

CELENT

HEALTHCARE PAS 2018

ABCD VENDOR VIEW

Nicolas Michellod, Karen Monks, and Tom Scales
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This authorized reprint contains material excerpted from a recent Celent report profiling and evaluating 28 different health policy administration system vendors globally. The full report is more than 170 pages long. This report was not sponsored by MedNet International Ltd in any way.

This reprint was prepared specifically for MedNet International Ltd, but the analysis presented has not been changed from that presented in the full report. For more information on the full report, please contact Celent at info@celent.com.

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EXECUTIVE SUMMARY

KEY RESEARCH QUESTIONS

- 1** *What is a healthcare payer policy administration system?*
- 2** *Who are the vendors in the global marketplace by region?*
- 3** *Which systems win Celent's 2018 Healthcare PAS ABCD Awards?*

This is Celent's second review of policy administration systems (PAS) available to healthcare payer insurance providers. The report looks at vendors from across the globe. This report profiles 28 PAS in use or being marketing for healthcare and medical-related products globally. There are 8 vendors that qualified for Celent's ABCD rankings and another 20 who are profiled but not included in the ABCD analysis.

This report also names the winners of the XCelent 2018 Awards for Healthcare PAS. MedNet International Ltd wins the XCelent Service Award.

INTRODUCTION

KEY RESEARCH QUESTIONS

- 1** *What is a healthcare payer policy administration system?*
- 2** *Who are the vendors in the global marketplace by region?*
- 3** *Which systems win Celent's 2018 Healthcare PAS ABCD Awards?*

This is Celent's second report on healthcare payer policy administration systems. It profiles 28 healthcare and medical product insurance administration systems available across the globe today. Insurance CIOs need to be aware of the technology available to them in the market so they can invest in software that is agile enough to address the day-to-day needs of their operations and is flexible enough to allow for business growth and innovation opportunities.

Recently, the healthcare payer policy administration market has undergone a transition. Some vendors have experienced mergers and acquisitions, while others have dropped their product offerings in the space. New players have emerged offering modern technologies and fresh perspectives, while experienced players are remaining competitive by offering new products or ancillary tools; however, they will face challenges down the road if their systems remain legacy systems with little flexibility. Many of the new solutions are built on flexible modern technology platforms, such as .NET and Java, and are superior to historical customized COBOL mainframe applications.

Celent understands that healthcare payers are looking to modernize their back offices and application portfolios. They need to comply with government regulations. The purpose of this report is to help identify vendors that can provide new technology approaches to the development, deployment, and management of existing policy administration applications.

This report uses Celent's ABCD Vendor View, which is our standard representation of a vendor marketplace, designed to show at a glance the relative positions of each vendor in four categories: Advanced technology, Breadth of functionality, Customer base, and Depth of client services. Insurers should consider which factors in breadth, technology, experience, and client service are most important to them, and review the detailed profiles in this report to assess vendor suitability.

This report includes 8 systems that fully met the inclusion criteria for Celent's ABCD Vendor View as described in the Report Methodology section of this report. Twenty additional vendors are also profiled; these vendors are either market entrants or, for a variety of reasons, did not fully meet the inclusion criteria. For a full list of vendors in this report, see Table 1 on page 8.

POLICY ADMINISTRATION SYSTEMS: DEFINITION AND FUNCTIONALITY

**Key
Research
Question**

1

What is a healthcare payer policy administration system?

The primary systems of record for health insurance business operations, handling all business transactions from the front-end processes of individual policyholder or membership management, and the main process of handling claims, to the back end of billing and premium payments.

DEFINITION

Policy administration system (PAS) applications are the primary systems of record for all healthcare payer or health insurance business operations, handling all business transactions from the front-end processes of individual policyholder or membership management, and the main process of handling claims, to the back end of billing and premium payments. These systems provide comprehensive enterprise business functions, such as policyholder/membership enrollment, benefits plan and provider management, claims adjudication, repricing and audits, premium billing, reporting, and workflow management.

Core administrative systems do much more than provide the technology capability to support basic business operations, such as creating and maintaining eligibility information, processing claims, and paying benefits. They have also evolved to support such processes as assisting in care management and tracking customer engagement.

WHAT IS INCLUDED IN A HEALTH CARE POLICY ADMINISTRATION SYSTEM

A healthcare payer PAS includes several functions and many closely integrated, specific point solutions, as shown in Figure 1. Celent’s profiles present each system in terms of availability of the functionality via the system itself, via a suite of closely integrated components, or via third party solutions.

