# FROST & SULLIVAN

# APIXIO
# RECEIVES THE 2023
# TECHNOLOGY INNOVATION
# LEADERSHIP AWARD

*Identified as best in class in the North American healthcare payer analytics industry*

## 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. Apixio excels in many of the criteria in the healthcare payer analytics 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 |

### *Challenging Healthcare Data Analytics Landscape*

Consistent data acquisition and access pose a significant challenge in the healthcare payer analytics market. The main issue hinges on the need for data to be interpreted correctly for meaningful analytic insights. Central hurdles relate to achieving centralized data access across diverse data silos, enhancing data interoperability and quality, surfacing and making useful unstructured and structured data, and ensuring compatibility in data structuring. Regarding security, the healthcare sector upholds stringent standards. Varying data privacy regulations across regulatory bodies require secure storage and, increasingly, improved clarity around the presentation of analytics outcomes.

Within this framework, many data analytic vendors strive to deliver robust data integration, advanced analytics, stringent security and compliance protocols, real-time data processing, accessibility, scalability, and clinical decision support tools. Frost & Sullivan estimates that the healthcare data analytics market will reach $57 billion in revenues in 2028, with a compound annual growth rate of 22.3% from 2022 to 2028.[1]

Specifically, Apixio leverages its expertise and artificial intelligence (AI) technology to meet its customers' needs, positioning itself to capitalize on new growth opportunities and cementing its leadership.

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[1] *US Healthcare Data Analytics, 2023* (Frost & Sullivan, June 2023)

### Apixio: A Thoughtful Innovator

Founded in 2009 and headquartered in San Mateo, California, the United States, Apixio is a trailblazer in the healthcare analytics sector. Its mission is to empower healthcare organizations to harness the power of AI and advanced technology as the industry moves toward value-based reimbursement models. The company drives tangible improvements in healthcare operations and outcomes through an impressive, innovative problem-solving approach. Prioritizing transparency and integrity within its customer base, Apixio delivers high-quality AI-powered risk adjustment, payment integrity, and care delivery solutions to contribute to its clients' success.

### Impressive Product Suite Turns Healthcare Data into Actionable Intelligence

Apixio's transformation journey underscores the evolution of its technology and products. Initially reliant on a single core offering, the company recognized the need for diversification. With a meticulous blend of rigorous research, customer feedback, and industry expertise gathering, Apixio formed a solid foundation for innovation, giving rise to an outstanding solution suite:

**Risk Adjustment**: AI-powered risk adjustment coding and auditing solutions help teams scale across retrospective, prospective, and concurrent programs to capture a complete, consistent picture of patient health conditions. In addition to Apixio's market-leading coding, audit, and point-of-care workflow solutions, the company now also provides AI-as-a-Service (AIaaS) offerings that deliver actionable condition insights in any workflow via flexible APIs.

**Payment Integrity:** Automated workflows and analytics-based content increase health plan efficiency, accuracy, and transparency during complex claims and clinical chart reviews. The company's flexible Software-as-a-Service (SaaS), tech-enabled service, and hybrid engagement models support payment integrity programs, including itemized bill review, DRG validation, and additional pre-payment solutions.

**Health Data Management**: Secure medical chart retrieval and intelligent chart management solutions combine patient data, customized reporting, and patient condition insights in one secure, centralized location for use across value-based care programs. These solutions empower organizations to harmonize medical charts enterprise-wide, driving efficiency and cost savings across teams and departments.

**AI-as-a-Service**: Apixio's AIaaS offerings deliver actionable insights derived from industry-leading models within clinical and administrative workflows. These services provide additional flexibility for healthcare organizations to retain their existing infrastructure and processes while getting more value from their data with proven technology.

### Unique AI-enabled Incubator for Healthcare Analytics Solutions

Improving upon its solid groundwork, Apixio recently launched two products, underscoring its commitment to impacting customers' workflows through technology leverage.

**Apixio's Health Data Management Solution (launched in August 2022):**

Apixio's Health Data Management solution provides real-time access to enriched medical charts for streamlined health data management in value-based care programs. It centrally and securely stores various chart formats from diverse sources, tackling the challenge of managing vast, daily data volumes

within health plans and provider groups.

