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The evolution and strategic implementation of health care global capability centers (GCCs)

1. Setting the stage: GCCs and health care

GCCs have become a pivotal component in the strategic growth plans of life science and health care (LSHC) organizations. These organizations are driven to adopt this model to reduce costs, develop capabilities, drive business value, and accelerate their digital agenda. Initially focused on providing transactional efficiency, GCCs have evolved into strategic assets and expanded to domains such as revenue cycle management, clinical research, analytics, operations, and research and development support, delivering significant value from pure productivity to innovation and market expansion.

2. Case for change: Why now?

We are at the cusp of a new era in health care, with patients expecting more personalized, efficient, and accessible services and providers leveraging advanced technologies that are transforming care delivery. Digital capabilities, such as cloud enterprise resource planning (ERP) and artificial intelligence (AI), have made data more standardized, transferable, and consumable globally, unleashing the potential for health care to leverage a global workforce. Deloitte's latest study[1] shows that over the past two years, many US health care organizations have faced margin pressures and workforce shortages, especially in administrative areas of revenue cycle, finance, and health information management, and an industrywide push to adopt digital technologies. After several years of stabilizing its businesses, we are now in a turnaround period for the health care sector, driven by innovation, resilience, and strategic growth. With increased growth and enhanced consumer affordability being top objectives for most health care organizations, 53% of health care executives[1] cited improving efficiencies and enhancing productivity as priorities for the coming year. Balancing the growth of margins and profitability while keeping the cost of care in check and navigating an uncertain macro environment with potential increases in US annual labor costs could be challenging for health plans and health systems.

GCCs help achieve these goals by providing access to larger, cost-effective, and technology-enabled talent pools with a maturing understanding of the Health Insurance Portability and Accountability Act of 1996 (widely known as HIPAA) and other health care compliance requirements, location diversification, and process consolidation, addressing health care organizations' challenges against increasing cost pressures, talent shortages, and evolving consumer needs of more personalized, affordable, and efficient care delivery. This could be a 30% to 50% cost-reduction opportunity as organizations move to a variable cost structure (versus fixed), achieve operational resilience via 24/7 coverage, and a surge capacity less dependent on the local labor market.

As governments look to attract GCCs and remain competitive globally, they offer substantial financial and nonfinancial advantages to organizations looking to stand up new GCCs. From a financial perspective, governments offer tax advantages, subsidies, and other financial incentives. Outside of the economic benefits, governments focus on further developing their infrastructure, building up their workforce, and ensuring access to modern facilities and amenities. The government's dedication to advancing its digital infrastructure and nurturing a skilled workforce is essential for the success of GCCs in today's technology-driven landscape, including AI/machine learning (ML) for medical image analysis and personalized medicine, big data/analytics for data warehousing and visualization, as well as specialized health care IT for electronic health records, picture archiving, and communication systems. These government-sponsored campaigns have created an ecosystem that allows health care organizations to accelerate digital transformation to reduce operating costs and improve efficiency while driving improved margins and increased investments in patient care. For example, a major West Coast mission-based provider network has leveraged its Hyderabad GCC to deliver innovative solutions in cloud computing, cybersecurity, digital solutions, data analytics, and Generative AI, doubling its workforce to provide technology-enabled health care and improve efficiency.

Furthermore, demonstrating the change in clinical services that set the potential path for other nontraditional shared services, a Southeast-based $7 billion academic health care system uses a virtual intensive care unit (vICU) and advanced clinical monitoring services to provide the value of remote health care capabilities in GCCs. Through the vICU, the health care system enables specialists to monitor and manage critically ill patients in real time from remote locations, such as Perth, Australia, helping to ensure timely interventions and improved patient outcomes. Similarly, clinical monitoring services enable continuous observation and data collection for patients with chronic conditions, facilitating proactive care management. These successful implementations, driven by physician leadership, have showcased the potential for GCCs to enhance health care delivery through innovative and technology-driven solutions, thereby fueling the expansion of such centers globally. Moreover, demand for and investments in GCCs is expected to increase further over the next three to five years based on trends related to cost reduction, adoption of hybrid talent models, and continued investments in AI.