Figure 1: Policy Administration System Components and Functionality

SUITE FUNCTIONALITY		CATEGORY FUNCTIONALITY		
Illustrations	NBUW	Desktop	Client Centricity	Portals
Billing	Claims	New business and underwriting	Product configuration/design	Claims
CRM	Reinsurance	Initial claim	Fraud	Litigation
Product Configuration/ Design	Distribution Management	Medical case management	Medical provider management	Workflow/auditing
Producer Portal	Prospective Cust. Portal	Reinsurance	Billing and Payments	Document management

SUITE FUNCTIONALITY		CATEGORY FUNCTIONALITY		
Policyholder Portal	Business Intelligence	Document creation	Forms management	Reporting/ Analysis/BI
		TPA		

Source: Celent

Core Processes

The foundational capabilities across most solutions are similar. Many of the core systems run the processes in the same way: they enroll and manage members, process premiums, adjudicate claims, and pay providers.

Benefits Administration (Product configuration/design). Benefits administration is core to a PAS and includes that ability to design, configure, customize, and manage benefits products and plan structures. This feature allows for scenario building, tracking benefits accumulation, managing benefit adjustments and copays, and managing overall benefits by client or product.

Membership Management including Enrollment and Underwriting (New business and underwriting). Enrollment is the ability to create a policy in the system of record. This includes application processing, quoting, activation, and installation of members in the benefit plans. It provides the ability to process applications; underwrite as necessary; assign benefit plans; and install and activate members. It also triggers ID card generation. Other membership management features often include eligibility and renewal management. It also may allow the tracking and managing of groups, subgroups, subscribers, and individual members or managing member communications regarding eligibility and benefits.

Claims Processing (Initial claim and claims). This process may include auto-adjudication, pricing, and auditing. It provides the ability to configure claims processing rules, auto-adjudicate with rules to increase pass rates, apply business rules to stage and route claims to higher reviews, and apply pricing models to claims. Auto-adjudication or pricing tools can help expedite claims and reduce costs due to less human intervention.

Premium Processing and Billing (Billing and payments). A billing component will support a broad set of billing methods, such as direct or list bill, as well as various present and payment options, and configuration capabilities. It also tracks claim disbursements and auto-pay or online options.

Supporting Capabilities

Policy Service (Desktop). Policy service includes service after the issuance of a policy, and continues through the life of the policy, including: changes of status for the insured policyholder, the objects of insurance, lapses or cancellations, etc. It includes all member contact and engagement management.

Employer Portal. It includes online functionality for the enrolling company. This is a critical supporting process for a PAS because the combination of the portal and the back end systems is what drives an insurer's ability to handle functions such as inquiry and new business submission effectively.

Policyholder Portal. It is a supporting capability, aimed squarely at helping insurers deliver web-based functionality directly to consumers. Functions supported can be

informational (e.g., policy value inquiry) or transactional (e.g., loan or surrender requests). Customers can perform tasks independently of customer service.

Workflow. Workflow allows users to do more than simply store and edit data; workflow instead creates functional paths for users to follow. It also provides historical tracking and logs to use in metrics and work monitoring.

Medical Provider Management. It provides the ability to install, configure, and manage contracts with providers. It also includes fee schedules and payment mechanisms as well as record and credential tracking information.

Medical Case Management. It provides the ability to track and manage medical claims/cases as needed over the period of the case.

Fraud. It allows for fraud detection and analysis to help insurers plan actions to avoid and mitigate them.

Litigation. It provides healthcare claims litigation support.

Reporting/Analysis/BI. It provides business intelligence and data warehousing function. While many PAS provide basic reporting functionality, well-thought-out PAS facilitate the integration to third party reporting and analytic databases. A true BI/analytics tool allows the management of data marts, detailed ad hoc reporting, customized dashboards, and complex data analysis — not just for the PAS but for all an insurer's data.

Document and Forms Creation and Management. It refers to document and content automation systems which allow template-based generations of official policies, underwriting rejection letters, and any other documentation that needs to be stored or sent. Many policy admin systems have basic forms and correspondence functionality, though a third party system can handle document generation across the enterprise.

REPORT METHODOLOGY

CRITERIA FOR INCLUSION

Celent's objective is to include in this report as many as possible of the leading health policy administration systems being used or actively sold to insurers across the globe. Celent actively reviews vendor systems in the insurance software market and invites the vendors to participate in reports like these.

Celent's ABCD Vendor View analysis is used to highlight vendors that have attained success selling their systems in a particular market, in this case globally. Even if a vendor is not included in the ABCD Vendor View presented on pages 13 and 16, Celent profiles all vendors who are new or emerging entrants to the market as well as those with rearchitected products.

The three key criteria to be included in Celent's ABCD analysis are:

- At least three customers in production with the current version of the system.
- At least one new sale to one new customer within the last 24 months.
- Participation by at least two reference customers.

This report contains 28 profiles. Each of the profiles presents information about the vendor and solution; available professional services and support capabilities in the region; customer base; functionality and lines of business deployed; technology and partnerships; and implementations and cost. The vendors included in Celent's ABCD Vendor View analysis have two additional sections: reference customer feedback and some summary comments.

EVALUATION PROCESS

Celent sent a detailed RFI to a broad set of Health PAS vendors. After Celent received completed RFIs from the vendors, each vendor was evaluated for meeting the criteria for inclusion in the ABCD Vendor View analysis. Each vendor included in Celent's ABCD evaluation provided a briefing and demo for Celent concentrating on usability and functionality for everyday users as well as claims handling, medical provider management, statistics, and reporting as well as billing and enrollment.

