Everest Group®

May 2026

The Next-generation of BPaaS: Redefining Healthcare Payer Operations in the Agentic Era

Contents

Introduction

Healthcare payers are operating in a tighter, faster environment. Margin compressions, elevated Medical Loss Ratios (MLRs), and increasingly demanding regulatory policies are exposing limitations of traditional business models and forcing payers to rethink how they run operations. Business-Process-as-a-Service (BPaaS) has emerged as a prominent construct in this shift by bundling operations, platform, and technology into an integrated model. However, the transition has not been straightforward. The BPaaS model has long been debated among healthcare payers, with organizations weighing benefits against concerns around Return-of-Investment (RoI), migration risks, and regulatory compliance.

Simultaneously, the pressure to adopt newer platforms continues to intensify. With each wave of technology advances, the landscape becomes more complex – new capabilities, AI-led features, and alternative execution models emerge faster than many organizations can absorb. As a result, the question is rapidly shifting from 'whether' to adopt BPaaS to 'when' and 'how' to adopt it – and increasingly, how to transition to a next-generation BPaaS model.

This Viewpoint explores how BPaaS is evolving into a next-generation model built on four core constructs: platform, orchestrated operations, outcome-based commercial structures, and stronger data and intelligence foundations. Overarching all of this is AI, which is raising the bar on what buyers expect next-generation BPaaS to enable, the Key Performance Indicators (KPIs) it should improve, and the business use cases it should transform. We conclude with recommendations to address the risks payers face along with a transition playbook as they navigate the path toward next-generation BPaaS.

The Viewpoint has drawn insights from Everest Group's proprietary research and interviews with ten senior executives, including Chief Operating Officers (COOs), Senior Vice Presidents (SVPs), Vice Presidents (VPs), and Chief Technology Officers (CTOs), from large as well as small-and mid-sized, US health plans. It is also important to highlight that the viewpoint is not intended to serve as a procurement toolkit for payers; rather, it aims to help payer leaders reimagine how next-generation BPaaS can help transform business operations by balancing modernization with stability, minimizing risk during transformation, and future-proofing business operations in an increasingly agentic and AI-driven environment.

Why must healthcare payers rethink BPaaS?

Healthcare payers have been under intense pressure on account of multiple challenges. High MLRs, regulatory uncertainty and compliance mandates, evolving member expectations, and cybersecurity incidents are significantly impacting the payer business. This pressure is reflected in broader healthcare spending trends as well. Latest Centre for Medicare and Medicaid Services (CMS) reports suggest that National Health Expenditure is projected to approach approximately **US$7 trillion by 2029**, up from about **US$5.3 trillion in 2024**, marking one of the fastest sustained growth periods in recent history[1]. Exhibit 1 outlines the major pressures reshaping the payer environment.

Exhibit 1: Major challenges that healthcare payers face

Source: Everest Group (2026)

Margin compression

Several national and regional plans facing high MLRs of more than **90%**

KFF reports **2.6 million Medicare Advantage (MA)** enrollees were affected by plan terminations for 2026 with multiple providers exiting low margin segments

Healthcare becoming more experiential, less transactional

Payer members increasingly expect fast, simple, and personalized experiences

Legacy engagement models are failing to keep up, pushing payers to modernize operations

Cybersecurity threats becoming a board-level operational risk for payers

HIPPA Journal reports around **62 million individuals** were affected by large healthcare breaches in 2025

Cyber mandates are tightening as incidents such as Change Healthcare expose systemic resilience gaps

Regulatory and compliance headwinds

Shifts such as One Big Beautiful Bill Act are already disrupting Affordable Care Act economics

Mandates such as CMS Interoperability and Prior Authorization Rule and HIPAA Security Rule Modernization intensifying compliance demands

To address some of these challenges, payers have pursued a range of initiatives, from in-house automation investments to discrete Business Process Services (BPS) and IT services outsourcing. BPaaS emerged as one such engagement model, offering an integrated construct that combined a platform (system of record or engagement), business process operations, and IT services under a single contractual framework – with one provider accountable for the end-to-end engagement, either through proprietary capabilities or partnerships.

