption. Nevertheless, they have experienced challenges optimizing their results because of EHR's low productivity, lack of interoperability, imposing meaningful use criteria, and high cost.⁴

One of the topmost challenges associated with current EHR systems is the lack of an intuitive user interface, making a physician's task more time-consuming than paper-based systems. Cumbersome menu options and inadequate features often leave medical personnel looking for information over the Internet. Additionally, disparate EHR systems across the care continuum result in a deficient referral and consultation tracking, decreasing overall productivity in a healthcare setting. Therefore, it is essential to improve the medical practitioners' capabilities for enabling better patient care.

Frost & Sullivan believes it is crucial to leverage cloud-based IT to capitalize on the vast new resources of clinical, financial, socioeconomic, and other data generated across the health ecosystem and captured by EHRs, connected medical devices, and smartphones. Furthermore, robust data sets can develop new insights that will improve the quality and efficiency of healthcare and enable innovative IT solutions to engage consumers.

¹ *Global Digital Health Outlook, 2020*, (Frost & Sullivan, August 2019)

² *Ibid.*

³ *What Next after EHR Implementation?* (Frost & Sullivan, March 2018)

⁴ *US Ambulatory Electronic Health Record Market: 2015 – 2020*, (Frost & Sullivan, October 2015)

Customer Impact and Business Impact of Kareo

Kareo's Best-in-class Solutions

Founded in 2004, Kareo leverages its innovative mindset to provide a cloud-based clinical and business management technology platform for medical practitioners. The company built its award-winning technological solutions for helping doctors, practice managers, billers, billing companies, and new practices serving patients. Kareo's complete technology platform gathers the spectrum of innovative solutions that allow connecting customer data, monitoring health changes, and engaging customers proactively, all within the set of robust solutions.

The company's powerful mix of clinical (EHR), financial (billing, managed billing, and collection), and patient engagement and practice marketing solutions support independent practices in more than 45 specialties for over 50,000 providers across all states in the US. Kareo's technology platform is the first solution supporting independent practices in finding more patients, managing their care with a fully certified and easy-to-use EHR.

"I use Kareo Clinical EHR in my infectious disease practice on a daily basis. The notes are easy to write, and the software makes it simple to keep them clear and concise. It is simple to learn and very adaptable to our needs. I have no problem charting on complex infectious disease patients. I am very happy with Kareo."

—Edward D. Hirsch, M.D., P.A.

The company's flagship Kareo Clinical software with enhanced EHR functionality makes it easier for independent medical practices to comply with MACRA and earn positive payment adjustments. It is easy-to-use, configurable, and connects seamlessly with billing systems. Kareo Clinical delivers a potent software suite offering numerous features—all with the primary goal of providing value through outstanding patient care under a healthy practice.

Furthermore, the company made significant investments across its product and engineering teams over the past two years, focusing on making Kareo Clinical the best possible EHR for independent practices.

"Kareo has made our office run much more efficiently. We have a much better office workflow. Everything can be done with so much ease, from adding new patients to billing and notes. We really like Kareo in our practice."⁵

—Vickie Carr, Office Manager, Physical Therapy Services, Physician's Assistant

At the heart of Kareo's market momentum is its focus on having the breadth and depth of its platform to address all the workloads for medical practice credibly. The company continues its award-winning track-record while constantly developing its solutions and expertise. Specifically, in the last year, Kareo has been actively working on the solutions around front-office station management (e.g., online check-in and onboarding processes), financial aspects of patient management, and telemedicine.

⁵ https://www.kareo.com/resource/cq_8006/customer-quote-physical-therapy-services-pa-vickie-carr, accessed February 2020

Notably, Kareo Telemedicine provides the US telemedicine industry with a secure and HIPAA-compliant video consultation tool for remote visits between patients and their physicians. The tool gets support from an experienced customer service team and, powered by agile cloud-based software, is ready for remote implementation and operation. A separate download of heavy IT applications is not required. In this way, Frost & Sullivan recognizes how the solution serves a critical purpose in saving substantial operational costs that practices historically incur while catering to patients who visit their clinics to receive a diverse scope of healthcare services.

Furthermore, Frost & Sullivan admits that with current situation with COVID-19, there is a massive adoption of the Kareo Telemedicine by practices that are moving operations remote. Kareo Telemedicine stands as very timely solution responding to the actual challenges faced by the healthcare space.