3. Take a closer look: Market trends in health care GCCs

LSHC organizations have dramatically increased their investments in GCCs, particularly in the Philippines, India, Central and Eastern Europe (CEE), and Latin America. The Philippines has attracted many of the major US health care companies for remote medical support services, medical staff management, and medical teleconsultants with its availability of a robust, skilled, and multilingual workforce. Similarly, in India, LSHC GCCs now account for 15%, or approximately 280,000, of all GCC employees,[2] driven by the country's cost-effective workforce, availability of skilled labor, favorable business environment, and adoption of newer technologies. These markets also offer a vibrant ecosystem of active startups, including those backed by global organization investors and private equity/venture capital investments. For example, India has approximately 40,000 active startups,[3] of which approximately 12,000 are technology startups, and more than 2,100 are deep in technology (i.e., AI, the Internet of Things, and augmented/virtual reality).

Furthermore, India accounts for more than 50% of the global GCC market,[4] with cities such as Hyderabad and Bengaluru emerging as major hubs due to their strong state-supported business ecosystem and GCCs driving tech and digital, as well as core health care and business process management functions (e.g., big data and analytics, health care IT, AI/ML, drug discovery and development, sustaining engineering[5]) while the CEE has become a leading destination for clinical trials, offering a compelling mix of benefits for global sponsors. These include cost-efficient operations, a streamlined regulatory environment, and access to diverse, treatment-naïve

patient populations. Health care organizations can also tap into near-shore countries, such as Colombia, Mexico, and Costa Rica, for their geographic proximity, language capability, and robust workforce. As LSHC organizations continue to embrace the GCC model, these centers will play an increasingly vital role in their growth and success.

In terms of capabilities, there is a high penetration of GCCs within enabling functions, such as finance and accounting, revenue cycle, human resources, customer service, and IT, and there is traction within core functions, too. Health care GCCs use innovative technologies, such as AI and ML, to support their parent organizations in driving operational efficiencies and generating impact across the entire value chain. This includes nonclinical functions, such as medical transcription, billing, and claim processing. Some health care providers also extend their reach to global health professionals for tasks encompassing clinical areas, such as remote patient monitoring, genomic research, and clinical effectiveness, across ambulatory and other critical support systems. In addition, these GCCs are developing nonconventional critical capabilities, such as cybersecurity, to further enhance their value proposition to the enterprise.

4. Road ahead: Where to start?

GCCs require a well-structured approach to avoid pitfalls. A series of integrated decisions, from defining clear needs, visions, and aspirations for the GCC to corresponding operational choices, will help organizations unlock new possibilities and systematically pressure-test their decisions to eventually build a winning strategy well-positioned for long-term success. To that effect, a well-defined choice cascade is a powerful tool outlining a straightforward, step-by-step process to help organizations align their objectives with business decisions.

Step 1: Winning aspiration—The inception of a GCC should be guided by a clearly articulated vision and informed by strategic priorities. While cost reduction and efficiency remain top drivers, developing capabilities, driving business value, and accelerating the digital agenda are emerging as additional drivers for adopting the GCC model.

Step 2: Where to play—Certain choices determine the GCC's strategic positioning, ensuring it aligns with the organization's overall vision and goals. This involves key decisions around the operational scope of the GCC, including the nature of services to be localized within the hub; a sourcing strategy, whether it is a fully self-built journey, an assisted build using third parties, or a hybrid delivery model; and a location strategy to identify the destination for a GCC while considering multiple factors, such as geopolitical stability, governance subsidy, competition, culture fit, and scalability.

Step 3: How to win—Once the organization has outlined its strategic positioning for the GCC, the next step is to consider the operational framework. This typically involves three key pillars: internal organization structure, workforce planning, and external alliances. Organizations should also prioritize the creation of robust ways of working, processes, and management systems to effectively guide cross-geography teams in running smooth operations.

The success of health care GCCs depends on strong leadership and governance to align with organizational goals, investing in advanced technology and infrastructure for digital transformation, and having access to a skilled talent pool through effective recruitment and ongoing training, as well as team culture development. Building strong partnerships with startups, industry leaders, and government bodies can drive innovation. Effective change management is crucial for smooth transitions, while robust governance and compliance frameworks ensure regulatory adherence and high standards. Continuous performance monitoring and optimization, guided by data-driven decisions and key performance indicator tracking, are essential to adapt to market changes and achieve strategic objectives.