1 National Health Expenditure

"Implementing a BPaaS model gave us the confidence to scale into new markets faster, launch new plan designs quickly, and improve first-call resolution significantly."

– Chief Executive Officer, Regional Individual-Market Payer

However, several payers also report few challenges with BPaaS such as accountability issues and poor integration. This outcome is also because the majority of BPaaS decisions are reactive. In fact, in Everest Group's conversations, all 10 healthcare executives agreed that these decisions are typically driven by the need to address specific business pain points – such as improving auto-adjudication rates and reducing manual pends – rather than as part of an end-to-end, proactive process transformation strategy. Exhibit 2 highlights the major pain points faced by health plans in BPaaS.

Exhibit 2: Major pain points healthcare payers face in BPaaS engagements

Source: Everest Group (2026)

Moreover, BPaaS adoption across the payer landscape remains uneven, with many health plans still keeping the administrative stack in-house due to concerns around RoI, migration costs, regulatory risks, and disruptions to core operations, despite knowing the benefits. As a result, the question for many payers is not whether BPaaS can create value, but whether the transformation risks are worth taking on.

> "If we can ingest EHR[2] data via FHIR[3], match it to our clinical policy, and issue an approve/pend while the patient is still in the office, we are talking about taking the prior authorization turnaround time from 72 hours to about 72 seconds."
>
> – Chief Technology Officer, National Payer

Consequently, buyer expectations for BPaaS are evolving. Payers increasingly expect BPaaS to be modular, adaptive, and outcomes focused, with clear accountability so that providers have skin in the game. This is driving a structural shift from traditional BPaaS toward a next-generation, agentic model built on four core tenets: system of execution through a modular and interoperable platform, orchestrated operations, unified data and intelligence foundations, and outcome- and risk-sharing-linked commercial constructs. Exhibit 3 contrasts how traditional BPaaS models have historically been structured with what buyers are now demanding from next-generation BPaaS.

Exhibit 3: Current versus next-generation BPaaS

Source: Everest Group (2026)

Current BPaaS	Next-generation BPaaS
Systems of record or engagement focused on transaction processing and workflow routing	**Systems of execution** through cloud-native, modular platforms enabled for actions
Multiple integration layers (often fragmented) resulting in reactive issue management	**Orchestrated operations** with API-native ecosystem
Per-member-per-month (PMPM) pricing with limited outcome linkage	**Outcome-linked commercials** tied to performance improvement and shared risks
Siloed data and **lagging dashboards** with weak end-to-end traceability	**Unified data** and **intelligence foundations** with real-time observability

2 Electronic Health Record
3 Fast Healthcare Interoperability Resources

"We want next-generation BPaaS to lower operating costs in a way that meaningfully improves MLRs and helps contain downstream pricing pressures."

– Chief Operating Officer, Regional Health Plan

Key tenets of next-generation BPaaS

System of execution through a modular, interoperable platform

Traditional BPaaS platforms were designed as systems of record or engagement to capture transactions, maintain enrollment and claims data, and function as rules-based digital repositories. The next generation, however, shifts this foundation toward systems of execution, which are cloud-native, modular, interoperable stacks that orchestrate business workflows end-to-end, support autonomous reasoning, learn through feedback loops, and drive the next-best action in real time. These platforms enable agentic workflows and rapid change without compromising operational stability.

Moreover, the next-gen platforms also have built-in process observability and simulation capabilities, allowing payers to monitor workflow performance, detect drifts, and test policy or configuration changes before deployment, signaling a clear shift from static recordkeeping to dynamic execution infrastructure. Exhibit 4 outlines the key capabilities buyers can expect in a next-generation BPaaS platform enabled for systems of execution. Exhibit 4 outlines the key capabilities buyers can expect in a next-generation BPaaS platform enabled for systems of execution.

