

This research is qualitative and directional in nature and is not intended to be statistically projectable. It is meant to provide directional insights to aid in marketing, positioning, and design activities for HMS. The report is focused on findings that can be impacted by or influence by communications. This report contains threads that we heard consistently, not comments or observations that seem to apply uniquely to the respondent's situation.

Table of Contents	Page
Introduction	
Project Background and objectives	
Methodology	
Key Findings	
Executive summary and implications	
Detailed Findings	
HMS Competencies and brand assets	
Additional Points of Difference	
Product End Benefit: What it Means	
Competitive Set	
Pricing	
Audience Observations	
Seasonality	
Exhibits	

I. Project background and objectives

This Brand Assessment was conducted to inform HMS's Brand Refresh. The Brand Refresh is seen as being critical as HMS looks to new business opportunities in technology and healthcare data analytics and that will build upon the organization's current strengths. The findings and observations in this report are informed by interviews and secondary research undertaken to uncover the following:

- Who audiences see as HMS's competitors
- What HMS audiences value most about the brand and its services
- Perceived strengths and weaknesses of HMS offerings
- Look, tone, feel, and positioning of competitor's brands
- Current and future positioning opportunities for HMS
- Leverageable assets of HMS
- Brand vision: where audiences see HMS in the future

II. Methodology

In developing this report we spoke to 38 respondents in the following categories:

- HMS Leadership Team
- HMS Managers
- Employer Clients
- Commercial Clients
- Federal Government
- State Government Clients

The interviews were conducted using a discussion guide developed with HMS. A copy of the discussion guide can be found in the appendix of this report. All respondents were guaranteed anonymity.

The interviews were conducted during April and May of 2015. In addition to these interviews, we reviewed notes of external interviews conducted by Joe McNamara of HMS in March of 2015. We also read the summary of the HMS's 2014 Voice of Customer research.

III. Executive Summary and Implications

HMS has a strong collection of brand assets. The assets are anchored in its service offering strength in healthcare payment integrity services, years of experience in the space, and knowledge and understanding of how to leverage extremely complex healthcare data responsibly and intelligently.

External and internal audiences cited the following brand strengths:

- Data from the vast majority of payers and healthcare eligible individuals
- Expertise leveraging healthcare data to benefit the overall healthcare ecosystem
- Proven results in dollars recovered
- HMS's length of time in the space
- Breadth of experience
- Disciplined investigative processes and analytical capabilities
- Customer-focused

External perceptions of HMS's personality are rooted in conservative and cautious attributes, a net positive in the highly sensitive space in which it operates.

- Deliberate
- Insightful
- Careful
- Disciplined
- Process oriented
- Results oriented

An iterative approach to evolving the brand is clearly appropriate for HMS.

HMS's customers value and depend on its services and a conservative approach, evolution rather than a radical transformation is called for. The majority of external respondents see HMS as being the safe and intelligent choice for payment integrity services. Any radical branding efforts are unnecessary and potentially destabilizing to the brand.

As HMS is poised to move more aggressively into the analytics and technology space, HMS will need to build on its current foundation to project more forward-looking brand imagery and messaging that can convey:

- Cutting edge analytics and technology
- Predictive in nature
- Innovation in its offerings

External communication of developments like the HMS Garage that illustrate a more innovative culture could be used to evolve the brand personality into one that is more consistent with a more innovative brand.

Illustrating thought-leadership in the field of data analytics should also be considered. Potential avenues for this could be:

- Association with university
- White papers with academics
- Acquisition of an early stage organization in the space

HMS's positioning line, "*Powering the healthcare system with Integrity*", is also something that might be revisited as appropriate, to communicate this evolution of the brand.

HMS has done little to promote itself as a brand externally. As it moves into new markets and services more external communications to promote the brand seems appropriate.

Historically, HMS has purposefully kept a somewhat low profile in communicating its brand to external audiences. As HMS moves into new service areas and target markets an increased brand presence seems advisable. Your current customers have little knowledge of what HMS service offerings are other than what they are currently using. While we did not speak to prospects, it is unlikely they would have any familiarity with HMS.

The founding of the company and its roots could be leveraged more.

