



RELATION AND FEAR OVER AI

From mundane to creative tasks, artificial intelligence is revolutionizing self-insurance, but concern persists about veering off course, the impact on jobs and cybersecurity

Written By Bruce Shutan

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Everyone is talking about both the promising and alarming impact of artificial intelligence – from office water coolers to kitchen tables. Those conversations – which are also on the agenda at SIIA’s 2023 national conference this month – have intensified over new “generative” AI applications such as ChatGPT that produce text, images or other media.

For self-insurance, there are a myriad of possibilities. From labor-intensive to creative tasks, AI can be used in a number of areas. They include automating patient intake; scrubbing or updating patient data in electronic medical records; identifying high-quality providers; customizing population health strategies; improving triage, treatment and outcomes; bolstering predictive modeling; and suggesting actionable items.

Those are tall orders for a technology that the industry perceives as potentially game-changing. There's now an expectation, for instance, that pre-authorizations can be immediately turned around, according to Brian Wetter, vice president information technology, infrastructure and analytics at PacificSource Health Plans who will take part in a SIIA panel discussion in Phoenix on how AI is affecting



Brian Wetter

TPAs. “That’s a prime example of how we’ll see AI come into play to help make better decisions faster.”

Adoption of this technology is considered necessary for success, according to Matt Salerno, a software architect for VBA who also will speak about AI at SIIA’s conference. “The integration of traditional machine learning and generative AI within the health care and



Matt Salerno

TPA space will become not just a value-add but a necessity,” he believes. “Those that adopt it will succeed and thrive, while those that do not will fail or be acquired for their book of business.”

PILOT TO CO-PILOT

AI’s role is that of a copilot or thought partner helping manage someone’s workload so they can focus on their core competencies and be more strategic, Wetter observes.

He recently turned to AI for help crafting a presentation to the board that required a short paragraph defining self-funded administration, which he tweaked in only about 30 seconds.

Another common use involves his firm’s RFP software, which is integrated with ChatGPT and is trained to recognize historical RFP responses. “We’ll get a question, ‘can you deliver any [electronic data interchange] 834 file to a customer?’” he notes. “It’ll generate the response and it is spot on. It is exactly how we would respond to that question.”

That’s not to say every interaction will go smoothly. At a time when this nascent technology is producing strange and threatening responses to freeflowing conversations, Wetter admits that generative AI lacks enough context to confidently answer many other questions and may send responses that essentially mirror a hallucination.

Wetter believes the mundane part of administering self-insured health plans is where AI is actually poised to deliver the most value. For instance, it recently red-flagged a client’s allergy claims involving scratch testing and injections that showed one provider in particular building in an additional code that none of the others charged.

But there’s a larger context to these capabilities. PacificSource Health Plans uses a proprietary algorithm that prescribes programs for members with whom they engage in active outreach. A concerted effort is made to fully understand each patient’s clinical history, local provider resources and social determinants of health.

“These are not traditional things that you would hear from an administrator,” he explains.



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Michelle Bounce

The technology is also helping identify health plan members who haven't seen their primary care physician two weeks after an emergency room visit or prime candidates for surgery in the next 12 to 16 months, observes Michelle Bounce, president of the

J.P. Farley Corporation, another AI panelist at SIIA's conference.

But there are limits to what AI or generative AI can do. For example, she says what's lacking is a good weighting system for gauging quality. While clinical pathways can be built into AI and create alerts when they're not being followed, she explains that their value depends on several factors (i.e., a nuance not being followed, wrong clinical pathway or physician not following the pathway). Making these determinations could help improve weighted quality scoring.

Like payment-integrity systems, AI also can be used to detect fraud, waste and abuse on labor-intensive, high-dollar claims, as well as review appropriateness of care, according to George Stiles, president and chief operating officer of Planned Administrators, Inc. who also will speak about AI at SIIA's conference.

His firm is focusing on large hospital claims. In sifting through medical data, the aim is to determine if claims were correctly coded and billed. "What we're finding is that there's a whole lot of stuff going on in that \$10,000 to \$20,000 claim range that's just been flying under the radar up until now," he reports.

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George Stiles

Mindful that younger people who are coming into the workforce are more adept at using chat text vs. actually talking to someone, Planned Administrators, Inc. has embraced AI from a customer-service standpoint. One employer client is using AI to do member navigation, helping individuals find specialists based on an analysis of their claims data and quality metrics. The technology may recommend, say, the five best

orthopedic surgeons in Atlanta for a 47-year-old female with certain diagnosis codes and comorbidities listed in her medical history. “It’s a very different list than if you just look at generic quality scores,” Stiles explains.

And where providers are concerned, the TPA realizes they want a quick and easy way to check eligibility or verify benefits, and would prefer to receive the information correctly from a chatbot than wait and talk to someone.

MOUNTING CAPABILITIES AND HIGH VALUE

Salerno predicts four major areas will emerge within the next five years that provide the most value to self-insured health plans and their partners. The first involves traditional machine learning that will take the form of enhanced adjudication. Systems will not only identify patterns and anomalies in claims submissions, but also be equipped to auto-correct potential errors. These capabilities would drastically reduce the manual labor and oversight that’s usually required in claims adjudication, resulting in reduced costs and improved efficiency.

Another noteworthy trend he sees involves smart-assistants built upon generative AI models that dynamically respond to user queries. They’re able to tap vast vector databases created from various knowledge bases such as user help systems, support tickets and customer or client resource centers. The expectation is that by offering dynamic and contextually relevant assistance, these aids will offer improved usability of claims administration software that results in enhance productivity and reduce training time for health plans and TPAs. Smart-assistants also can offer a more intuitive interface that anticipates user needs, automating various tasks from plan builds to workflow creation.