Celent also asked at least two references provided by each vendor in the ABCD Vendor View analysis to complete an online survey in order to obtain their view of the system's business and technology value. The RFIs, the demos/briefings, and the reference surveys provided quantitative and qualitative data that was used in the ABCD analysis of these vendors. This process is described in the next section.

Additionally, data from the RFIs received from every vendor was included in the system profiles presented in this report. All vendors had an opportunity to review their profile for factual accuracy, but they could not influence the overall evaluation of the system or the vendor's placement in the ABCD Vendor View charts if the vendor was included in the evaluation.

Celent has retained final authority over the content of the published profiles. Some of the vendors profiled in this report are Celent clients, and some are not. No preference was given to Celent clients either for inclusion in the report or for the subsequent evaluation.

Not all data gathered from the detailed RFIs, vendor briefings and demos, and reference surveys/interviews has been included in the profiles. Rather, Celent has attempted to

capture key points and values about each vendor at an appropriate level. Unpublished information remains in the Celent knowledge base and is available to Celent's subscription or consulting clients.

A detailed list of vendors profiled in this report is shown in Table 1.

**Key
Research
Question**

2

Who are the vendors in the global marketplace by region?

Twenty-eight vendors are presented in the profiles in this report, and many of them have specific geographic regions where they market their PAS.

Table 1: Vendors Profiled in This Report

VENDOR	PRODUCT	NORTH AMERICA	EMEA	APAC	LATAM	INCLUDED IN ABCD
ACCESS MEDITECH	TOSHFA	-	■ ■	-	-	Yes
ADACTA GROUP	AdInsure	-	■ ■	-	-	No
ADESSO	in sure Health	-	■	-	-	No
AETINS	ISF Health	-	■ ■	■ ■	-	Yes
C2L BIZ	SymbioSys	□	□	■ ■	□	No
CEGEDIM INSURANCE SOLUTIONS	Actisure	■	■ ■	■	-	Yes
CONCENTRIX	GIAS	■ ■	■	■	■ ■	No
CONSIG INTL	Ascel –e	-	-	-	■ ■	No
COOPENGO	COOG	-	■ ■	-	-	No
DIASOFT	Diasoft Insurance Medical	-	■ ■	-	-	No
DXC TECHNOLOGY	Xuber Health	□	■	■	-	No
EIS GROUP	EIS PolicyCore	■ ■	-	■	-	No
ESKADENIA	ESKA Insures	-	■ ■	-	-	Yes
FADATA	INSIS Health	-	■ ■	-	■	Yes

VENDOR	PRODUCT	NORTH AMERICA	EMEA	APAC	LATAM	INCLUDED IN ABCD
FIS	Compass	■ ■	■ ■	■ ■	-	No
IN2	INsurance2	-	■ ■	-	-	No
INDRA	iONE	-	■ ■	-	■ ■	No
INSPRO	InsPro Enterprise	■ ■	-	-	-	No
ITELLO	Inca	-	■ ■	-	-	Yes
MAJESCO	Majesco Policy Administration System	■ ■	■ ■	■ ■	-	No
MEDNET INTL	MedNeXt+	□	■ ■	□	□	Yes
NISSAY IT	i-Win MICHL/LIFE	-	-	■ ■	-	No
NTT DATA	FirstHealth	□	■	□	□	No
ORACLE	OracleHealth	■ ■	■ ■	□	■	No
SINOSOFT	Sinosoft HIS	-	-	■ ■	-	No
TCS	TCS BaNCS	□	■ ■	■ ■	□	No
VERMEG	eSoLife	-	■ ■	-	-	No
WYDE CORPORATION	Wynsure	■ ■	■ ■	-	-	Yes

Source: Celent, Vendors

Key: ■ ■ = 3 or more clients in production in regions; ■: 1–2 clients; □ New entrant to market; - Not in the region.

ABOUT THE PROFILES

Each of the profiles presents information about the vendor and solution; professional services and support capabilities; customer base; functionality and lines of business deployed; technology and partnerships; and implementations and cost. As stated earlier, if a system was included in the ABCD Vendor View analysis, the profile also includes customer feedback and Celent's opinion of the system in regard to usability, product configuration, and workflow abilities as well as summary comments.

Each profile includes a figure outlining available end-to-end components/features/functions. The profiles also include a list of in production and supported lines of business and the number of clients currently using the system for those products. Additionally, the profiles include a table of technology options.

If included in the ABCD Vendor View analysis, the vendor's reference feedback gathered through the use of an online survey is presented in the profile. Customer feedback sections include a diagram that displays the average ratings given to the vendor in 5 categories. Each average rating includes up to eight underlying ratings shown in Table 2 and scored by the customer on a scale of 1 to 5, where 1 means poor and 5 is excellent. Open-ended comments regarding the system and the vendor are also included in the feedback section.