5. Case in point: Health care GCC spotlights

An $18 billion insurance/provider network engaged Deloitte to assess and design a future-state finance shared-services operating model and organizational structure for a 450 full-time-equivalent (FTE) finance organization. The project involved four key steps:

1. **Assessment and planning:** Conducted due diligence on the offshore captive IT to assess fitness and readiness for expanding the service scope to finance.

2. **Design and development:** Developed a future-state operating model to improve centralization, yielding approximately 10% FTE efficiency.

3. **Implementation:** Aligned on driving shared-services centralization ahead of the ERP implementation to accelerate benefit realization in the first year rather than two to three years into the ERP journey.

4. **Optimization:** Achieved internal alignment on the finance offshoring scope, timeline, and critical path, creating an initial $1 million per annum savings for accounts payable and time and expense offshoring. The company subsequently expanded finance shared services to deliver enterprise reporting and analysis capabilities after upgrading to a cloud-based, modern ERP, which allowed data to be transferred across borders while meeting protected health information/personally identifiable information data security and compliance requirements.

With the rise of revenue cycle outsourcing, a $21 billion Fortune 500 health care provider began to explore options that leverage labor arbitrage while creating access to a previously untapped workforce. Four points outlined the journey:

1. **Assessment and planning:** Evaluated all supporting functions before selecting the location for its future GCC. Finance, supply chain, revenue cycle, human resources, payroll, and other back-office functions were identified as part of the potential scope for the future GCC.

2. **Design and development:** After the capabilities were selected, the health care provider began evaluating various locations, ultimately deciding to establish a footprint in Manila, Philippines, due to the high volume of college graduates and health care professionals in the country.

3. **Implementation:** Over three years, the health care provider transitioned close to 2,000 FTEs into their captive center, and with each successful transition, additional departments, such as marketing and legal, began evaluating their service delivery and subsequently transitioned various functions to the GCC to continue expanding the center's capabilities.

4. **Lessons learned:** Transitioning by market helped group CFOs make decisions at the market level and achieve higher buy-in due to the perception of control. Building a strong "one team" culture helped solidify the knowledge after job shadowing and build a team with pride in its service delivery. Thoughtful design and execution of knowledge transfer helped close knowledge gaps for ad hoc processes and facility/business specificities. Lastly, deploying a lift-and-shift approach allowed the organization to accelerate cost advantages early and reinvest the savings into automation and process-improvement opportunities.

6. In closing

Establishing health care GCCs can offer significant opportunities for organizations to achieve cost savings, access specialized talent, and drive innovation. By clearly defining the vision and strategic priorities and carefully planning and executing the implementation road map, organizations can successfully set up and operate health care GCCs to help strengthen operations and reduce overall costs. The capability and cost efficiency GCCs enable will likely position health care organizations to tackle the challenge of balancing growth, profitability, and care affordability for consumers as they continue the journey forward.

Endnotes

[1] Sara Siegel, "2025 global health care outlook," Deloitte, January 29, 2025.
[2] ANSR, *State of Healthcare Life Sciences GCCs in India*, accessed March 27, 2025.
[3] Nasscom Community, "Whitepaper - India's GCC Landscape," November 27, 2024.
[4] ANSR, GCC Quarterly Landscape, March 2024.
[5] ANSR, *State of Healthcare Life Sciences GCCs in India*. September 12, 2024.

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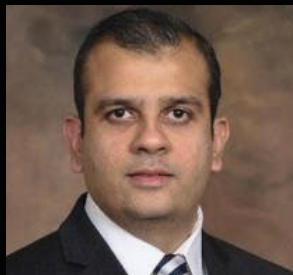
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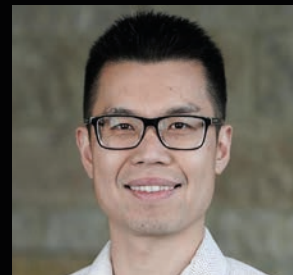
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