



# Health Payer Operations transformation with Gen AI

## **GenAI is Transforming the Healthcare Payer Value Chain**

The pandemic experience transformed the healthcare industry, revealing how lingering inefficiencies could quickly become existential problems given specific external shocks. As a result, healthcare organizations are more focused than ever on transforming their administrative tasks to minimize the operating cost and to improve the first-time quality of providing care. Generative AI brings a new set of tools and unprecedented solutions to tackle a range of complexities across healthcare, particularly in the payer value chain. Achieving the best-in-class results in the context of the payer value chain will require careful evaluation of digital tools, investments, and data readiness.

## **Payer Value Chain Analysis for Intelligent Transformation**

The AI landscape in healthcare is constantly evolving, and regulations are still nascent. First, payers should construct a unified, company-wide strategy around AI and identify a phase-by-phase transformation approach based on ROI (Return on Investment) to secure positive outcomes in Generative AI-powered processes.

With the value chain method, it is possible to discover various aspects of the payer's value chain to identify prospective areas where digitization can be strengthened. Value chain analysis attempts to overcome limitations by identifying the entry points for optimized transformation opportunities. Payers must choose their technologies based on complexity mapping, which requires deep analysis on the process flow, tools / systems culture and need of manual intelligence.

Each segment of the payer value chain (commercial insurers, government-funded programs such as Medicare and Medicaid, self-funded employer-sponsored plans, managed care organizations, etc.) operates differently based on its target population, funding mechanisms, and regulatory requirements. As such, the optimal GenAI approach will vary across these value chain stakeholders. Wipro's industry experience indicates that claims and member management are two main areas for improvement (see Figure 2 below).



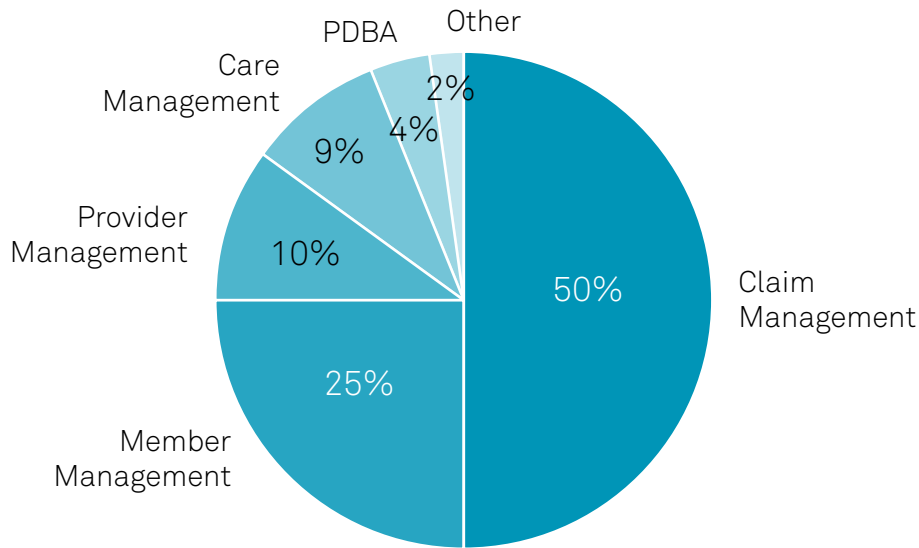
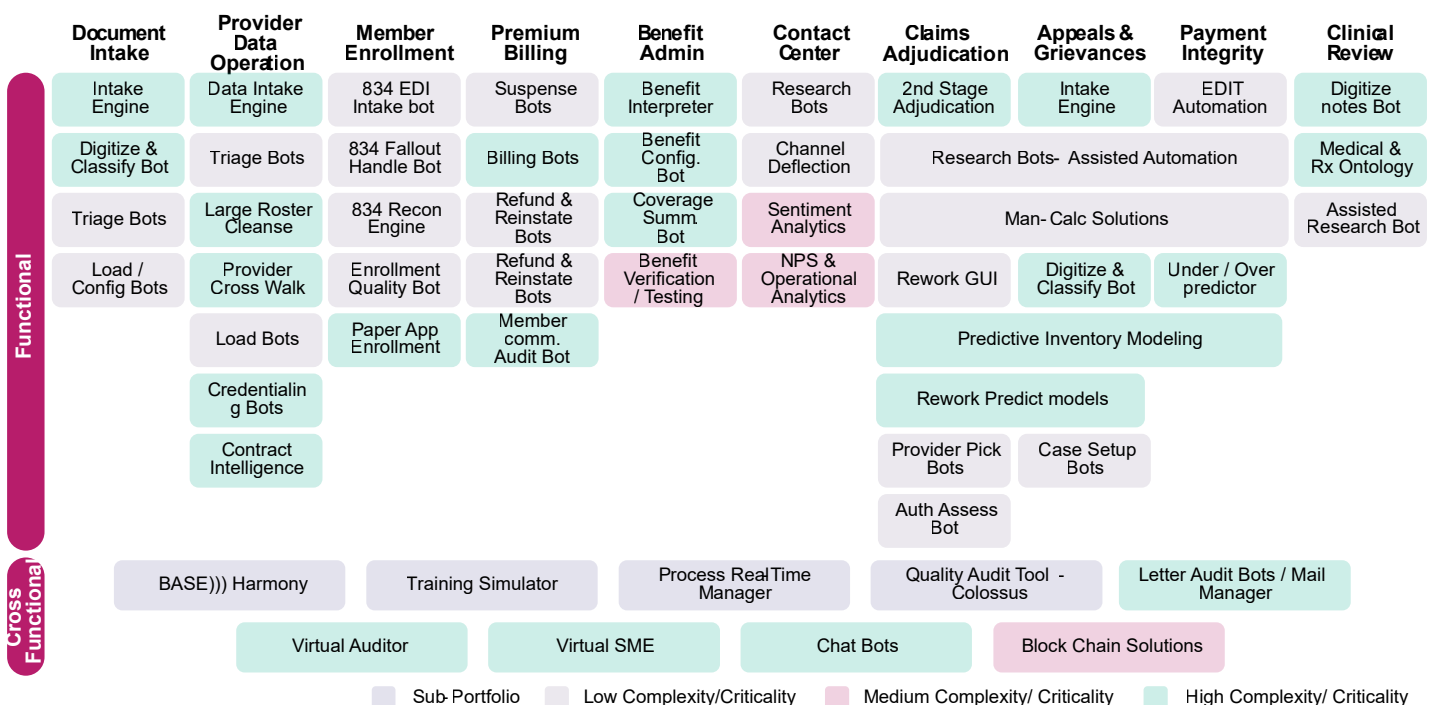


