



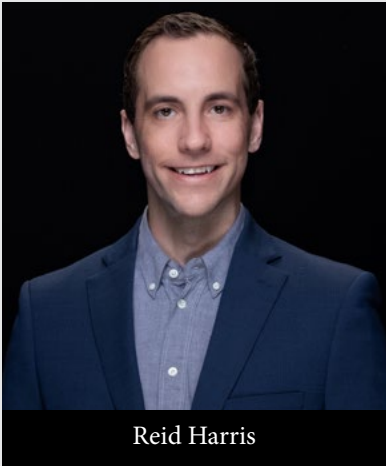
Eyeing AI's Opportunities and Pitfalls

Forum Examines Technology's Applications and Workflow Dynamics

| Written By Bruce Shutan

The rise of artificial intelligence has seen multiple applications deployed in the self-insurance market to handle anything from mundane to strategic tasks. It also is revolutionizing the way people work. This month, SIIA is hosting a forum in Charlotte, N.C., which will exclusively focus on AI solutions. Several presenters at the event who work in various roles across the industry recently shared their insights on both the hurdles and opportunities that will arise.

“It’s a whole different way of working that I think changes pretty much every role of intellectual work that can be done,” observes Reid Harris, a senior client advisor for Lockton Dunning Benefits, who will be speaking on how AI is transforming workforce dynamics.



Reid Harris

Citing a McKinsey study suggesting this burgeoning technology will help marginally improve all worker outputs and level the playing field, his sense is that natural learners and curious individuals will be amplified more so than everyone else. In particular, he says those who ask language models thoughtful questions and receive good answers will reap rewards.

AI will shift from transactional to more complex tasks over time, Harris predicts. It can take over routine matters entirely and free up people to focus on more human interactions and relationships. “I would imagine improved predictive modeling and pattern finding is going to have the largest impact on the way the self-insurance industry operates,” he surmises. “What that means for the workforce and roles, and implications of how we staff and model or even how careers look, that’s to be determined.”

A BOON TO SMALLER GROUPS

Another factor to consider will be how and where the technology is deployed. The AI revolution, for instance, isn’t expected to be as impactful for larger employers, in a sense, because they’re already using or deploying the technology with their own data, data warehousing, or work with consultants, opines David Shore, EVP for Borislow Insurance, who will be moderating a session on using AI to improve risk precision, pricing and performance for clients.



David Shore

He says the ones who are benefiting most appear to be smaller groups that are a bit less credible with their claims experience and have grown tired of being dependent on the fully insured machine. The thinking is that these organizations would be given information that they’ve never had before, as well as the ability to be more precise in understanding their risk and deciding what to do with it.

“What I see with smaller employers is most of them are nervous because they don’t understand their own risks,” he observes. “So, they’re more apt to just transfer that potential exposure. Where AI

steps in is, without having any data, what typically will happen, is you’ll get a tech or AI company to perform a lexical analysis, which ultimately is taking a member-level census.”

“They tokenize it,” he continues, “bounce it up against a credible database, and in a lot of cases they were returned back based upon the different attributes, with some being behavioral or medical claims, prescription or otherwise, they basically risk score the group. And that risk score is used by the reinsurance carriers in a lot of different places to help them price the group and be able to understand which group we should issue coverage to or if you’re trying to price the risk correctly, what price should we issue for someone who has or presents suspect risk?”

EASING “PAJAMA TIME”

AI is also expected to mine operational efficiencies on the clinical side, freeing up physicians who are seriously fatigued by the time so-called “pajama time” rolls around, according to Erich S. Huang, M.D., Ph.D., head of clinical informatics at Verily, who will address the role of AI at the bedside. The term is used to explain how after a busy day of performing mundane tasks alongside seeing patients, there’s limited time to cook dinner or interact with family. As a result, many physicians end up opening their laptops in the evening to finish charting clinic notes.

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Erich Huang

Huang is hopeful that AI will create opportunities that allow his peers to spend more time on patient care. He says AI and machine learning can easily take care of all the labor-intensive tasks that bog down Doctors so that they can spend more of their time thinking about patients.

OVERCOMING OBSTACLES

But these significant efficiencies must be put into perspective. There's no escaping the fact that AI will have upsides *and* downsides.

"There definitely will be in the future people who are killed by AI in healthcare settings," Huang cautions. "There also will be people whose lives are saved by AI in healthcare settings." He says it's no different than the early days of bone marrow and liver transplantation when some patients unfortunately died. "We have to use frameworks with which to integrate AI into healthcare delivery in a safe and responsible way just as we have with other technologies," he adds.