"We would prefer more frequent upgrades instead of annual long cycles; moreover, documentation and testing must keep pace."

– Vice President, Compliance, Regional Blue Cross Blue Shield

Exhibit 4: Core elements of an interoperable system of execution

Source: Everest Group (2026)

Business offerings/module(s)

Enrollment and eligibility management

Billing and premium processing

Claims processing and adjudication

Utilization management / Prior authorization

Fulfillment management / Mailroom operations

Provider services

Dedicated, built-in compliance modules

Built-in compliance controls with traceability

Frequent regulatory and fraud, waste, and abuse (FWA) updates

HIPAA compliance

CMS and state audit assistance

Operations reporting

Cloud-native platform with pre-integrated ecosystem

Composable, API-first architecture enabling rapid configuration

Built-in interoperability

Continuous upgrades without operational disruption

Pre-integrated ecosystem (CRM, HIPPA gateway, document management, provider/broker portals etc.)

Agentic fabric

Multi-agent orchestration (ingestion, adjudication, validation, fraud detection etc.)

Autonomous workflow execution

Continuous learning loops

Explainability and audit engine

Exception-based governance with human intervention

Orchestrated operations

In a next-generation BPaaS model driven by systems of execution, operations shift from task-based processing to orchestrated execution across workflows because platform modernization alone does not determine whether value is realized. This shift requires a fundamentally different execution model, where accountability and governance are embedded into how work is performed. The key characteristics of orchestrated operations in the next-generation BPaaS are:

- Cross-functional orchestration, enabling workflows to span claims, utilization management, payment integrity, and servicing rather than operate in silos
- Integrated governance with real-time oversight, replacing periodic SLA reviews with continuous monitoring and escalation control
- Exception-driven execution, where automated workflows handle the majority of cases and human intervention is reserved for high-risk or judgment-intensive scenarios, requiring healthcare domain expertise (for example, specialized knowledge of CMS regulations or high dollar utilization reviews)

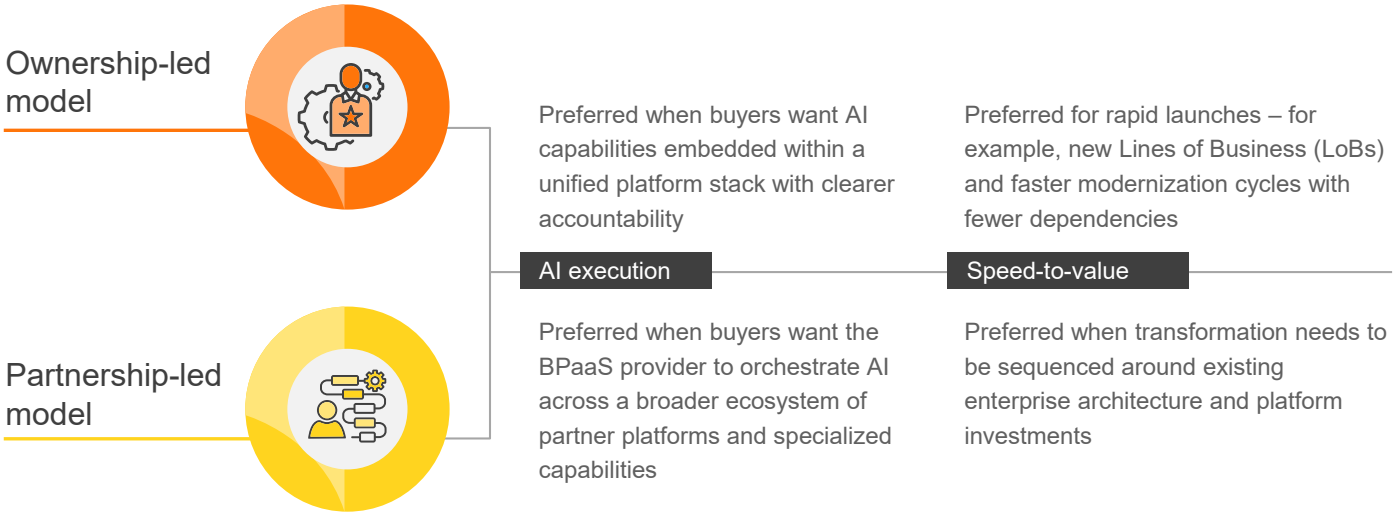
While these characteristics define how next-generation BPaaS operates, the execution is done primarily by two constructs: ownership-led or a partnership-led construct. In an ownership-led model, orchestration occurs within a unified platform environment owned and operated by the BPaaS provider while in partnership-led model, the BPaaS provider orchestrates operations across a mix of ecosystem platforms while still being accountable for execution. Everest Group's interactions highlight that while ownership-led constructs offer clearer end-to-end accountability, faster modernization cycles, and simpler governance, partnership-led models provide greater flexibility to leverage multiple platforms and access to niche innovation and expertise.