A third point Salerno makes is that generative AI for technical integration will help health care organizations bridge the gap between different systems, acting as intelligent middleware. These models create interfaces that adapt in real time by understanding data structures, semantics and communication protocols. They also ensure smoother data flow and reduced system integration times, as well as a more holistic view of patient data across platforms for TPAs and other health care entities.

Finally, he notes that generative AI for organizational knowledge serves as a reservoir of institutional knowledge in the face of staff turnover. These models can provide insights, context and guidance to new members by training on organizational data, effectively simulating years of experience. Drastically reducing the impact of onboarding and training times will ensure that even newest team members can quickly make informed decisions. In addition, the health care industry benefits by maintaining consistent service levels and knowledge transfer across entities.

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INHUMANE TOUCHES?

Within the past year, fear is mounting that this technology will replace people and service, but Bounce says that's a short-sighted assessment. "There are a ton of uses for AI in our industry, especially generative AI, where it involves the most risk and cost," she says. One area that is ripe for usage is building out benefits, which can take years of experience to do.

Either way, the marketplace obviously must adapt to U.S. labor and demographic trends. People 35 and younger are only staying in a job for two or three years, which she notes "creates a significant risk to the sustainability of our industry that I think we have to acknowledge." The underlying problem, she explains, is that it takes time for people to become fluent in the self-insured industry. Given that fact, it's best to redeploy workers to where they're needed most, such as using generative AI to turn documents into plan builds or educating members to make better benefits decisions.

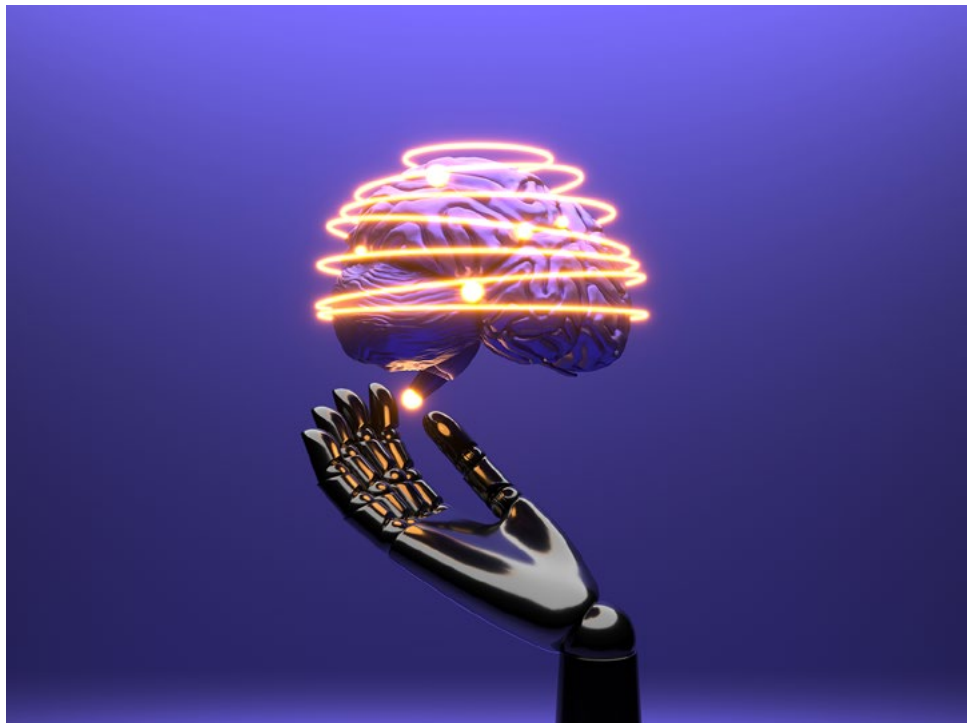
"I trust the technology to code better than people," Bounce says. As for account management, which she notes is another job in this industry that takes years to learn, AI can adeptly handle the bits of analytics, price comparisons, actuarial underwriting and plan recommendation functions

that the work entails. Service providers in the self-insured space can't keep people fast enough in the under-35 market to sustain the industry without creating depth with technology, she warns.

"If we put humans back into the equation, I think AI and AI generative are only going to make that interaction more valuable and more critical because what we're going to end up getting is a whole lot of information coming at us at once,"

Bounce notes. That information should include actionable items, education, opportunities for direction or steerage. "We can't forget that healthcare is a very human experience," she adds.

While AI technology is generating tremendous excitement, it also raises serious concern about cybersecurity. Data on an open-source platform like ChatGPT may be vulnerable. In the absence of safeguards, Stiles has seen instances in which some data is easily



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accessed for all kinds of different analyses, filters and so forth. Spear phishing attempts also are a huge concern. Wetter says generative AI can detect anomalies in, for instance, the way emails are written to uncover “digital twinning,” which enables cyber attacker to impersonate individuals.

Whatever comes of this issue, Bounce sees both a dark and light side to AI. If the focus is on the service aspect being a centerpiece of this solution, she cautions that “we just go down the road further of dehumanizing the system, increasing the cost unnecessarily and forgetting who the customer is, and that has catastrophic consequences.

“The other side of this,” she continues, “is that we use it in a smart manner that allows us to minimize not just risk for us as the administrators, but also protect those clinicians who are being pulled

around by the hospital to not do what they believe clinically is in the best interest of the patient. It can go a long way in helping us with quality scoring, patient directives and education.” ■

Bruce Shutan is a Portland, Oregon-based freelance writer who has closely covered the employee benefits industry for more than 30 years.

