FROST & SULLIVAN

2024

TECHNOLOGY INNOVATION LEADER

IN THE NORTH AMERICAN HEALTHCARE VALUE-BASED CARE DELIVERY INDUSTRY

innovaccer

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BEST
PRACTICES
AWARD
2024

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each Award category before determining the final Award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Innovaccer Inc. excels in many criteria in the healthcare value-based care delivery space.

AWARD CRITERIA

Technology Leverage	Business Impact
Commitment to Innovation	Financial Performance
Commitment to Creativity	Customer Acquisition
Stage Gate Efficiency	Operational Efficiency
Commercialization Success	Growth Potential
Application Diversity	Human Capital

Healthcare Value-based Care Delivery Snapshot

The United States (US) healthcare is at a transformative juncture, especially in population health management (PHM). The industry is gearing up for significant changes driven by a shift towards value-based care (VBC), as highlighted by the Centers for Medicare & Medicaid Services' (CMS) Strategic Refresh, which aims for all Original Medicare and most Medicaid beneficiaries to be in accountable care relationships by 2030. This shift is a response to the unsustainable trajectory of healthcare costs and the inefficiency of traditional care models.

Commercial payers are also at a crossroads, with the unsustainable rise in premiums pushing them increasingly towards value-based contracts. Employers and patients demand better health and wellness focus, aligning incentives towards health outcomes rather than the services rendered.

Health systems face their crises, with financial strains and operational inefficiencies leading to existential questions about their models of care. The move towards PHM alleviates these pressures by promoting preventative care, improving care coordination, and leveraging data analytics for better health outcomes. Clinicians need relief from the administrative burdens and inefficient systems that contribute to burnout, focusing on technology and new care models to restore their focus on patient care.

For patients, the expectation is clear: a healthcare experience that mirrors the convenience, transparency, and coordination they find in other consumer areas. PHM plays a crucial role here, using data to understand and predict patient needs, manage chronic conditions more effectively, and provide a

seamless and integrated care experience.

As healthcare continues to evolve, the focus on PHM highlights a collective effort to realign the system towards comprehensive VBC that benefits patients, providers, and payers alike, ensuring sustainable, quality healthcare for the future.

A fundamental paradigm shift from traditional fee-for-service (FFS) models to VBC is concurrently reshaping reimbursement structures. Healthcare providers are actively aligning their processes with both clinical and financial performance, prompting the adoption of data analytics and performance enhancement strategies. This strategic realignment becomes imperative in light of labor shortages in the healthcare sector, compelling providers to seek efficient solutions that optimize existing staff resources. Moreover, the role of interoperability is pivotal in ensuring efficacy. Adherence to standards such as the Health Insurance Portability and Accountability Act (HIPAA) underscores the growing demand for universal healthcare technology solutions seamlessly integrating into the broader healthcare ecosystem. In navigating this evolving landscape, the emphasis on VBC delivery, digital health solutions, and strategies for clinical and financial performance improvement emerges as paramount.

Frost & Sullivan believes Innovaccer, Inc. (Innovaccer) uniquely leverages its technology to meet market and client needs. The company is well-positioned to capitalize on new growth opportunities, aligning its expertise with VBC and reducing care gaps between payers and providers.

Innovaccer's Accelerated Innovation Journey in Value-based Care

Founded in 2014 and headquartered in California, the US, Innovaccer provides cutting-edge technology tailored for VBC. Renowned for its innovative artificial intelligence (AI) suite applications, Innovaccer is the leading data and analytics platform for VBC. Innovaccer is at the forefront of helping health systems move beyond point solutions and manual processes to a scalable cloud platform that accelerates their transformation to VBC. In 2022, the company expanded to the Middle East to accelerate innovation and digital transformation in the region by improving healthcare data accessibility.

Innovaccer's PHM helps providers achieve better health outcomes, exceptional patient experiences, reduced care and administrative costs, and improved revenue regardless of where they are on their journey to value - (FFS) payment models with links to quality and value, to alternative payment models (such as accountable care organization models), to true population-based payment (full risk).

The Innovaccer Platform powers Innovaccer's capabilities. This platform quickly establishes interoperability between healthcare information technology (IT) systems, including legacy and mission-critical systems, to create a unified, longitudinal patient record.

The platform also aggregates and cleans the data from multiple sources, hydrates it to enable usage in any application, activates it to integrate into workflows, and harmonizes it across relevant systems and care settings, ensuring it is synchronized. While excelling in optimizing performance in VBC contracts, the company distinguishes itself as a platform company actively engaging with ecosystem players.

