FIRST THINGS FIRST: SET GOALS BEFORE IMPLEMENTING AI

Editor's Note: This topic will be included as part of the educational program for SIIA's upcoming National Conference, scheduled for October 12-14 in Phoenix.

Written By Jonanne Wojcik

Artificial Intelligence, or AI, is transforming the self-insurance industry, offering solutions to longstanding challenges in claims administration, fraud detection, stop-loss underwriting, and customer engagement.

However, implementing AI in a way that delivers sustainable value requires a structured, goal-oriented approach.

As with any new software development project, organizations in the self-insurance industry need to set clear business objectives before diving head-first into Artificial Intelligence. AI is a strategic tool—not a one-size-fits-all solution.

And because AI can sometimes provide false information or make erroneous assumptions, organizations should always keep AI in check, using human oversight to verify AI results and prevent biases or inaccuracies from creeping in. AI should never replace humans, but rather, enhance human capabilities.

To maximize AI's potential, organizations should outline an implementation strategy designed to deliver the most tangible benefits in key areas of their business, early adopters advise. Since AI capabilities are

constantly evolving and changing, any implementation strategy should also be flexible and agile.

"A product roadmap should never be set in stone," said Simon Boehme, VP of Operations & Product at Atlanta-based balance billing support vendor BillingNav LLC, and the author of "Smart Risks: AI in Self-Insurance," a book that explores how AI is reshaping the self-insurance industry.

Boehme is among a group of AI technology pioneers who will share their first-hand experiences during a panel discussion at the Self-Insurance Institute of America's National Conference, which will be held Oct. 12-14 in Phoenix. "First Things First…What Are Your Objectives?," also will feature insights from Clay Wilemon, CEO of San Ramon, California-based Integr8 AI™ powered program and payment integrity solutions vendor 4L Data Intelligence Inc., and Paul Wann, senior vice president with Personify Health.

STRATEGIC VISION AND GOALS

To determine which areas of your business are likely to benefit most from the use of AI, these early adopters recommend dividing them into three buckets: Strategic Importance, Operational Bottlenecks, and Data Availability.

For example, the "Strategic Importance" bucket would contain areas that align closely with your organization's long-term goals, such as reducing fraud or enhancing patient outcomes, Boehme suggested.

The second bucket, "Operational Bottlenecks," would include the "manual and mundane" tasks that could be easily automated, according to Wann.

"From an operational perspective, it's identifying the repetitive, time-consuming tasks and figuring out how to gain efficiencies by automating them," Boehme explained.

The third bucket, "Data Availability" means identifying and evaluating the data your organization has readily available to be utilized by AI systems.

"Find the low-hanging fruit," Boehme advised. "Focus first on areas where's there's high-volume, reliable data, such as claims history, which is accessible and well-structured."

"When you look at using AI with those three buckets, it becomes less daunting and more exciting," he said.

Before his previous company set out on its AI implementation journey, Wann asked two questions: "Where do we see AI, and what do we want it to do?" he recounted.

"We started working and teaming up with some partners to evaluate where it made the most sense to use AI. One is to give us scalability; second is to improve quality; and third is to be on the leading edge in our industry," Wann said.
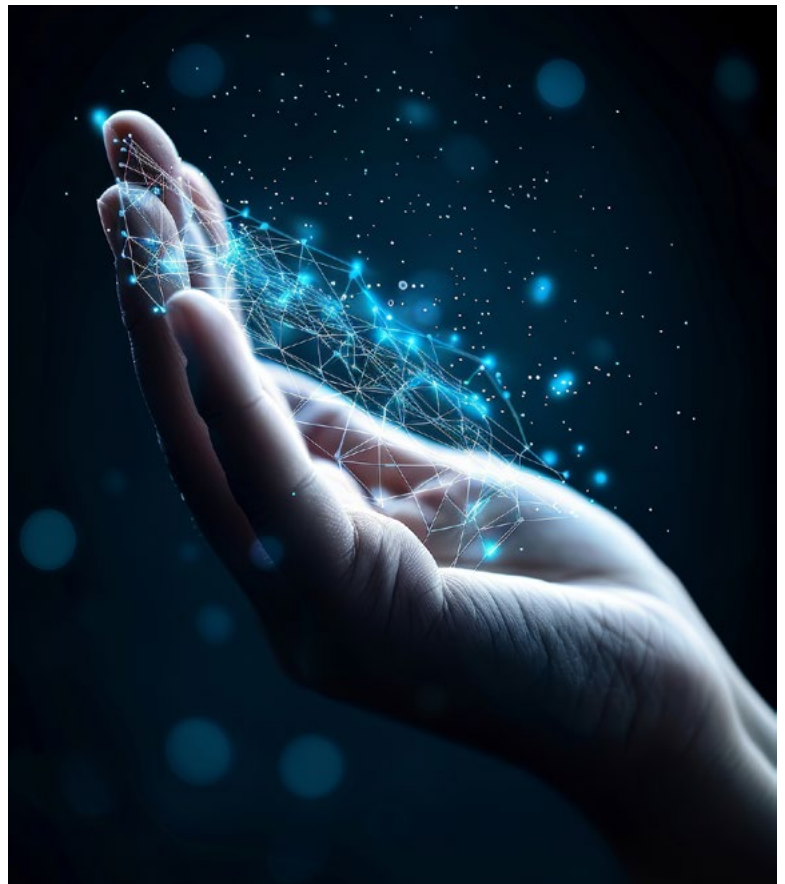
Before launching any AI initiative, organizations should prioritize what they're looking to achieve, establish goals, and then develop some baseline metrics to measure their progress and return on investment along the way, first adopters recommend.