Frost & Sullivan acknowledges that Kareo's ability to guarantee private payer reimbursement for virtual patient visits is truly unique among its top competitors, as lack of reimbursement for telemedicine has restricted broad technology adoption.

The prominent example of the value delivered by Kareo comes from Manuka Health Clinic (MHC) in Anchorage, Alaska. The clinic implemented Kareo Telemedicine and admitted 25% revenue growth without any changes in provider or office time. Kareo Telemedicine ensures MHC 100% insurance reimbursement for telemedical services while delivering improved patient care and convenience. Furthermore, during the 2018 Alaska earthquake, Kareo Telemedicine proved its reliability, ensuring uninterrupted care even in the most extreme situations.

Another important element of the company's products is their ability to remain fully interoperable with each other. Kareo Telemedicine is fully interoperable with Kareo EHR and Kareo Billing. Also, Kareo can deploy its practice management (PM) software within the EHR solution as an additional module. The company bundles both clinical and financial products in such a way that practices establish cost competitiveness when compared against other practices that dedicate separate IT investments for EHR and PM software systems.

While Kareo's clinical product portfolio stands out for its value-based proposition, its financial and marketing solutions position the company as a truly diverse healthcare IT solution provider. The company focuses on continuous development, and, in November 2019, announced the sale of its revenue cycle management (RCM) business unit to a leading independent supplier of outsourced medical billing services, Health Prime International.⁶

Kareo's strategic decision to divest its RCM business to make this shift to benefit its long-term growth goals impresses Frost & Sullivan.

⁶ Kareo Sells Managed Billing Services Business, <https://www.prnewswire.com/news-releases/kareo-sells-managed-billing-services-business-300960734.html>, accessed February 2020

Bringing Exceptional Value to Customers

With its deep experience, Kareo believes successful operation comes not only from the best quality solutions but by understanding and exceeding customer expectations. Although the Kareo platform is easy-to-use, user-friendly, and flexible, the company delivers above-and-beyond service to its customers with free support, onboarding, and training. Furthermore, Kareo assigns a Success Coach to its clients to provide all the personal attention and support to deliver high-performance results, ensuring each customer is comfortable in understanding Kareo's solution and making the right steps for their practice.

*"Kareo is so easy to use, and the customer service and support are outstanding. I had a Customer Success Coach, who was there with me through the whole setup, and we talked every week. I love having my own practice, and I couldn't have done it without Kareo and their support."*⁷

—Kristi Wallace, NP, Essential Medical

The company nurtures close relationships with customers to understand what is important to them and how their demands shift. This customer-oriented approach adds value to the customers' operations and contributes to their effective and sustained success.

"I was skeptical about choosing a new EHR software until I met with my team. They told me about Kareo, and I was still skeptical until I tried it. But that did it! I had a ball and still I am using and teaching the Kareo system. It is so easy and user-friendly. The staff at Kareo is so supporting and willing to teach as well as answer any random questions that I had. I have never seen in this day and time a group of business-people so friendly and genuinely helpful because they want to be."

—Michael Creef, ProviderSouth Norfolk Family Practice, LLC.

The company's platform can solve the unique needs of any specific medical specialty. Today, due to the demographic factors, demand for mental health services is growing while reimbursement is becoming more complicated. Kareo understands the increasing awareness around mental health's importance and considers it as one of the most exciting and timely opportunities for further growth. The company needed to make sure that it has the right functionality for mental health practitioners, updating its platform with telemedicine.

The remarkable example of Kareo's solution for mental health practices comes from Erica Flake, the Chief Executive Officer and Founder of InTouch Psychological Services. The Kareo end-to-end solution-stack allowed them a clearer view of the entire patient track, from check-in to check-out processes, enabling lower costs than previously engaged solutions. Furthermore, the company leverages Kareo's telemedicine solutions to increase overall flexibility and comfort level for the patient and physician. As a result, InTouch Psychological Services states slashing its system's cost by 85%, increasing the patient volume by 65%, and cutting charting times by at least five minutes per patient.

⁷ https://www.kareo.com/resource/cq_7751/customer-quote-essential-medical-kristi-wallace, accessed February 2020

Another impressive example of Kareo's performance comes from Wholehealth, PLLC, and Dr. Huiping Xu, who takes a unique approach to address underlying psychological conflicts, life stress, and coping skills. Many of Dr. Xu's clients have challenges finding childcare or often travel for business, and, thus, are unable to go to the doctor's office for appointments. Kareo's telemedicine solutions in her practice provide patients with the convenience to attend appointments from the comfort of home or even while traveling. As a result, Wholehealth, PLLC, admits 20 video visits completed monthly on average with a 95% current show rate of telemedicine appointments compared to 75% in the office.⁸

Kareo pays particular attention to actual industry needs and creates awareness about its solutions. Therefore, the company participates in the most significant industry events and conferences around the globe, maintaining productive relations with customer verticals. Kareo strives to increase its market share with the growing adoption among doctors and independent medical practices.