The founding of HMS in NYC working on behalf of a safety net hospital and a mission that has served the better good is still part of HMS's mission today but could be strengthened by being better leveraged throughout the company.

HMS should be communicating more emotional attributes of the brand.

Its functional benefits, what it does and how its services are delivered, are what inform the HMS brand image. But those services are more than just a widget – they are improving the healthcare ecosystem in America. There is little sense of that mission in HMS's communications. HMS is also helping its customers

improve their organizations' bottom line and performance at work – in other words helping them shine. Communication strategies that reflect the loftier mission related of the brand should be considered.

IV. Competitive mapping

From a communications positioning standpoint, HMS has room to move into a more predictive space. The “positioning map” on the next page (below?) illustrates where HMS and its key competitors fall on axes that measure how the organizations project themselves in marketing materials. It is not based on functional brand attributes.

The horizontal axis on the positioning map shows where the brands fall regarding expertise in multiple sectors versus a focus on healthcare exclusively. The vertical axis shows how the organizations position themselves relative to being what we have called an “*investigative/administrative partner*” with its audiences versus a “*predictive/leader partner*”.

V. HMS Current Brand Architecture : Proposed

Given what we have uncovered in this audit below is our Proposed Brand Architecture for HMS:

The words below need to go into the appropriate boxes

Product Features

TLP
COB
Data mining
Data Analytics

Equities to Leverage

Years of experience
Dollars recovered
Data knowledge
Healthcare focus

Functional benefits

Payment integrity
Custom solutions
Process and systems rigor

Emotional benefits

Peace of mind
Security
Smart choice

Personality

Deliberate
Disciplined
Process oriented
Results oriented

Brand Essence

Clarity

VI. Detailed Findings

HMS Business Competencies

Internal audiences had a clear and unified picture of what the current service offerings of HMS are:

- Payment integrity solutions
- Strength in the government sector
- Growth opportunities in the commercial markets that leverage the above strengths
- Preliminary steps into healthcare data analytics space

External audiences for the most part were only aware of HMS's involvement in the services that they contract for and thus were unable to speak to services beyond those that they had direct experience with.

HMS's low profile was evidenced by external audiences knowing little about any business line that HMS is in beyond the service they are working with HMS.

"I don't know that they [HMS] do anything but TPL."

"I think of them as introverted – they don't advertise, I never hear anything about them other than from our account rep."

"I only know about the recovery they do, they don't do a great job of marketing themselves."

There were a wide array of organizations cited as competing with HMS, and they varied between internal and external respondents.

The HMS competitors we heard of most from internal respondents were as follows:

- CAQH
- Connolly
- iHealth (division of Connolly)
- Lexis/Nexis
- Optimum
- PCG
- Xerox

External audiences only spoke to competitors that were in the service area that they purchased from HMS.

- Law firms: for subrogation
- Insurance payers for analytics
- Connolly
- PCG

HMS Brand Assets

There are some differences between what internal and external brand assets are, but there is a strong base of strengths upon which HMS can evolve its brand.

Common to both, internal and external audiences were anchored in (whatever HMS wants to call the service)

Internally, the top company assets are seen as follows:

- Data from 1,100 health plans on the vast majority of healthcare eligible individuals in the U.S. *N.B. there is an understanding that to harness the full potential of that data there needs to be usage clarifications.*
- Relationships with 45 states and commercial clients – facilitates organic growth
- Proven results in dollars recovered
- Years of experience
- Breadth of experience

External audience had some additional assets that they valued.

- Customer-focused
- Reputation and past performance
- Dependability

HMS Personality

The personality traits that were cited by internal and external audiences HMS's capture a conservative and analytical brand.

There are several descriptors of the personality for HMS common to Internal and external audiences:

- Deliberate
- Insightful
- Careful
- Disciplined
- Process oriented
- Results oriented

As is common in brand audits, internal audiences tend to attribute more internally facing challenges for the organization.

Brand Personality: Internal respondents

- Collegial
- Chaotic
- Short-sighted
- Evolving/Maturing

Brand Personality: External respondents

- Introverted
- Thinkers/ponderers

Some external respondents used the words *"innovator"* or *"innovative"*, but when we explored that the meaning for them it was tied to being solutions-oriented when presented with a client need.

Brand Analogies

External audience HMS brand analogies were most often security and oversight organizations.