Table 2: Customer Feedback Ratings

DIAGRAM AVERAGE (QUESTION ASKED)	RATINGS INCLUDED IN AVERAGE*
<p>SYSTEM'S FEATURES AND FUNCTIONS</p> <p>(How would you rate the features and functions you are currently using?)</p>	<p>Producer/Agent Portal</p> <p>Policyholder Portal</p> <p>Employer Portal</p> <p>Customer Service Desktop</p> <p>Membership Management and Enrollment (Group)</p> <p>Underwriter Desktop/Underwriting and Case Management</p> <p>Product Configuration/Definition and Maintenance</p> <p>Workflow / Business Process Design</p> <p>Business Rules</p> <p>Document Management</p> <p>Business Intelligence</p> <p>Analytics</p> <p>Billing</p> <p>Premium Processing</p> <p>Group Benefits Administration</p> <p>Health Provider Administration</p> <p>Claims Management</p> <p>Commission Management</p> <p>Reinsurance Management</p> <p>Regulatory Reporting</p>
<p>USABILITY (Do the following users find this system EASY AND EFFICIENT to use?)</p>	<p>Underwriters</p> <p>Underwriter support staff</p> <p>Policy service staff</p> <p>System administrators</p> <p>Business analysts (doing configuration)</p>
<p>VENDOR'S IMPLEMENTATION CAPABILITIES</p> <p>(If you are familiar with the original implementation of this system at your company, how would you rate this vendor in the following areas?)</p>	<p>Responsiveness</p> <p>Project management</p> <p>Implementation completed on time</p> <p>Implementation completed on budget</p> <p>Overall project success</p> <p>Knowledge of your business</p>
<p>VENDOR'S POST-IMPLEMENTATION PROFESSIONAL SERVICES</p> <p>(After implementation, how would you rate the vendor's professional services staff in the following areas?)</p>	<p>Skill and knowledge of professional services staff</p> <p>Timeliness of responses to service requests</p> <p>Quality of responses to services requests</p> <p>Cost of services</p> <p>Overall value of professional services</p>
<p>SYSTEM'S TECHNOLOGY PERFORMANCE</p>	<p>Ease of system maintenance</p> <p>Flexibility of data model</p> <p>Scalability of solution</p> <p>Vendor's level of investment in improving technical performance through new releases and fixes</p> <p>Configurability of solution</p> <p>Ease of integration with internal and external data sources</p>

Source: Celent; *Rating used a scale of 1 to 5, where 1 is poor and 5 is excellent. "Not applicable" or "No opinion" are not included in average.

Concerning implementation costs and fees, Celent asked vendors to provide first-year license and first-year other implementation costs (work by the insurer, vendor, or third parties) for two hypothetical insurance companies:

- Insurance Company A, a small insurer, with a Direct Written Premium (DWP) of US\$250 million.
- Insurance Holding Company B, with four operating companies, writing multiple lines of business in five or more states or countries, with a total combined Direct Written Premium (DWP) of \$2.1 billion.

When discussing insurance customers of the various solutions, the profiles may use the terms very small, small, medium, large, and very large insurers. Very small insurers (Tier 5) have under US\$100 million in annual premium; small (Tier 4) have US\$100 million to \$499 million; medium (Tier 3) have US\$500 million to \$999 million; large (Tier 2) have US\$1 billion to \$4.9 billion; and very large (Tier 1) have US\$5 billion or more.

CELENT'S ABCD VENDOR VIEW

The Celent framework for evaluating vendors is called the Celent ABCD Vendor View. This is a standard representation of a vendor marketplace designed to show at a glance the relative positions of each vendor in four categories: Advanced technology, Breadth of functionality, Customer base, and Depth of client services. The Celent ABCD Vendor View shows relative positions of each solution evaluated. Each vendor solution is judged relative to the others in the group.

While this is a standard tool that Celent uses across vendor reports in many different areas, each report will define each category slightly differently. For this report, some of the factors used to evaluate each vendor are listed in Table 3.

Table 3: Examples of Possible Factors Used in Celent Policy Administration System ABCD

ABCD CATEGORIES	POSSIBLE FACTORS
ADVANCED TECHNOLOGY (AND FLEXIBLE TECHNOLOGY)	Modernity of platform. Deployment option flexibility (i.e., databases, application servers, etc. supported). Core adaptability/extendibility (i.e., openness of application, code base, data model, etc.). Ease of change (i.e., change tooling, impact evaluation support, etc.).
BREADTH OF FUNCTIONALITY	Functions and features provided in base offering. Power and ease of use of product and rules configuration. Power and ease of use of user interfaces. Supported lines of business and number of deployments for different lines of business. User experience.
CUSTOMER BASE	Number of live insurers using the system for life, health, or annuities lines of business. New client momentum.
DEPTH OF CUSTOMER SERVICE	Size and experience of professional services and support team. Insurers' implementation experiences. Insurers' post-implementation experiences.