This health data management solution empowers users to search, filter, view, share, and download charts while gaining in-depth diagnosis insights and accessing ad-hoc analytics. Many of Apixio's customers embrace this solution, processing a volume of over 25 million charts through the platform.[2] The solution has substantial traction in the market and stands out for the exceptional efficiency, transparency, and scalability it enables, becoming a significant revenue driver for the company.

*"Apixio exceeds our expectations because their service is outstanding. Apixio delivers what they say they will deliver on time, and the quality of the information is good. We don't have to go back and correct anything or double-check their work. Everything is always spot on."*

- Apixio Customer - Director[3]

**Apixio's Post-Visit Solution (launched in February 2023):**

Apixio's cutting-edge solution advances patient visit documentation with AI-driven concurrent review technology. It uses machine learning (ML) algorithms to reconcile HCC codes and documentation before claim submission to support complete, accurate risk capture and reduction of audit risk. Apixio's Post-Visit solution's user-friendly dashboard includes visit data, an intelligent work queue, query capabilities within EHR workflows, and real-time monitoring of clinically amended encounters. Additionally, the Post-Visit solution complements Apixio's Pre-Visit solution, thus forging an end-to-end prospective risk adjustment offering.

*"Apixio's Health Data Management solution provides real-time access to enriched medical charts for streamlined health data management in value-based care programs. It securely stores various chart formats from diverse sources, tackling the challenge of managing vast, daily data volumes within health plans and provider groups."*

*- Manuel Albornoz*
*Best Practices Research Analyst*

While some customers avoid immediate integration of Apixio's Post-Visit solution, there is a growing interest. The company expects it to replicate its Pre-Visit solution's success, which has been phenomenal due to its ability to address administrative burdens and point-of-care risk capture.

*"Apixio's system is able to identify areas in the chart where there is value in having a human review the record more closely; the system does that very well."*

- Apixio Customer - Vice President, Large Health Plan[4]

When presenting innovative concepts to customers, Apixio consistently communicates the potential outcomes of each data science model implementation, ensuring alignment with customers' expectations. To conclude each project, the company conducts extensive results meetings, fostering productive discussions with clients to guarantee continuous refinement and improvement.

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[2] "Apicare Chartspace: Real-Time Access to Charts with Advanced Insights (Apixio webpage: https://www.apixio.com/apicare-chartspace/)
[3] Ibid
[4] "Apicare Post-Visit: Concurrent Review Technology" (Apixio website: https://www.apixio.com/apicare-post-visit/)

## *The Power of Foresight: Creating a Leading Connected Care Platform*

In 2009, Apixio embarked on a mission to digitalize data to facilitate access to information buried in EHRs.[5] The company's platform then evolved to handle vast data volumes, scaling from tens of thousands to tens of millions of records. Today, Apixio is at the forefront of making data work harder to gain insights into care gaps and suspected conditions. The company is developing patient longitudinal medical records, detailed profiles for each patient, and analyzing population trends.

In 2023, Apixio entered a new era driven by its acquisition by New Mountain Capital and merger with ClaimLogiq.

### Acquired by New Mountain Capital

New Mountain Capital's deep healthcare expertise and strategic capital infusion capabilities propelled Apixio to expedite innovation, a critical advantage in an industry where product-market fit can take years. With substantial assets under management and healthcare expertise, New Mountain Capital plans to support Apixio as it expands into a Connected Care Platform. The acquisition ensures a smooth transition, prioritizing effective service delivery to customers, and grants the company the autonomy to pursue independent organic growth initiatives.[6]

### Merger with ClaimLogiq

Backed by New Mountain Capital, the merger forged a dominant force in healthcare data and analytics. Apixio's partnership with the payment integrity firm aims to reduce reimbursement inaccuracies and optimize patient experience. Mustering 280 combined employees, Apixio and ClaimLogiq intend to pioneer transformative solutions for payer and risk-bearing provider clients.[7]