While AI excels at combing through reams of data, making exponential gains on a linear scale with almost unlimited capabilities, Harris notes that there are still several obstacles that must be overcome. "It's not very good at this point in time at creating novel solutions," he observes. "The other core limitation is going to be around the workforce itself." With regard to the latter, his chief concern is atrophy of learning and critical thinking.





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Much the way people stopped memorizing facts when computers and the internet came along and simply looked up that information on search engines, Harris worries about this next paradigm shift. “So does that mean that we stop thinking?” he asks. “If we stop learning, stop contributing, stop creating new sources of data, it just becomes recursive in nature, and the quality of the outputs, especially if you feed outputs into inputs, then you have a nightmare scenario where these models no longer work.”

EXPOSURE TO LIABILITY

Outsourcing too many tasks to AI could create problems in our litigious society. Ashley Gillihan, a partner with Alston & Bird who will address legal and compliance issues, believes AI may expose health plan administrators to liability where nuances and variations of claims can't be picked up or analyzed. Initial iterations of medical necessity and experimental or investigative procedures sometimes require analysis that may or may not be automated, he explains. “I just don't know how yet AI can actually do that,” he says, fearing exposure to litigation.

Self-insured employers that decide to tap into AI should be transparent about it, Gillihan suggests. “You would definitely want to build into any health plan contracts the fact that you're using AI and what you're using it for,” he says, adding that plan sponsors also will want some sort of audit capability.

Privacy is another area of concern, with the goal of ensuring that personal health information continues to be confidential. “We used to not text people information about their claim or other aspects of health plan information, but that's become quite common,” he notes.

In short, Gillihan explains the fiduciary duty that a claims administrator might have with using AI would be to ensure that the terms of the plan are enforced and administered. “I think AI is set up to do that,” he says. “I wonder, though, if it's possible to take into account all the variations that might arise with any of the claims administration because facts differ, and scenarios differ.”

ALIGNING WITH VALUE-BASED CARE

While AI holds tremendous promise for helping improve clinical outcomes and reducing wasteful spending, there are larger systemic problems that first must be addressed, and legislative solutions pursued in order to leverage this technology.

“A lot of the incentives become orthogonal to getting good outcomes for our patients in a world that's still mostly fee-for-service and volume-based,” Huang points out. “There's still a little bit of an incentive to do more without necessarily benefiting the patient because it brings you more reimbursement. Value-based care aligns the motivations so that if you do well for your patient, then you actually get to keep more of your capitated funds that you have devoted to that patient. If more reimbursement gets aligned with getting beneficial outcomes for your patients, the more opportunity there will be for AI to actually align with getting the best outcomes for your patients as well.”

One of the prerequisites for AI and value-based care being truly effective at a national level is the need for data interoperability. Huang notes that the 21st Century Cures Act includes interoperability resources as the data standard for exchanging health information. “There's an ecosystem problem that has to be solved,” he explains. “You don't just throw an algorithm into some place and think it's going to magically make everything better. We want AI to be useful on a national scale and uniformly for everyone. We need to think about how we can equalize people's access to all these potentially useful technologies.”

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EYEING PREDICTIVE MODELING

Growing interest in AI appears to involve the power of anticipating or forecasting claims experience. Most of the CFOs whom Shore encounters, for example, are much more interested in the predictive element of their insurance risks and what will happen in the future than in assessing what has already happened. “It’s a really engaging place for smaller businesses that are fed up with what I call the ‘less bad renewal’ in which eventually the client settles at an effective increase that is probably higher than what they should really accept,” he reports. “This is giving them another tool to be able to combat that.”

While Shore’s team mines much of the minutia behind the scenes as data scientists, harnessing AI from a consulting standpoint is about assessing whether it makes sense for the client to take on more risk or proceed with caution. That decision heavily depends on the organization’s size and what stop-loss insurance has been put in place, he adds.

Whatever the case, he believes that embracing predictive AI-type tools presents an opportunity for consultants to differentiate themselves – continually being innovative and entrepreneurial while also putting clients first. AI gives finance and HR executives alike what Shore calls the “magic or tragic space” where clients are big enough to be held accountable for their claims before they’re looked at but don’t get to see them. “It gives them a data point that they’ve never had before,” he says. ■

Bruce Shutan is a Portland, Oregon-based freelance writer who has closely covered the employee benefits industry for more than 35 years.



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