Moreover, our research shows that buyers rarely enter the market with a predetermined construct preference, rather the construct decision emerges through the evaluation process. In practice, two emerging drivers are becoming increasingly important in selecting the construct beyond traditional ones – AI execution and speed-to-value.

Exhibit 5 examines these key decision drivers. However, existing provider relationships, prior platform investments, contractual commitments, and broader enterprise priorities may also shape ownership versus partnership decisions, which can, at times, lead to choices that diverge from broader patterns.

Exhibit 5: Key emerging decision drivers for BPaaS model selection

Source: Everest Group (2026)



Apart from core admin transformation, next-generation BPaaS is also witnessing a shift toward a function-specific approach, often referred to as functional BPaaS. Examples include claims-as-a-service, payment integrity-as-a-service, and care management-as-a-service, delivered as integrated platform-plus-operations constructs.

Everest Group's research indicates that both large national payers and regional plans are adopting functional BPaaS, with large national payers using it as a stepwise transformation strategy within complex legacy ecosystems, and regional plans viewing it as a more manageable entry point into modernization amid tighter cost constraints. For example, one of the regional health plans we spoke to started transformation with member services for a smaller LoB. The plan treated it as phase within the phasing: fixing the workflow gaps, stabilizing performance, and then scaling.

Outcome-based commercial models

Next-generation BPaaS will also have a significant evolution in commercial engagement models. Everest Group's research shows that payers are keen to move from paying for effort (per-member-per-month) to paying for measurable execution and accountability. Buyers expressed interest in adopting gainshare/at-risk constructs tied to a focused KPI set with defined thresholds. In fact, 60% of the buyers stated they would prefer hybrid constructs – a base fee plus a meaningful at-risk/gainshare layer – paired with risk corridors and auditable KPI measurement. As a result, commercial models are likely to evolve via contract addendums that define how agentic AI is governed and operated at scale.

As buyers operationalize outcome-based BPaaS, commercial models will increasingly move from single KPIs to KPI bundles (such as auto-adjudication uplift with financial accuracy), with automation glide paths and month-wise detailed roadmaps for autonomous handling and tighter guardrails that prevent savings from being offset by rework, denials/appeals, or compliance risks.

Case in point: how a Top 5 payer is rewriting outcome-based BPaaS commercials

A leading national payer is shifting to bundled KPI scorecards spanning data liquidity, reduced provider friction, and measurable lift in Stars/Healthcare Effectiveness Data and Information Set (HEDIS) closure. It is also requiring a contracted automation glide path anchored to incumbent rework baseline – starting with ~20% manual rework with a 5-point reduction over a period of months. Moreover, it also started to bake in commercial guardrails – per-transaction pricing automatically steps down if the glide path is not delivered.