"I see them as being like Life Lock – they prevent theft"

"They are closest to my house alarm system – preventing the bad guys from taking what's mine."

"They are like a private investigator."

“Sherlock Holmes”

“A detective that combs through haystacks looking for needles.”

“An accounting firm, like KPMG, because they recover money that is (rightfully) ours.”

Internal Brand Analogies were less focused and were less anchored in functionality of HMS’s services.

In our experience it is unusual for an organization to have internal focus be as disparate as with HMS internal audiences. There were also more internal than external respondents who had an answer to the question regarding a brand that is analogous to HMS.

“Robin Hood: Because we’re the good guys.”

“Cargill because we are smart people solving incredibly complex problems”

“Verizon because we are nationwide but not very friendly.”

Client HMS Product and Service Strengths

Among external audiences HMS is seen as a structured and solid company that has disciplined investigative processes and analytical capabilities around all its offerings.

While there were some respondents with issues around particulars, the overall impression that we heard in these interviews was an extremely competent organization that delivered its services with excellent processes and professionalism.

“There’s no questioning that there’s a great deal of rigor around what they do.”

“They are very organized, pre- and post-implementation; follow up is great.”

“They do a great job managing a project from start to finish. Communication, implementation, and facilitation are excellent.”

“HMS will do it the right way, even if it takes a little more to get it done.”

By working with HMS, clients have a sense of security that the job is going to be done right.

During our interviews we heard from client respondents that HMS service delivery is generally consistent and a way to do mandates they don’t have the resources or time to execute and manage.

“We had a 50% overturn rate with Verisk – it caused me a lot of problems. HMS didn’t cause that pain.”

“(HMS) is responsive and professional, they feel very knowledgeable. They deliver on what they say.”

“For me personally, HMS allows me to let go of that area, they have a subject matter expert who knows what she’s doing. I have a lot on my plate so it’s a big deal not to have to worry about that.”

Even the respondent most critical of HMS said:

“They’ve saved us a lot of money every year – I’d think pretty hard before I switched.”

HMS is seen as having an excellent security infrastructure for all its systems.

In some ways this is a “price of entry” for HMS services but it is a critical assurance for clients. Clients know that data handling is secure with HMS as all safeguards and proper protocols in place.

“HMS has all the right systems and security to prevent to protect against data breaches – obviously an absolute requirement for anyone dealing with sensitive healthcare data.”

External audiences see the length of time in the payment integrity space as a huge asset for HMS.

Respondents see HMS’s length of time in the space lends not just knowledge and insights to HMS services but also security that the job will be done right. Tenure serves as an assurance for them that HMS is not just a smart, but it’s also a safe choice for payment integrity services, which is a decided benefit for HMS leverage against competitors.

“When we start hearing about CAQH “We have the latest whatever” we are a little wary – they don’t have the experience that HMS has.”

“Xerox did participate in the last RFP – I’m not going to hand my business to someone who just started.”

States rely on HMS’s knowledge and experience with other states to provide expert advice.

State audiences trust that HMS knowledge base in working with other states helps them navigate pretty much any challenge that arises.

“We draw on HMS’s expertise because they have experience across the country – that helps us tremendously.”

“They’ve seen it all, so even though our situation’s a little different they can guide us.”

Government knowledge is a net positive for both government and commercial clients.

In so far as knowledge of the system, its bureaucracies, and regulation the respondents valued HMS’s government experience. We did hear in the commercial sector that no one wanted HMS to be government-like in its operations.

“It’s a plus. I think it goes back to the fact that we see the government is going to have increased involvement in healthcare.”

“I am not a fan of the way the government operates, but it does help us that HMS has that experience.”

External audiences are more likely than internal audiences to believe that HMS is a customer-centric organization.

HMS is seen as highly responsive to customers’ program needs and requests with an ability to leverage its institutional knowledge base to deliver solutions.

“They listen to my needs and help me achieve what I need to.”

“They are very responsive to my staff.”

“Even if my account rep doesn’t know the answer, she can reach out to a subject matter expert (within HMS).”

Solid ROI produced by HMS is seen by government and commercial respondents as a leverageable asset within their organizations.

The tangible results that HMS brings to organizations bring career benefits to its customers.