Source: Celent

THE XCELENT AWARDS

Within this framework, the top performers in each of the ABCD dimensions receive a corresponding XCelent Award:

- XCelent Technology for the leading Advanced Technology score.
- XCelent Functionality for the leading Breadth of Functionality score.
- XCelent Customer Base for the leading Customer Base score.
- XCelent Service for the Depth of Service score.

Key
Research
Question

3

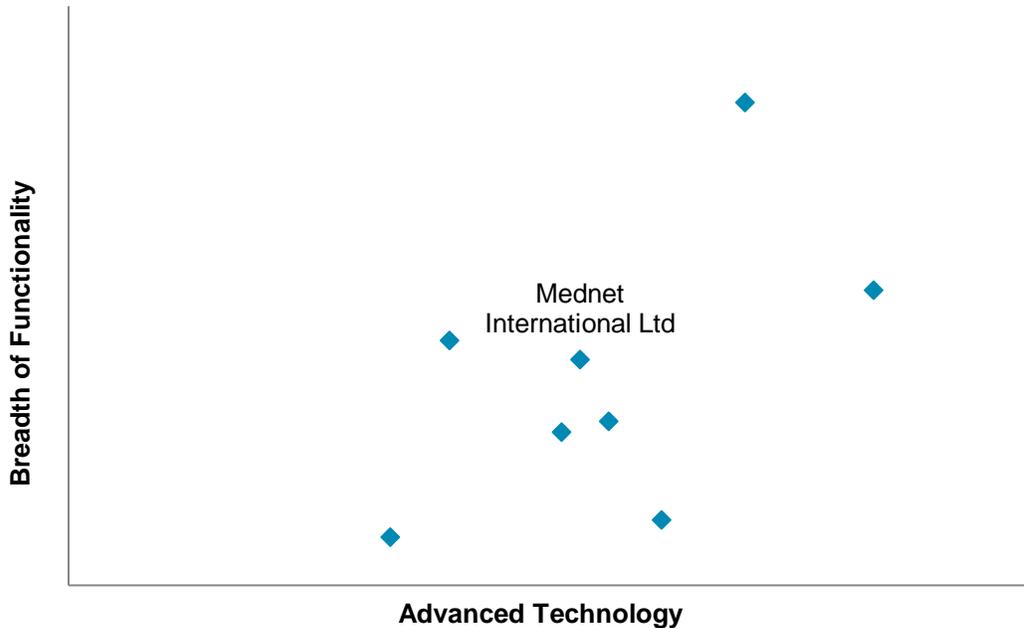
Which systems win Celent's 2018 Healthcare PAS ABCD Awards?

XCelent Service: MedNet International Ltd

XCELENT TECHNOLOGY AND XCELENT FUNCTIONALITY

Figure 2 positions each vendor along two dimensions: the vertical axis displaying the relative rankings for Advanced Technology and the horizontal axis showing relative Breadth of Functionality rankings.

Figure 2: XCelent Technology and XCelent Functionality



Source: Celent

XCELENT CUSTOMER BASE AND XCELENT SERVICE

Figure 3 positions each vendor along two dimensions: the vertical axis displaying the relative level of depth of customer service and the horizontal axis displaying the relative customer base. The XCelent Service award goes to MedNet International Ltd.

Figure 3: Customer Base and Depth of Customer Service



Source: Celent

We suggest that insurers consider their specific needs and each vendor for what it offers. Although they are very successful in one or more of the criteria, the XCelent Award winners may not be the best match for an insurer's specific business goals and solution requirements.

MEDNET INTERNATIONAL LTD: MEDNEXT+

COMPANY

MedNet International Ltd is a 100% subsidiary of Munich Re headquartered in Athens, Greece with sales and professional services personnel servicing the European, Middle Eastern, Latin America, and African region. MedNet International Ltd primarily provides software and services to the insurance industry. The company has 100 employees, of which 86 are available to provide professional services / client support for their PAS solution.

Table 4: Company and Product Snapshot

COMPANY	Annual corporate revenues	US\$8 million
	Year founded	1995
	Exchanges/Symbols	N/A
PAS SYSTEM	Headquarters Location	Global: Athens, Greece
	Name	MedNeXt+
	Current release and date of release	MedNeXt+ 06.11.00.00- March 2018
	Release intervals	Minor enhancements: They typically deliver 8 new releases per year with minor enhancements. Major enhancements: They typically deliver 4 new releases per year with major enhancements.
	Upgrades	Insurers must upgrade by going from one version to the next sequentially (e.g., 4.0 to 5.0). Vendor support for prior versions: They support current versions and more than two prior but not all versions.
Target market	Not provided.	

Source: MedNet International Ltd

CELENT OPINION

MedNet International Ltd is a company part of Munich Re. It focuses on medical insurance, and its main product is called MedNeXt+.