AI Application Suite

The **Innovaccer Platform** is a comprehensive solution that addresses the challenge of fragmented data to enhance both clinical and financial performance. Utilizing a three-step process, it commences with secure

data ingestion, encompassing not only clinical information captured in its electronic health record (EHR) system for patient encounters in facilities but also spanning across clinical details, claims, laboratories (labs), pharmacy, admission, discharge, and transfer (ADT), and social determinants of health (SDoH), among other data sources. This inclusive approach ensures a thorough data processing journey involving cleansing, normalization, grouping, aggregation, classification, and indexing, resulting in a high-quality, normalized dataset stored in a unified data model.

At the core of Innovaccer's offerings is the proprietary Innovaccer Platform, the foundation for generating insights that significantly enhance clinical outcomes and drive healthcare efficiency. Leveraging advanced technologies such as AI, machine learning (ML), and predictive analytics, the platform consolidates and standardizes data from diverse sources, including clinical records, financial data, claims, labs, pharmacy information, and SDoH factors. This integration provides healthcare practitioners with a comprehensive view of patients, ensuring a holistic understanding that facilitates informed decision-making and improved overall healthcare delivery.

The Innovaccer platform combines patient data from various systems and care settings, providing healthcare organizations with scalable and modern applications that enhance clinical, financial, operational, and experiential outcomes. Innovaccer's EHR-agnostic solutions support care delivery transformation and foster collaboration between providers, payers, and life sciences companies.

As a full-stack platform designed to drive healthcare innovation and transformation, the Innovaccer platform enables the seamless connection, collection, and activation of healthcare data.

Ongoing platform improvement efforts consistently focus on reducing ownership costs, improving data quality, and making the patient longitudinal data profile more comprehensive with other captured sources.

Standing on top of the best in Kent Gale, Leonard Black, Adam Gale, and Scott Holbrook (KLAS) data and analytics platform, Innovaccer makes available a range of prescriptive and predictive high-fidelity analytics tools that are embedded in workflows to help VBC organizations have a laser-sharp focus on improving risk coding and quality outcomes and reduce costs by prioritizing time and resources to support metrics that meet these goals.

Sara for Healthcare leverages Innovaccer's AI technology, trained in the healthcare context, to provide accurate, secure, and compliant solutions. The suite reduces and automates workflows, generates insights, and supports decisions, contributing to high-quality, low-cost, patient-centered care within the healthcare industry.

Sara for Healthcare powers four solutions:

- **Sara for Point of Care:** Using advanced AI technology, Sara Scribe (also known as InScribe) transcribes, analyzes, and summarizes conversations between healthcare providers and patients in ambulatory care settings. In addition to preparing encounter notes, Sara also provides clinical insights on quality gaps, coding gaps, and potential diagnoses for clinicians' consideration during a visit.

- **Sara for Insights:** The solution helps executives and analysts get instant answers to complex

queries using plain English. With Sara, learning complex query language or asking data teams for help is unnecessary. The current beta version offers a range of features for early customers. It includes a training mode, allowing teams to customize their AI experience.

- **Sara for Care Management:** Built to help care coordinators spend more time with patients, the solution assists with documentation and care planning. It helps streamline workflow, reduce documentation time, and optimize care protocols for a more humane and efficient patient-centric approach.

- **Sara for Experience Center:** The solution helps contact center agents streamline workflows and enhance consumer engagement by automating tasks and optimizing processes to achieve exceptional customer service levels. It reduces call handling time and improves first-call resolution with a smart agent assist and auto-documentation.

Innovation and Creativity

Innovaccer strongly emphasizes fostering a culture of innovation. The Chief Innovation Officer, who holds multiple patents, is actively involved in leading the patent committee and encourages all employees to think innovatively about their challenges. The company has a well-defined research and development (R&D) philosophy and culture that promotes creativity and problem-solving. Innovaccer actively supports open-sourcing initiatives, particularly in interoperability and healthcare challenges.

The company's commitment to innovation is evident in its continuous efforts to incentivize employees, financially and through recognition, for their valuable innovative contributions. It acknowledges that innovation can take various forms, whether game-changing or incremental, and understands that solving problems for customers, prospects, and partners is a primary purpose. Incorporating "moonshots" as a core value and mission statement reflects Innovaccer's ambition for transformative goals.

Furthermore, the company actively measures and encourages innovation at every level, involving all employees. Internal hackathons and codathons provide a collaborative platform for diverse teams to address challenges and generate innovative solutions.

Winning innovations are recognized and transitioned to the R&D teams for further development into tangible products. This holistic and rewarding approach underscores Innovaccer's commitment to fostering a dynamic and collaborative innovation culture across the organization.

Operational and Stage-gate Efficiency

Innovaccer actively seeks out and forms partnerships with organizations that align with its mission and vision, prioritizing collaborations that will benefit customers significantly. It identifies like-minded companies and creates synergies that result in a combined impact greater than the sum of its parts.