“We avoid about \$900 million in spending a year with HMS.”

“It helps our department in funding and other support from [organization].”

“The audits and the results have raised my profile in [the organization].”

The founding of the company and its roots could be leveraged better.

The founding of HMS in NYC working on behalf of a safety net hospital and a mission that’s served the better good is still part of HMS’s mission today but could be better leveraged.

“We were started by two good people that knew the system was not working right.”

“We should probably celebrate our history more – all the money that we’ve recovered and what it is that drives us.”

There is an internal pride in the important work being done at HMS that could be leveraged to bolster the brand’s overall imagery.

“The reason I chose to work in healthcare instead of selling potato chips is because we’re doing something for good.”

“We are out there in the field soldiering on, righting wrongs, and sometimes that gets lost.”

HMS is seen as doing well for its clients in advocating for certain positions within the evolving healthcare marketplace.

“HMS does a great job advocating for us in [the legislature].”

Perceptions Weaknesses and Threats

Weaknesses

Audiences perceive a certain inertia at HMS.

Internal respondents suggested that HMS can be slow to make changes.

Based on our experience, this is a positive sentiment within an organization poised for change. It illustrates that the employees have recognized the need to be nimbler and are going to embrace the effort that is going to be required. External audiences also hinted at this tendency of HMS.

“We can be stuck in our ways some times.”

"We can be slow to market."

"They've been leaders in the industry for so long why should they rock the boat."

Another weakness that was observed by both internal and external respondents was that the data processing and delivery functions are slower and less dynamic than best in class.

While this issue manifested itself in different ways, both internal and external audiences saw a need for more speed in how information is processed and presented.

"Since we are relatively batch oriented, we are not transactional – they send us a batch and we process it – it means our data is not real time transactional."

"We are doing monthly exchanges with HMS – it should be weekly – we need HMS to be faster."

"The website (for dependent eligibility) is the slowest in the world."

State respondents expressed a sense that they have not had a choice when it came to TLP, and that brought with it concerns that HMS was too aggressive in its pricing.

For any service company, pricing is always a client issue. Some of the external respondents, particularly in the government sectors, believe that the company's long-standing dominance in the category has allowed them to take advantage of customers.

"HMS has been the only player in TPL – it's not a good thing for pricing."

"CAQH is starting to get into identification – it's a good thing for everyone to have competition."

"We are curious (how a test with CAQH) will turn out. HMS is expensive."

"They remind a little bit of Microsoft because you don't have a choice."

"CAQH will not do the billing process, but if CAQH works we won't have to do the back end."

CAQH and PCG were cited by some external respondents as organizations that threaten HMS market share in TPL.

Price and the belief that they can do a better job pro-actively are both drivers for CAQH. While PCG came up, we did not hear a distinct benefit other than someone else in the space.

"PCG is getting back into the business – we may consider them."

There is a sense among some external client respondents in government that HMS's size in its market has created a hint of complacency.

"They have been doing this for so many states over and over, they may not always be looking for new approaches."

“Because HMS is recognized as a leader in the industry, they act like they get to call the shots...maybe a little arrogant...not the account team, but overall a little arrogant.”

The Future: Move to Healthcare Data Analytics/Technology

Internal respondents all understood that for HMS to continue to grow the move to healthcare analytics and technology is critical.

If the current brand personality is analytical and somewhat cautious, the move into this space is going to require a more predictive organization personality.

“We need to move to become more like Amazon, predicting what our customers need to know to deliver healthcare efficiently.”

“We need to be more like Apple.”

Internal audiences see a need for a culture shift to allow the move to be able to move into the technology and healthcare data analytics space.

“We need to become more assertive, faster to market.”

“HMS is going to have to be more nimble and give more room for its people to fail fast/fail cheap.”

“We need to embrace change, something we’ve been reluctant to do in the past.”

“We have a vision about what we need to be, it’s just not looking back from the mirror yet.”

External audiences generally see that HMS has the foundation to move into Healthcare analytics they are wary that in moving to the new space it will continue deliver on its current services.

“They have access to a lot of data, it makes sense that they would want to use it.”

“I just want them to keep being excellent at what they do. Some times when companies move on to the next thing they lose focus on what they started in.”