This is the second time we profile MedNet International Ltd and its medical policy administration system MedNeXt+. Since our last review of the system back in 2015, MedNet International Ltd has notably worked on improving quotation process, which has now become highly digital. In addition, the internal business user interface has been modernized adding higher intuitiveness. MedNeXt+ is also enriched with mobile technology allowing patients to use their mobile phone to spot relevant medical providers. Overall MedNet International Ltd has added key features and functions and improved major components of its MedNeXt+ system which already offered deep and robust functionalities to health insurers.

MedNet International Ltd demonstrates it continues to invest in its policy administration system. The vendor has a strong expertise in major medical insurance scheme administration and its system MedNeXt+ represents a great alternative for medical

insurers looking at a new platform. We expect MedNet International Ltd to grow its customer base in the future and get more experience not only in Europe but across the globe.

OVERALL FUNCTIONALITY

Figure 4: Functionality

SUITE FUNCTIONALITY		CATEGORY FUNCTIONALITY		
Illustrations	NBUW	Desktop	Client Centricity	Portal
Billing	Claims	New business and underwriting	Product configuration/design	Claims
CRM	Reinsurance	Initial claim	Fraud	Litigation
Product design/dev	Distribution Management	Medical case management	Medical provider management	Workflow/auditing
Producer Portal	Prospective Cust. Portal	Reinsurance	Billing and Payments	Document management
Policyholder Portal	Business Intelligence	Document creation	Forms management	Reporting/ Analysis/BI
		TPA		

■ Yes – integrated into the policy admin module	■ Available out of the box	■ Available with integration to a separate module provided by this vendor
■ Yes – separate module	■ Available with integration to a third-party solution	■ Configurable using simple tools targeted for a business user
■ Yes – through a formal partnership with another vendor	■ Configurable using tools targeted to IT users	■ Configurable through a scripting language
■ No	■ Coding required	■ Under Development
	■ On the roadmap	■ Could develop (would be considered customization)
	■ Not available	■ Not applicable

Source: MedNet International Ltd

CUSTOMER BASE

Table 5 provides a breakdown of the client counts by region. In addition to the 7 insurers, they have 8 TPAs using their system for policy administration.

Table 5: Customer Base

	NORTH AMERICA	EMEA	APAC	LATAM
IN PRODUCTION WITH RELEASE LESS THAN FOUR YEARS OLD	0	7	0	0
IN PRODUCTION WITH PRIOR RELEASE/VERSION	0	0	0	0

	NORTH AMERICA	EMEA	APAC	LATAM
NEW CLIENTS SINCE 2015		Africa: Egypt:1, Angola:1 Health LOB Clients: 15		
DEPLOYMENT METHOD (PERCENTAGE OF CLIENT BASE)		On Premise: 100%		

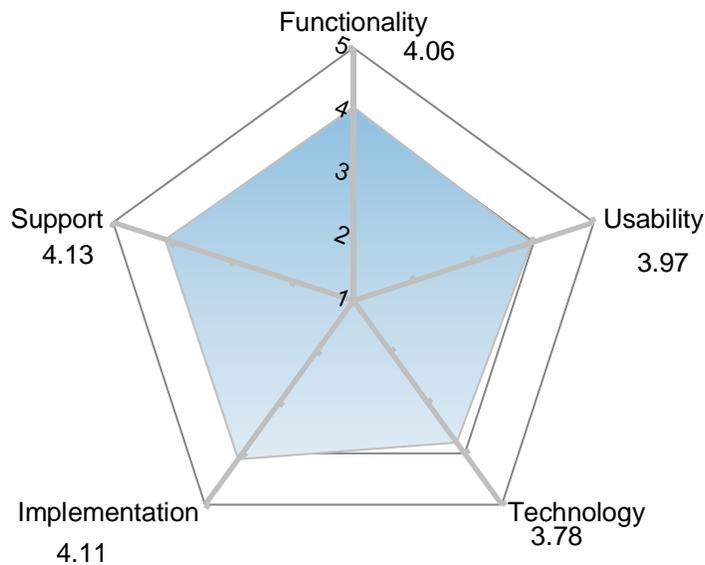
Source: MedNet International Ltd

CUSTOMER FEEDBACK

Three clients provided feedback on MedNeXt+. Two clients have been using the system between 1 and 3 years. One client has been using the system for more than 3 years. The references are located in the Middle East and African region.