> *"Mustering 280 combined employees, Apixio and ClaimLogiq intend to pioneer transformative solutions for payer and risk-bearing provider clients (…) Moreover, the alliance further advances Apixio's mission to become a connected care platform, capitalizing on both entities' distinctive technological capabilities, extensive data assets, and advanced analytical models."*
>
> *- Manuel Albornoz*
> *Best Practices Research Analyst*

The merger creates a leading healthcare data and analytics company powered by an advanced AI-driven platform. Moreover, the alliance further advances Apixio's mission to become a Connected Care Platform, capitalizing on both entities' distinctive technological capabilities, extensive data assets, and advanced analytical models.

The combination of Apixio and ClaimLogiq's critical data infrastructure, artificial intelligence, and proprietary healthcare data is poised to accelerate the shift toward outcomes-based reimbursement models by reducing costs, minimizing claim adjudication errors, and optimizing the delivery of both payments and care. From a growth standpoint, the partnership expands Apixio's toolkit, allowing for deeper conversations with potential customers interested in leveraging AI to enhance workflow efficiency.

[5] "Our Story" (Apixio website: https://www.apixio.com/about-us/)
[6] "Centene completes sale of AI business Apixio" (Apixio press release, June 2023)
[7] "Apixio and ClaimLogiq Merge to Create a Leading Connected Care Platform" (Apixio press release, June 2023)

## *The Apixio Difference: Achieving Commercial Success*

Apixio builds its sales strategy upon converging sales operations and robust customer engagement. Following the merger with ClaimLogiq, the company created a handoff process across account management, client engagement, and sales teams to facilitate cross-selling opportunities. While ensuring operational efficiency, Apixio seeks to create a comprehensive offering that links solutions like risk adjustment, payment integrity, health data management, and AIaaS, thus enabling customers to appreciate the value of a unified approach. With a portfolio of 42 customers, the company recognizes significant cross-selling potential.[8]

Apixio treats its offerings as SaaS solutions, reducing upfront financial barriers as the company handles implementation and has no maintenance fees, assuring a straightforward financial arrangement. Seamless technology integration, expertise in managing unstructured healthcare data, and a deep understanding of the healthcare landscape set the company apart.

Masterfully balancing technological innovation with healthcare workflows and patient impact, Apixio cements its position as an industry leader. Over the past years, the company has achieved an average customer net retention rate of 90% (with the current tracking approaching 94%).[9] In recent years, Apixio has onboarded approximately eight to ten new clients, exhibiting an annual growth of 20% to 30%.[10] The company intends to sustain this momentum by targeting a top-line increase of approximately 20% in the upcoming year.[11] For 2024 and 2025, Apixio aims to establish a central data access hub and offer tech-enabled services to facilitate the transition toward value-based care.

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[8] Frost & Sullivan Interview with Apixio (Frost & Sullivan, September 2023)
[9] Ibid
[10] Ibid
[11] Ibid

## Conclusion

Apixio is revolutionizing healthcare as a key vendor at the intersection of health plans and providers. By harnessing the power of AI to streamline operations, ensure accurate payment, and uncover critical patient insights, Apixio is building a resilient foundation for success as the industry moves toward value-based reimbursement models. With 42 customers in its portfolio, it has significant potential for future growth. In August 2022, the company launched its Health Data Management solution to provide real-time access to enriched medical charts, further simplifying health data management. At the start of 2023, Apixio released its Post-Visit solution, uniquely enhancing patient visit documentation and improving the timeliness and accuracy of risk capture with AI-driven concurrent review technology.

The acquisition of the company by New Mountain Capital signifies a strong leadership move within the industry. Apixio intends to continue to innovate within its Connected Care Platform while prioritizing its services to remain top-notch. As part of this approach, the company merged with ClaimLogiq to develop a comprehensive platform that includes risk adjustment, payment integrity, health data management, and AIaaS to optimize patient outcomes and value-based reimbursement at scale.

With its strong overall performance, Apixio earns Frost & Sullivan's 2023 North America Technology Innovation Leadership Award in the healthcare payer analytics 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

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## 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™.

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*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)**