On the organic innovation side, Innovaccer balances its approach by staying customer-centric. The company acknowledges the impracticality of achieving every innovation through partnerships and recognizes the vital importance of internal, organic innovation. It maintains a strong customer focus while taking moonshots and exploring ambitious ideas. Innovaccer engages customers through user groups and strategic advisory boards to gain insights into emerging trends and validate their innovation direction. This customer-centric approach serves as a reality check, ensuring the company addresses genuine market

needs and opportunities.

Also, Innovaccer follows a pragmatic philosophy despite taking moonshots. It remains grounded in the reality of customer needs and market trends. If, at any point during the innovation journey, signals are not favorable or aligned with customer needs, the company pivots or cuts its losses. This disciplined approach ensures that its R&D teams focus on meaningful milestones and invest resources in projects aligned with market demands and customer expectations.

> *"Frost & Sullivan commends Innovaccer for its advanced technology suite catering to VBC, featuring the Innovaccer Platform, PHM solution suite, and the Sara for Healthcare AI suite. The company showcases an impressive commitment to innovation through its dynamic culture, employee incentives, strategic partnerships, and customer-centric practices, demonstrating a dedication to addressing healthcare challenges and delivering top-notch, patient-centered care."*
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> **Best Practices Research Analyst**

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Customer-Centric Journey: A Rubik's Cube of Comprehensive Healthcare Solutions

Innovaccer prioritizes customer-centricity by actively engaging patients throughout their healthcare journey, offering tailored solutions at the point of first contact, and establishing a digital front door. This client-focused continuum extends until patients achieve optimal health, encompassing seamless billing, collections, and transparent hospital service communication.

The approach includes AI-assisted documentation for call center agents and tools for healthcare providers, addressing health disparities and ensuring personalized care. Innovaccer's solutions empower healthcare providers to prescribe suitable treatments for patient challenges like transportation or food insecurity, enhancing compliance and overall healthcare outcomes.

The company strategically targets the middle office, particularly in clinical documentation improvement (CDI), to provide significant customer value. Recognizing providers' challenges with competitors known for high pricing and less responsive customer service, Innovaccer positions itself as a compelling alternative. The company's data analytics platform, featuring AI and ML automation in CDI, competes favorably with established market participants. Its offerings, such as ambient documentation, Sara for Point of Care, and activation platform, democratize access to services that traditionally come with an enterprise-level price point.

Innovaccer optimizes documentation, including gap closure, risk coding, and CDI, and makes it accessible to a broader range of clinicians, especially those in smaller practices. The company has navigated a challenging market with remarkable success, achieving a steady 30% to 40% year-over-year growth,

surpassing many peers facing negative or single-digit growth.[1] Its unique focus on data, analytics, and AI positions it as a comprehensive solution provider for diverse healthcare challenges.

Innovaccer's commitment to addressing specific workflow challenges through automation and AI, coupled with a strong emphasis on data management, has led to a substantial increase in its customer base and a doubling of revenue in a relatively short timeframe (August 2023 to November 2023).[2]

Moreover, the company's multidimensional approach, akin to a Rubik's Cube, encompasses vital components in data analytics, population health, and more, establishing Innovaccer as the preferred company in the enterprise-focused healthcare sector.

Customer Testimonials

"We are literally redefining the industry's view of consumer-centricity with the Innovaccer platform to achieve new levels of excellence in multidisciplinary, person-centric care. By modernizing our digital focus, we can improve a person's health beyond just care quality and patient satisfaction, unifying the entirety of an individual's journey from first marketing contact through life."

-Michael Shepherd, Senior Vice President of Marketing and Public Relations, Franciscan Health[3]

"We are now using the Innovaccer (platform] to unify patient data across multiple systems, simplify workflows across teams, and support our population health management strategy for more than one million lives. With Innovaccer's solution, we are not only transforming patient care but also driving significant savings in our IT operating expenses."

-Vice President, Enterprise Data Management, Banner Health[4]

"From a strategy care management standpoint, we've got a full view of the patient now. We can be much more precise and quicker to act."

-Derek Novak, President, Population Health Management, MercyOne PHSO[5]

Frost & Sullivan is impressed by Innovaccer's unwavering commitment to customer-centricity through tailored solutions that actively engage patients across their healthcare journey. With consistent 30% to 40% year-over-year growth, the company's multidimensional approach to data analytics and AI solidifies its role as a comprehensive solution provider that improves patient care, streamlines workflows, and saves substantial costs for healthcare organizations.