Figure 5: Customer Feedback

Customer average rating (1=very poor; 5=excellent)



Source: Customer feedback survey

LINES OF BUSINESS SUPPORTED

Table 6: Lines of Business Supported

LINE OF BUSINESS	INDIVIDUAL		GROUP	
	AVAILABILITY	NUMBER OF CLIENTS IN PRODUCTION GLOBALLY	AVAILABILITY	NUMBER OF CLIENTS IN PRODUCTION GLOBALLY
MEDICAL INSURANCE (MAJOR MEDICAL / IN- AND OUTPATIENT)	In production	7	In production	7
ACCIDENTAL DEATH OR DISMEMBERMENT	Supported but not in production	0	Supported but not in production	0
SHORT-TERM DISABILITY	Supported but not in production	0	Supported but not in production	0
LONG-TERM DISABILITY	Not supported	N/A	Not supported	N/A
LONG-TERM CARE	Not supported	N/A	Not supported	N/A
CRITICAL ILLNESS	Supported but not in production	0-	Supported but not in production	0-
VISION INSURANCE	In production	7	In production	7
DENTAL INSURANCE	In production	7	In production	7
ASSISTANCE PROGRAMS/OTHER CONCIERGE SERVICES	Not supported	N/A	Not supported	N/A

Source: MedNet International Ltd

TECHNOLOGY

The primary UI for business users is browser based; for developers and configurers it is browser based and Java thick client or Eclipse client. Touch screen interfaces are enabled for business users only.

The UIs and process flows are designed to be mobile device independent. The solution natively supports Apple (iOS) and mobile friendly HTML5 mobile apps.

Table 7: Technology Options

TECHNOLOGY	SPECIFICS
CODE BASE	<p><u>Core technology:</u> Java: 15%; Oracle ADF & PL/SQL: 85%</p> <p><u>Business users:</u> Java: 15%; Oracle ADF & PL/SQL: 85%</p> <p><u>Developers:</u> Java: 15%; Oracle ADF & PL/SQL: 85%</p>

TECHNOLOGY	SPECIFICS
OPERATING SYSTEMS	Implemented in JEE/Java Operating systems deployed on: RedHat Linux, Oracle Enterprise Linux
APPLICATION SERVERS	Oracle WebLogic Server 10.3.6
DATABASES	Preferred: Oracle (only option) Additional options: None
INTEGRATION METHODS	Preferred: Web Services; Other XML Additional options: RESTful HTTP style services; JSON format; MQSeries, JMS or similar queue technology; Flat files; Custom API Public API integrations: None
SCALABILITY	Largest deployment: 5,000 users and 925,000 policies

Source: [MedNet International Ltd](#)

The vendor provides documentation and training for API integrations. External systems can trigger events in the system which can be responded to by a workflow or business rule. All events are exposed as Web Services. Synchronous Web Services respond on execution where as “Asynchronous” ones respond with correlation keys that are later used for further actions.

Insurers do not have access to core code; configuration tools targeted to a business user are available for the following: insurance product definition, workflow definition, business rule definition, data definition, and role-based security integration. Interface definition is configurable using tools targeted for an IT user. Screen definition requires coding. Changes to the system are possible through reusable components, inheritance, and other schemes. All product components (including product features, coverages, benefits, transactions, rules, and calculations) are reusable for multiple products.

Product changes can be analyzed using an impact analysis tool that provides a report, detailing products and channels affected, and can be tested in a standard way using common tools. A restart of the system is required for change to underlying data model.

PARTNERSHIPS

MedNet International Ltd. does not have established system integration partnerships.

IMPLEMENTATION, PRICING, AND SUPPORT

The preferred implementation approach is proprietary. A typical project team of 8 to 20 depending on project scope people consists of resources from the insurer (30%), MedNet International Ltd. (50%), and external professional services firms (20%). Service-level agreements are offered; a typical SLA includes response time of their support services.

The average time to get the first line of insurance live in a single jurisdiction is typically 7 to 12 months depending on the integration requirements and the level of configuration required, with second and subsequent lines taking 1 to 3 months in the same jurisdiction. Second and subsequent jurisdiction implementations typically take 4 to 6 months.

MedNet International Ltd. offers perpetual license, SaaS, subscription, and risk-based pricing options. The license fees are typically based on number of functional components/modules, enterprise license / flat fee, and other (per member). The vendor will offer a fixed price implementation based on an agreed statement of work.

The total cost to implement MedNeXt+ can vary according to the capabilities and available resources of the client, and the overall scope of system use.

Table 8: Implementation Pricing Estimates

INSURER SCENARIO	LICENSING	VENDOR FEES	THIRD PARTY FEES	MAINTENANCE FEE / OTHER
FOR NATIONAL INSURANCE COMPANY, a single licensed company that writes in one country, for 8 lines of business, producing annual GWP OF €250 million. Assume two year implementation period.	EMEA: €1 million to €5 million	EMEA: €1 million to €5 million	EMEA: Under €500,000	EMEA: 20%
FOR INSURANCE HOLDING COMPANY, which has 4 companies, writes in 5 countries, across 24 lines of business and has GWP of €2.5 billion. Assume four year implementation period.	EMEA: €1 million to €5 million	EMEA: €5 million to €10 million	EMEA: €1 million to €5 million	EMEA: 20%

Source: [MedNet International Ltd](#)

CONCLUSION

Most insurance executives will only get one chance to complete a successful technology modernization at their current organizations. The following are some key points to set the stage for a successful modernization project.