In his initial meetings with TPAs looking to purchase an AI solution that will help them detect and eliminate fraud, waste, and abuse, Wilemon asks them two specific questions: "What is your organization trying to do? And do you have the will to actually change what you're doing?"

"One of the biggest opportunities that TPAs have through the use of Artificial Intelligence is to be a big hero with employers, whether it's preventing fraud, waste and abuse on the payment side or preventing bad things from happening with predictive technologies on the care management side," he said. "You have to have a firm conviction around a set of goals. Are you committed to really gaining market share by having a better mousetrap?"

ASSESSMENT AND FEASIBILITY: BUILD VS. BUY?

As part of the strategic planning process, organizations should assess the capability of their existing information technology systems, data quality, and interoperability. Then, the next question is: Build or Buy? Are you going to build your own AI tool? And, if so, what sort of in-house tool will you build?

For AI to be effective, there must be sufficient clean and relevant data to train machine learning models, according to Boehme. It also needs to be in the correct format, he said.

In some cases, organizations can do reverse engineering, identifying their objectives and then work backwards to figure out how to achieve them, conducting a cost-benefit analysis, weighing potential

savings and/or revenue gains, and determining how quickly they can create an AI system, from pilot to production, Boehme said.

Regardless of whether an AI system was built in house or purchased from a vendor, organizations should ensure their AI systems can exchange data seamlessly with third-party platforms.

"Moving claims back and forth sounds easy, but it's never as easy as it sounds," said Wilemon of 4L Data Intelligence. "Some teams are ready to do that, and some teams aren't. The IT commitment's got to be there."

There's also the issue of time. If it takes a long time to build an in-house AI system, it might be more cost-effective to buy and then customize an off-the-shelf solution, early adopters recommend.

TEAM AND STAKEHOLDER ENGAGEMENT

One of the biggest risks of implementing AI is fear. Many people think it's going to take their jobs, according to Wann.

"I have a saying that I started using at conferences, which is 'I want more bots than butts.' That's because it's hard to hire a person today. I can train a 'bot' a lot easier, and they will show up every day," he explained.

"But 'bots' aren't everything," Wann acknowledges. "AI is not replacing humans. It's actually putting humans on steroids. I need a human to make sure AI is correct because AI can give you false information."

To keep all stakeholders engaged in building an AI solution, Boehme stressed the importance of balancing short-term wins with long-term, strategic goals, celebrating small victories as they occur, and having a flexible roadmap that allows for adjustments based on feedback and changing priorities.

Frequent communication throughout the development process is paramount to the success of any AI initiative, early adopters maintain. Organizations should conduct regular meetings and project reviews, using key performance indicators. They also should compile documentation to explain each step taken, always being transparent, sharing knowledge and progress with cross-functional teams.

RISK MANAGEMENT. ETHICAL, REGULATORY CONCERNS

Any solid AI implementation strategy should include risk management to ensure data security, eliminate bias and errors in machine learning models, and prevent regulatory compliance violations, early adopters say. This can be accomplished with rigorous testing, validation, and error tracking through periodic audits.

"Whenever you put anything online, there's always the risk of a breach or some malicious party getting data. Looking at current events and what hackers have targeted in the past, clearly, our healthcare system has a bullseye on it. So that's why you have to make sure everything is secure," Boehme said.

When it comes to ensuring fairness in claims processing and underwriting, organizations should conduct thorough testing to track and ensure that when there is an error that it's addressed and fixed quickly, early adopters say.

Good data governance is imperative, not only from a regulatory compliance standpoint but to ensure consistency in data collection, early adopters insist.

"When you use large language models, there are going to be biases and errors in the modeling. That's why audits are really important," Boehme pointed out.

Wann advises organizations to be wary of vendors' promises and conduct a solid vetting to make sure the companies they partner with are protecting data to comply with HIPAA privacy and security requirements.

"Make sure that they're not letting PHI go outside anywhere or be exposed," he said.

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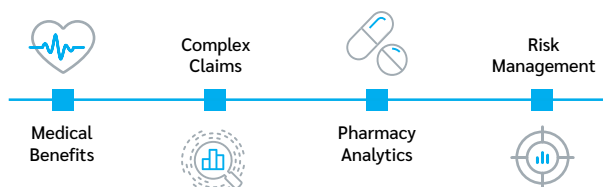## LESSONS LEARNED AND BEST PRACTICES

When asked what advice they would give organizations just beginning their AI journeys, all three early adopters said it's best to temper expectations, be patient, and trust, but verify. AI might be a shiny new tool with tremendous promise, but it's still nascent technology.

"It's crawl, walk, run," said Wann. "Let AI handle the manual and mundane, the things I don't need a human to do. But I need a human to make sure AI is correct, because AI can give you false information. It can adversely select things or make adverse decisions or assumptions. You can trust, but you must verify." ∎