"We are structuring contracts with at-risk offsets – if timeliness misses trigger state-mandated interest payments, the BPaaS provider absorbs the interest beyond an agreed threshold."

– Vice President, Program Oversight, Regional Blues Plan

"Data latency is a huge issue. Processes are not integrated; they do not have the same data, which is why we need an end-to-end workflow model."

– Chief Technology Officer, Top 5 US Health Plan

Unified data and intelligence foundations

In Everest Group's interactions, 70% payer leaders agreed that data is the first fix before AI can scale in BPaaS. In next-generation BPaaS, data is no longer just reporting output; it is becoming the layer that supports real-time operational decisions – where transactions continuously generate usable signals, performance is visible in real time (not weeks later), and insights feed back into how work is routed and improved. Leaders specifically called out data latency as a growing focus area as dashboards move closer to near-real-time.

Everest Group's interactions with payer leaders consistently highlighted the need for a single source of truth, often implemented through a governed data lake, to eliminate inconsistent definitions and fragmented extracts across teams. One large BCBS plan, for example, is already building an integrated cloud-based data lake to break down internal data silos and enable near-real-time access to member, provider, and payer datasets. This investment is resulting in measurable business impact in key functional segments such as claims management, where a single source of truth gives business operations teams a consistent view of every claim across intake, edits, adjudication, exceptions, and payment, allowing health plans to pinpoint pended claims in real time, cut avoidable rework, and improve both cost and provider experiences.

Moreover, health plans' expectations are also shifting toward prescriptive data intelligence. Payer leaders increasingly want the data and intelligence layer not only to explain what happened, but also to recommend, and eventually trigger, the next-best actions within workflows. FHIR-readiness is also becoming a foundational requirement to ingest and operationalize data through APIs and legacy inputs (batch files), driven by CMS interoperability mandates and broader ecosystem integration needs.

Finally, as data becomes the real-time signal layer, payers also expect an explicit data governance layer – covering data ownership and access controls, audit trails, and quality thresholds – so outcome measurement is trusted and AI-driven decisions remain explainable and compliant at scale.

"AI patching has not worked so far. It works for pilots; but at an enterprise scale, there must be a concerted effort to overhaul the landscape for intelligent execution."

– Chief Technology Officer, Top 5 US Health Plan

The agentic shift and its implications

As next-generation BPaaS takes prominence and AI becomes essential to payer operations, buyers are raising the bar on how they evaluate providers. While factors such as domain expertise, cost savings potential, and services scalability continue to be relevant, the decision to select the next-generation partner will be weighed more heavily on emerging sourcing considerations such as measurable outcomes, proof of accountability, and agility of execution among others. Notably, measurable outcomes emerged as the top factor, with 5 out of 10 payer leaders identifying it as the number one priority, underscoring a clear shift toward providers that can demonstrate tangible business impact. Exhibit 6 summarizes the emerging sourcing considerations for BPaaS solutions.

Exhibit 6: Emerging sourcing considerations for BPaaS solutions

Source: Everest Group (2026)

Sourcing considerations	How they are evolving
Measurable outcomes	Buyers are expecting a transition from lagging Service Level Agreements (SLAs) to unified, near-real-time outcomes
Proof of accountability	Shifting from governance calls and reporting to proactive issue detection and resolution with escalation pathways
Agility of execution	Continuous improvement cycles and the ability to absorb regulatory changes with minimal disruptions
Transparency	Moving from black-box operations to end-to-end traceability of decisions
Compliance confidence	Expanding from controls/audit support to continuous regulatory readiness along with data protection clarity

A consistent theme across all interactions with payer executives emerged that AI must be tightly integrated into operational workflows rather than deployed as a standalone tool. Buyers are skeptical of providers infusing AI as bolt on solutions to platform; instead, they expect AI capabilities to be integrated and co-designed with plan operations so it can scale reliably within real-world payer processes. This enables agentic BPaaS models to actively orchestrate workflows, prioritize actions, and trigger operational decisions – shifting it toward coordinated, intelligence-led execution.