Strategic Practices Position Innovaccer for Future Success

Innovaccer emphasizes a profound understanding of healthcare providers' challenges. The company creates a collaborative space where existing customers share insights and solutions through interactive platforms such as webinars, roundtables, whitepapers, and user forums. The value engineering team meticulously assesses solution effectiveness, presenting tangible progress and insights for continuous

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[1] Interview with Innovaccer Inc, November 8, 2023.
[2] Ibid.
[3] Innovaccer Overview Presentation, (Innovaccer, April 2023).
[4] Innovaccer Overview Presentation, (Innovaccer, April 2023).
[5] Innovaccer, "#1 Healthcare Data & Analytics Platform for Value-Based Care," Innovaccer, 2023, https://innovaccer.com/data-activation-platform.

enhancement. Innovaccer successfully attracts new customers by showcasing these success stories and its dedication to addressing industry-wide issues while respecting the unique requirements of each healthcare provider.

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The company is ready for expansion on multiple fronts. Firstly, it anticipates the continued rise in the adoption of its data activation platform. Innovaccer is introducing its value-based customer relationship management (VB CRM) platform, leveraging data activation. As a result, it expects significant market traction. This innovative approach establishes a value-based connection between healthcare systems and individuals, fostering loyalty.

Secondly, the rising trend toward value-based reimbursement in government and commercial payer contexts will drive sustained growth in the traditional VBC platform. Innovaccer foresees a shift from FFS models to a healthcare landscape predominantly based on value.

Lastly, the company envisions substantial growth in addressing the challenges faced by healthcare workers, particularly in terms of excessive workload and burnout. Innovaccer aims to leverage generative AI, personified through Sara for Healthcare, to enhance the efficiency and satisfaction of healthcare teams, ultimately contributing to a healthier and more sustainable healthcare workforce over the next five to ten years.

Frost & Sullivan believes Innovaccer is strategically positioned for future success with its forward-looking strategies, including expanding its data activation platform, introducing the innovative VB CRM platform, and aligning with the trend toward value-based reimbursement models.

Furthermore, the company's dedication to addressing healthcare workforce challenges through advanced AI solutions underscores its commitment to enhancing efficiency and satisfaction in the industry, affirming its growth potential and impact in the evolving healthcare landscape.

Conclusion

Technology is critical for improving healthcare providers' clinical and financial performance. However, given the numerous choices, market stakeholders must utilize the most suitable and effective technology-based solutions to maximize their market influence. With its comprehensive artificial intelligence (AI) solution suite, such as the Innovaccer Platform, population health management (PHM) solution suite, and Sara for Healthcare, Innovaccer, Inc. (Innovaccer) delivers several benefits.

The platform unifies fragmented data across the healthcare ecosystem, enhancing financial resilience and cash flow through advanced analytical insights, AI-based business insights, and virtual digital consultants. The PHM solution suite enhances the population's health by AI and machine learning (ML) capabilities to reduce costs and improve health outcomes. It drives patient-centered care with automated workflows and enables the integration of risk stratification, targeted care interventions, and social determinants of health (SDoH). It also enhances care management by closing gaps at the point of care to drive efficiency and improve cost and quality metrics. Furthermore, the solution suite improves overall patient experiences through personalized and automated omnichannel communication.

Similarly, Sara for Healthcare assists executives and analysts in obtaining instant answers to complex queries related to clinical, financial, or operational metrics without relying on data teams, saves time and costs for care coordinators, making them 50% more efficient in their role and allowing them to engage with more patients, reduces clinicians' administrative burden related to electronic health records (EHR) documentation, and streamlines workflows, and enhances consumer engagement in contact centers.

Innovaccer distinguishes itself in the market through its dedication to innovation and creativity while achieving commercial success. The company has demonstrated steady 30% to 40% year-over-year growth, surpassing competitors with its unique focus on data, analytics, and AI. It anticipates continued growth through its data activation platform, traditional value-based care (VBC) platform adoption, and value-based customer relationship management (VB CRM) platform and by addressing healthcare workforce challenges with generative AI solutions over the next five to ten years.

With its strong overall performance, Innovaccer earns the 2024 Frost & Sullivan Technology Innovation Leadership Award in the healthcare value-based care delivery industry.

What You Need to Know about the Technology Innovation Leadership Recognition

Frost & Sullivan's Technology Innovation Leadership Award recognizes the company that has introduced the best underlying technology for achieving remarkable product and customer success while driving future business value.

Best Practices Award Analysis

For the Technology Innovation Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Technology Leverage

Commitment to Innovation: Continuous emerging technology adoption and creation enables new product development and enhances product performance

Commitment to Creativity: Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

Stage Gate Efficiency: Technology adoption enhances the stage gate process for launching new products and solutions

Commercialization Success: Company displays a proven track record of taking new technologies to market with a high success rate

Application Diversity: Company develops and/or integrates technology that serves multiple applications and multiple environments

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.
Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**