Frost & Sullivan believes that a company responsive to both the industry and customer challenges is well-positioned to achieve market leadership. With exceptional product quality and a strong commitment to innovation, Kareo exceeds these challenges while creating best-in-class customer value and sustained leadership in the ambulatory EHR market.

Conclusion

Healthcare providers are implementing digital solutions to handle workflow better over the last few years. Still, fragmentation among services, high costs, and lack of coordination within systems hinder the appeal of adopting a robust electronic health record (EHR) solution. The general difficulty spawned by unreliable intuitive user interfaces combined with the need to implement sophisticated key features—e.g., telemedicine, EHR, and billing—has prompted many providers to default to traditional, more time-consuming analog solutions, resulting in low productivity and revenue. Furthermore, daunting meaningful use criteria for the EHR industry and lack of reimbursement for the growing telemedicine market provide little to no incentive for widespread adoption.

Kareo's fully interoperable, cloud-based software suite combines telemedicine, EHR, and billing into a single, feature-rich technology platform. With no required downloading, the company's comprehensive solutions reduce costs substantially. Also, Kareo distinctively guarantees private payer reimbursement for virtual patient visits. Frost & Sullivan believes that the company's dedication to unmatched customer services paired with its vision for anticipating and meeting industry needs sets it apart from its competitors.

With its strong overall performance, Kareo earns Frost & Sullivan's 2020 North America Customer Value Leadership Award for its exceptional contributions to the ambulatory EHR market.

⁸ *Success Story: Wholehealth PLLC, Promoting Patient Satisfaction With Telemedicine*, <https://www.kareo.com/blog/article/success-story-wholehealth-pllc-promoting-patient-satisfaction-telemedicine>, accessed February 2020

Significance of Customer Value Leadership

Ultimately, growth in any organization depends on customers purchasing from a company and then making the decision to return time and again. Satisfying customers is the cornerstone of any successful growth strategy. To achieve this, an organization must be best in class in 3 key areas: understanding demand, nurturing the brand, and differentiating from the competition.



Understanding Customer Value Leadership

Customer Value Leadership is defined and measured by 2 macro-level categories: Customer Impact and Business Impact. These two sides work together to make customers feel valued and confident in their products' quality and performance. This dual satisfaction translates into repeat purchases and a lifetime of customer value.

Key Benchmarking Criteria

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated Customer Impact and Business Impact according to the criteria identified below.

Customer Impact

- Criterion 1: Price/Performance Value
- Criterion 2: Customer Purchase Experience
- Criterion 3: Customer Ownership Experience
- Criterion 4: Customer Service Experience
- Criterion 5: Brand Equity

Business Impact

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

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 Monitor, target, and screen	Identify Award recipient candidates from around the globe	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies 	Pipeline of candidates who potentially meet all best-practice criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates 	Matrix positioning of all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps 	Detailed profiles of all ranked candidates
4 Initiate research director review	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> • Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles 	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 Assemble panel of industry experts	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> • Share findings • Strengthen cases for candidate eligibility • Prioritize candidates 	Refined list of prioritized Award candidates
6 Conduct global industry review	Build consensus on Award candidates' eligibility	<ul style="list-style-type: none"> • Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates 	Final list of eligible Award candidates, representing success stories worldwide
7 Perform quality check	Develop official Award consideration materials	<ul style="list-style-type: none"> • Perform final performance benchmarking activities • Write nominations • Perform quality review 	High-quality, accurate, and creative presentation of nominees' successes
8 Reconnect with panel of industry experts	Finalize the selection of the best-practice Award recipient	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select recipient 	Decision on which company performs best against all best-practice criteria
9 Communicate recognition	Inform Award recipient of Award recognition	<ul style="list-style-type: none"> • Present Award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance 	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10 Take strategic action	Upon licensing, company is able to share Award news with stakeholders and customers	<ul style="list-style-type: none"> • Coordinate media outreach • Design a marketing plan • Assess Award's role in future strategic planning 	Widespread awareness of recipient's Award status among investors, media personnel, and employees