“In part HMS falls behind when it concentrates more on the next product and selling points than delivering what it has now.”

External audiences who could embrace the concept that HMS needs to expand its offerings also believed for that to happen there had to be somewhat of a shift at HMS.

“I guess they are ‘nerdy’ now and they need to become ‘geeky.’”

As with any significant shift in culture and offering, there is a cloudy image of HMS's future brand with internal audiences.

Internal audiences are looking for an understanding of exactly what form the move into analytics and technology will look like.

"Is the model to become, Bloomberg, Gartner or a real high performance computing environment?"

Generally, there is a belief internally and externally that HMS has the assets to develop healthcare data analytics capabilities, but there is some skepticism about whether the right skills are there currently.

"I'm not sure they have the market understanding, analytics chops in-house to develop the business today."

"Most of the real competitors in this market have university academic affiliations."

Another reservation that we heard internally was that there might not be 100% willingness for HMS to invest adequate resources into the shift in analytics and technology.

"We have the data, not sure we have the will."

External audiences described several ways they currently employ the service.

External respondents who said they used analytics currently are using the service in varied ways.

"Right now when we use data analytics for discovering new areas to recover dollars from."

"Where I see healthcare data analytics being most useful for me is to benchmark us against other organizations: where are we outliers and where do we beat others?"

"I tend to think that the claims payer should be doing the analytics because it's for calculating regional claims clusters."

"We are using healthcare data analytics for understanding which are the highest cost diseases for our employees and then develop programs that can help outcomes and our costs."

"Patient compliance is a big area for us in healthcare data analytics."

Just as external audiences have a wide array of what they believe healthcare data analytics can be used for in their organizations, they also see it as extremely crowded field with a multitude of organizations competing in the space.

"We get solicitations every day for this from a ton of companies."

"We use Health Data & Management Solutions because we have two health plans for our employees."

"IBM is doing some of this for us."

"Our insurance carrier does our healthcare analytics now."

Products for healthcare data analytics are going to have to be packaged and branded in order for clients to understand what healthcare data analytics from HMS can do for them.

"I know that more of this would be useful, but honestly I have no idea what the service would look like – HMS would have to have a service and explain to me what it could do."

A respondent in the Commercial space thought that CAQH would be better at pro-active discovery.

Internal

Verizon Wireless: Nationwide Network: but not always friendly

The term Data Analytics covers a lot of territory

External audiences see the field of Healthcare Data Analytics as being extremely competitive.

We heard a huge array of companies considered to be in the space.

Xerox

Insurance plans

Internal resources

"I don't remember all the names but I get solicitations every week."

In its move to become more focused on healthcare analytics, internal audiences believed that the HMS's brand is going to have to evolve.

At the core of what the brand is now are personality traits that audiences

- Deliberate
- Disciplined
- Process oriented
- Results oriented

"We are going to have to become more nimble in the future"

Appendix

Exhibit 1HMS Discussion Guide

Discussion Guide

Describe briefly what you see as HMS's core service offering(s)?

What offerings do you see HMS as being strongest in?

Who do you see as being HMS's competition? For the following

- *Coordination of Benefits*
- *Program/Payment Integrity services, including Fraud, Waste and Abuse*

What distinguishes HMS from those competitors?

Is there a consumer brand or b-to-b brand that you see as being analogous to HMS?

HMS desires to be known as an industry leader in healthcare data analytics. What do you think about their capabilities in this regard?

What would you say are HMS's greatest strengths?

What are its greatest weaknesses?

Please use three words to describe HMS's personality as a company?

Is there anything else you'd like to add?

Internal only

Describe the founding of HMS.

What about HMS are you most proud of?

What's HMS's "secret weapon"?

What kind of company do you see HMS as being in five years?

What are the great threats faced by HMS?

What do you see as HMS's mission?

External only

What benefit do you derive from working with HMS versus its competitors?

*What is the greatest value you **personally** derive from working with HMS?*

If there was one thing you would like to tell HMS about its offering what would that be?

Commercial Only

HMS has long, well-established expertise in working in the government sector. Do you see this as a plus for working with them?

Exhibit 2

Competitive Table

Exhibit 3

Landing pages

Exhibit 4 Brand Pyramid with questions