- Leadership is essential. A technology modernization program is one of the highest risk projects that an organization can undertake. A typical modernization program impacts many areas. First, consider the technology components of the modernization, including new applications, new data integrations, data structures, and potentially, policy conversions and technical infrastructure changes. The business is also significantly affected as the functions and processing procedures are altered. New organizational roles and responsibilities may impact the people and structure of the operation as they adjust to the new ecosystem. Include human resources as part of the leadership team. Effective change management is necessary for a successful project.
- Build the business case early. Develop a realistic business case with complete costs and benefits associated with the program. Start the business case development early in the vision and strategy development process. Include key stakeholders in the process and socialize the business case. Be prepared for a marginal or even a negative ROI initially. Continue to quantify the risks/probabilities in financial terms in an effort to provide a balanced analysis.
- Align the executives. Modernization programs are transformational and the leadership team needs the unwavering commitment of all impacted parties. As most of these programs are measured in years rather than months, fatigue can set in, priorities compete, or management restructuring can sabotage an important initiative. It is imperative to have the personal commitment of leadership to bring these projects to completion.
- Commit the right resources. Generally, a modernization program will need to involve a company's most knowledgeable and constrained resources. Subject matter experts need to be able to focus exclusively on the program. Back-fill day-to-day activities with temporary resources and new hire resources to allow the best team to deliver this project. Don't forget rewards and recognition at milestone deliveries of the project team, including partners and vendors.
- Establish strong program governance. This recommendation may be predictable, but can be overlooked. Developing robust standards and a cadence for the program are essential to drive decisions, enhance communication, and create transparency and trust among the project team and stakeholders.
- Adopt, don't adapt. There is often an inclination to "repave the cow path." The short-term and long-term cost of customization will introduce risk to the program and the overall maintainability of the solution. Whenever possible, stay with the base system and adopt the processes that come with it.

Was this report useful to you? Please send any comments, questions, or suggestions for upcoming research topics to info@celent.com.

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If you found this report valuable, you might consider engaging with Celent for custom analysis and research. Our collective experience and the knowledge we gained while working on this report can help you streamline the creation, refinement, or execution of your strategies.

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Typical projects we support related to health insurance policy administration include:

Vendor short listing and selection. We perform discovery specific to you and your business to better understand your unique needs. We then create and administer a custom RFI to selected vendors to assist you in making rapid and accurate vendor choices.

Business practice evaluations. We spend time evaluating your business processes, particularly in [list several here]. Based on our knowledge of the market, we identify potential process or technology constraints and provide clear insights that will help you implement industry best practices.

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We provide services that help you refine your product and service offerings.

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For more information please contact info@celent.com or:

Nicolas Michellod nmichellod@celent.com
Karen Monks kmonks@celent.com
Tom Scales tscases@celent.com

AMERICAS

USA

200 Clarendon Street, 12th Floor
Boston, MA 02116

Tel.: +1.617.262.3120
Fax: +1.617.262.3121

USA

1166 Avenue of the Americas
New York, NY 10036

Tel.: +1.212.541.8100
Fax: +1.212.541.8957

USA

Four Embarcadero Center, Suite 1100
San Francisco, CA 94111

Tel.: +1.415.743.7900
Fax: +1.415.743.7950

Brazil

Av. Doutor Chucri Zaidan, 920 –
4º andar
Market Place Tower I
São Paulo SP 04578-903

Tel.: +55.11.5501.1100
Fax: +55.11.5501.1110

Canada

1981 McGill College Avenue
Montréal, Québec H3A 3T5

Tel.: +1.514.499.0461

EUROPE

France

28, avenue Victor Hugo
Paris Cedex 16
75783

Tel.: +33.1.73.04.46.20
Fax: +33.1.45.02.30.01

United Kingdom

55 Baker Street
London W1U 8EW

Tel.: +44.20.7333.8333
Fax: +44.20.7333.8334

Italy

Galleria San Babila 4B
Milan 20122

Tel.: +39.02.305.771
Fax: +39.02.303.040.44

Spain

Paseo de la Castellana 216
Pl. 13
Madrid 28046

Tel.: +34.91.531.79.00
Fax: +34.91.531.79.09

Switzerland

Tessinerplatz 5
Zurich 8027

Tel.: +41.44.5533.333

ASIA

Japan

The Imperial Hotel Tower, 13th Floor
1-1-1 Uchisaiwai-cho
Chiyoda-ku, Tokyo 100-0011

Tel: +81.3.3500.3023
Fax: +81.3.3500.3059

China

Beijing Kerry Centre
South Tower, 15th Floor
1 Guanghua Road
Chaoyang, Beijing 100022

Tel: +86.10.8520.0350
Fax: +86.10.8520.0349

Singapore

8 Marina View #09-07
Asia Square Tower 1
Singapore 018960

Tel.: +65.9168.3998
Fax: +65.6327.5406

South Korea

Youngpoong Building, 22nd Floor
33 Seorin-dong, Jongno-gu
Seoul 110-752

Tel.: +82.10.3019.1417
Fax: +82.2.399.5534