Most credible near-term AI use cases

With buyers broadly aligned that AI must be platform-native (not patched on), the conversation is now shifting to where AI can credibly move the needle in the next 12-24 months. That shift to execution starts with a simple buyer filter: which AI use cases are enterprise-ready and scalable in the near term. Exhibit 7 captures the most credible near-term AI uses that payers are looking to scale.

Exhibit 7: Most credible near-term AI use cases

Source: Everest Group (2026)

Autonomous quotient[4] 0% → 100%

Top payer use cases	Autonomous quotient	Pre-AI scenario	Post-AI targets
Claims adjudication		Complex claims are flagged for manual review and rules-based approvals	Agents adjudicate claims involving multiple parameters, supported by human validation
Prior authorization and clinical review support		Manual intake of PDFs/faxes; retrospective data entry for clinical reviews	AI agents ingest EHR feed via FHIR and compare against internal clinical policies to issue real-time decisions
CX support (call transcription, steering, and agent assist)		CX human agents manually toggle across multiple systems; significant degree of manual efforts in call notes	AI agents listen to calls, auto-document notes, take actions, and suggest next-best actions for human agents
Credentialing / Provider onboarding coordination		Maintained in static records; updated with periodic manual audits or provider phone calls	AI agents to speed up provider recertification/onboarding cycles
Advanced FWA analytics		Detection largely retrospective; time spent triaging large alert volumes	AI used for broad claims pattern analysis to flag FWA trends before payment and trigger action for targeted review

4 Autonomous quotient indicates the degree of workflow steps that can act independently without human oversight; complex cases would still require human oversight

KPI shifts and adoption guardrails

As payers move from “how can AI help?” to “where can AI materially transform operations?”, they are increasingly insisting on use cases that translate into measurable movement on core operational metrics, not just softer productivity claims. Exhibit 8 summarizes the key KPIs payers expect post-AI intervention in next-generation BPaaS.

Exhibit 8: Key payer expectations post-AI intervention

Source: Everest Group (2026)

Member engagement

- **80% reduction** in average handling time
- **80%** in first-call resolution
- **>95%** enrollment automation
- **>90% automated** premium reconciliation
- **90-95%** improvement in net promoter score

Claims management

- **>96%** auto-adjudication
- **>99% claims** financial accuracy
- **>95%** clean claim rate
- **93-97% r**eduction in response time to escalations

Care management

- **Reduction from 72 hours** in prior authorization turnaround time
- **15-20% lift** in care-gap closures

Cross-functional KPIs

- **30% increase** in speed-to-market
- **45-50% reduction** in total cost of ownership
- **40-50%** productivity uplift

As these KPI targets move from aspiration to contracting language, buyers are also becoming more explicit about where AI breaks down at enterprise scale. Leaders acknowledge that agentic workflows can drive significant improvements, but they are equally focused on limitations that may erode value. Exhibit 9 highlights the top limitations buyers cite for AI adoption in next-generation BPaaS.

Exhibit 9: Key limitations with AI adoption

Source: Everest Group (2026)

Data readiness gaps	Payers mention legacy data foundations lead to AI output going askew, requiring a data landscape / core infrastructure overhaul and addressing siloed data across systems
	Data integrity is a persistent operational challenge as well
Adoption and scaling challenges	Many AI initiatives remain stuck in pilot mode, with limited success in scaling into production
	In several cases, organizations still struggle to link AI outputs to measurable financial or operational impact
Accountability and auditability	As workflows become more autonomous, payers want proof points and outcomes before scaling AI
	Full audit trails are essential to prevent higher denials, appeals, and compliance risk
Operating model readiness	Complex cases still require human judgment; AI is not eliminating the need for skilled oversight
	Without deep system and process expertise, work becomes transactional, quality weakens, and BPaaS value erodes
Security and resilience challenges	AI is heightening resilience and governance concerns across payer operations
	Buyers expect stronger fail-safes, auditability, and business continuity so AI-led operations do not disrupt critical workflows