Figure 2: Potential areas of improvement with Generative AI

A vertical connections grid (below) can help identify the processes poised to gain efficiency from GenAI. The idea is to map a direct link between data inputs and consumer experience. This analysis will help payers analyze whether to build or buy licensed GenAI applications or choose a business process as a service (BPaaS) model to modernize core systems. Payers must choose their technologies based on complexity mapping, which

requires analyzing the process flow, tools, systems, culture, and the need for manual intelligence. Demand generating strategies must be institutionally connected to their provision to enhance the final market potential. Build vs. Buy vs. BPaaS: Payers to analyze whether it is best to build or buy licensed applications or choose business process as a service (BPaaS) solutions to modernize core systems.

## AI Assets: across the Payer Value Chain





## Potential Benefits of a GenAI Digital Transformation in the Payer Market

Enterprises with high levels of AI maturity will gain the most substantial benefits. Much of the improved ROI will come from efficiency, automation, and data analysis. At the same time, payers must also aim to support and improve the customer experience, delivering care that is accessible, high-quality, and affordable. GenAI could be the catalyst to make value-based care a reality, promoting a data-driven shift to preventive and outcome-based care models by engaging non-traditional value chain partners.

Business improvements will also include risk mitigation and improved sustainability. Generative AI's ability to analyze data and provide meaningful visibility will enhance pattern recognition and identify potential risks to the enterprise. Additionally, Generative AI may help enterprises comply with sustainability regulations, mitigate the risk of stranded assets, and embed sustainability into decision-making, product design, and processes. While these potential benefits may take some time, immediate benefits can be achieved through automation and data analysis. These benefits will emerge across numerous use cases, including:



### Claims and configuration operations

GenAI handles code edits, denial letters, prior authorizations, insurance

verification, and claims without adjudications. It assists in automating documentation tasks, such as transcribing medical notes and updating patient records. GenAI can also accelerate the deployment of new features/functionalities to existing systems by rapidly creating software code and reducing errors and testing time



### Compliance

GenAI automates checks for regulatory compliance, ensuring alignment with healthcare regulations and standards. GenAI algorithms can identify anomalies and patterns to recognize known fraud schemes.



### Workflow optimization

GenAI can analyze administrative workflows, identify inefficiencies, suggest optimizations, prioritize administrative tasks, and optimize resource allocation. GenAI can develop concise standard operating procedures (SOPs) and desk-level procedures; generate summaries of significant documents and records; extract diagnoses and symptoms from medical charts; and make all claims, attachments, correspondence, and appeals received from paper and fax channels searchable documents. GenAI can automate Medicare Advantage risk adjustment reviews to identify medical conditions, procedures, and details not captured in claims data that signal the need for



## Communications

GenAI can automate patient outreach programs, sending personalized health information, preventive care reminders, and follow-up instructions: complaints, grievances, and appeals process automation to improve response quality. It can also automate and streamline the intricate manual process of reading emails to identify intent and respond by collating information across various systems and departments.



## Personalization

GenAI can develop creative training materials and process simulations from existing SOPs, support personalized member benefit explanations, and personalize member/provider education materials, marketing communications, advertisement copy, and investor materials



## The Payer's Journey with Generative AI

Generative AI can make meaningful improvements to member and provider experiences. To get started, the payer value chain must be understood for linearity, continuity, and recurring characteristics to determine the best use cases for GenAI improvements. Payers must prioritize their transformation on the task level with the highest time and cost savings, starting with these high-value use cases and adding more gradually. Generative AI's near-term potential lies mainly in streamlining communications and interactions with provider organizations, members, and other entities; reducing unnecessary administrative costs; and improving efficiencies. For payers, the GenAI journey is just beginning. The GenAI innovation curve will be exponential rather than linear, and payers that invest in initial GenAI use cases now will achieve unprecedented precision in the coming decade.

## Meet the authors



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Ambitions Realized.