De-risking the transition to next-generation BPaaS

While next-generation BPaaS offers significant value potential, payer decisions are often shaped by perceived risks such as ROI, migration disruption, regulatory and compliance and data inconsistency. As a result, how can these risks be mitigated? The potential mitigation strategies that buyers can adopt are as below:

RoI risk

Health plans can reduce RoI risk by adopting a measurable value story up front, not just AI-productivity claims. They should lock a baseline for admin cost, cost per claim, error/rework levels, and cycle times, and plan for a targeted timeline for autonomous action adoption across each process. Simultaneously, payers should explicitly assess the cost of not acting – when legacy systems become a burning platform, the downside is not just delayed savings, but lost revenue, missed growth, poor provider and member experiences, and foregone Stars-related quality bonus revenue.

Migration and operational disruption risk

Payers can reduce migration and operational disruption risk by asking for a safe, staged transition plan. Health plans can start with the LoB that has the most cost, reimbursement, and services pressures first, and use phased approach to move step-by-step. Further, payers should also plan a stabilization window after go-live with extra support, so issues are fixed quickly before scaling. The goal is to avoid backlogs, missed SLAs, and provider/member pain during the change.

Example: A regional New York-based plan de-risked BPaaS migration by sequencing it as a controlled pilot. While moving to a new CAPS model, it ran the legacy and new setups in parallel, transitioned a tightly scoped function (claims adjudication) first, and scaled only after issues were resolved through defined stage gates. Its most complex LoBs were intentionally migrated last.

Data risk and loss of control

Health plans can reduce data risk by establishing a single trusted data source, automating quality checks, and ensuring data becomes usable quickly enough to support workflow automation and outcome measurement. They should also guard against loss of control by clearly defining retained responsibilities across the operating model. For example, policy ownership, final approval on review of high-cost authorizations, and member advocacy escalation may remain with the payer; core

workflow execution for claims intake, clinical review, provider calls, and platform operations can be handled by BPaaS provider; and governance, performance monitoring, and continuous optimization can be a shared oversight layer. The retained processes in the organization therefore become smaller, but more strategic.

Governance and accountability risk

Health plans can also reduce accountability risk by requiring clear ownership, escalation paths, and a structured governance cadence across the joint operating model. They should define responsibility at the process-step level, clarify where humans must intervene in high-impact decisions, and ensure decisions are fully traceable. Governance should also evolve from periodic SLA reviews to a multi-layered cadence that enables continuous oversight in stages such as:

- **Weekly cadence for execution control** to monitor operational KPIs, resolve issues, and manage workflow stability
- **Monthly cadence** to review trends, track automation progress, and prioritize improvements
- **Quarterly cadence for strategic alignment** on roadmaps, outcomes, and recalibrating targets

Example: A regional BCBS plan mitigated governance and accountability risk by requiring the BPaaS provider to act as a thought partner, ensured governance as an integrated part of operations, and provide traceable decisions, audit checks, and transparent dashboards – while the plan did check-ins to ensure everything stays calibrated and avoid regulatory issues.

Regulatory and compliance risk

While the risks mentioned above can help solve certain challenges, health plans can also reduce compliance risk by not depending on periodic audit exercises and moving to a more proactive model. They should require compliance leadership (or regulatory owners) to be involved from day one, and ensure documented, 100% audit-ready processes instead of sampling approach with evidence trails. Moreover, mandating built-in checks for rules, timelines, and required documentation can also enable clear compliance management.

Managing these risks are extremely crucial to move to a successful BPaaS model. Health plans that have migrated to BPaaS systems have not avoided these risks, instead, they are managing them through structured transition models. Exhibit 10 below highlights a transition playbook that payers can adopt as they plan to move to a next-generation BPaaS model.

Exhibit 10: Transition playbook for next-generation BPaaS

Source: Everest Group (2026)

		Example
Pre-migration 	**Defining scope and readiness** • Choose the first 1-2 workflows • Baseline economics, plan KPIs, and define retained-organization model • Plan for workforce integration, training, and support model • Map business processes, redesign workflows, define exception handling, and set operating routines • Lock data rights, portability, and control model	Start with claims, pilot in LoB under the greatest cost and service pressure, while defining escalation teams for high-risk claims adjudication
	Mobilizing the first wave • Prepare business-critical data feeds, standardize data, ensure API connectivity/readiness • Acquire key data for integration and performance modeling for key metrics such as MLR and financial outcomes • Approve the transition and post go-live support • Confirm readiness across operations, service, compliance, and technology teams	For claims, prepare critical data and integrations, align MLR/finance reporting, and confirm operational readiness for go-live
Live transition 	**Piloting and running in parallel** • Run legacy and new system side by side • Validate accuracy, service continuity, and compliance • Finalize operations guides, support model, and escalation paths • Approve “post go-live stabilization” period before transition	Claims for one LoB – dual-run models, validate adjudication accuracy; approve transition post stabilization readiness
Immediate post-migration 	**Stabilizing post go-live** • Tune guardrails and manage exceptions (including any change in pathways) • Track SLA continuity and watch member and provider experience • Set clear thresholds to pause rollout and avoid adding new scope prematurely	Claims – manage exceptions, protect service continuity, track early outcomes, and pause rollout if thresholds are missed
Post-migration and beyond 	**Scaling, optimizing, and governing** • Move adjacent functions in waves • Retire redundant applications and handoffs • Track reduction in legacy complexities • Keep monitoring metrics such as MLR and auto-adjudication and broader risks • Activate outcome-based commercials • Embed business continuity and resilience planning • Establish cybersecurity oversight	Stabilize claims in one LoB, then expand into member workflows and confirm clean transfer of data, process guides, and system setup
Payer control tower	• Policy and compliance team • Provider governance team • Exception review team • Data rights and portability team	

Conclusion

The healthcare payer market is at an inflection point. Rising medical costs, tighter regulatory scrutiny, workforce constraints, and higher member/provider expectations are exposing the limits of fragmented legacy stacks and point solutions. In this environment, AI-led pilots alone are insufficient; without stronger platform and data foundations, they struggle to scale. Next-generation BPaaS represents a structural shift – from outsourcing functions to enabling outcomes – through systems of execution built on interoperable platforms, unified data, and orchestrated operations.

For payers that continue to rely on legacy operating models, the risks are becoming more strategic than operational, including persistent cost inefficiencies, slower innovation cycles, and an inability to scale AI effectively. Over time, this can widen performance gaps across automation, compliance-responsiveness, and experience. Simultaneously, plans that have already adopted BPaaS have an opportunity to move beyond efficiency gains toward a more differentiated execution model. This transition requires evolving toward an adaptive, intelligence-led construct that embeds AI into live workflows, strengthens governance, and aligns execution more closely with business outcomes.

As BPaaS becomes core to the operating infrastructure, health plans must choose partners that can embed seamlessly into their operations, enable AI at scale, and deliver consistent, accountable outcomes across the enterprise. Those that make this shift successfully will be better positioned to modernize execution, future-proof operations, and compete in an increasingly complex healthcare landscape.

Everest Group®
With you on the journey

Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at www.everestgrp.com.

This study was funded, in part, by Cognizant

For more information about Everest Group, please contact:

+1-214-451-3000

info@everestgrp.com

For more information about this topic please contact the author(s):

Vivek Kumar, Practice Director
vivek.kumar@everestgrp.com

Sabyasachi Bhattacharjee, Analyst
sabyasachi.b@everestgrp.com

Notice and Disclaimers