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# The Health Plan Guide to Scaling AI Enterprise Value

*AI strategies and use cases health plans can deploy with confidence.*

According to HealthEdge's 2026 Payer Survey Report, **94%** of payers are either live or actively adopting AI, and **47%** report widespread or departmental use. Another **49%** of payers and providers are moving into agentic AI, according to Nvidia's 2026 State of AI in Healthcare and Life Sciences report.

As adoption grows, health plans will ultimately measure the success of AI initiatives by how well they improve efficiency, enhance the member and provider experience, increase quality of care, and lower the total cost of care.

## 4 Issues Limiting Plans from Tangible AI Results:

1. **Achieving Higher Levels of Data Integrity**
2. **Choosing the Right AI Use Cases**
3. **Knowing the Value AI Can (and Can't) Create**
4. **Managing Risk While Advancing AI Initiatives**

In this playbook, AArete's consulting leaders offer insights, actionable strategies, and tools to help payers overcome these hurdles and generate more value from their AI investments.

# Understanding the AI Spectrum: Predictive, Generative, and Agentic

Before health plans can determine what's possible with AI, they need to understand their options. The AI landscape has advanced rapidly within the past few years, and three evolutionary stages of AI are now emerging.

## 1. PREDICTIVE AI

Predictive models use historical data to identify future trends. Examples include tools that predict which patients are at the highest risk of hospital readmission and solutions that flag suspicious claims for fraud, waste, and abuse. Predictive AI solutions are where most payers apply AI today.

## 2. GENERATIVE AI

A step up from predictive AI, generative AI solutions use Large Language Models (LLMs) to synthesize complex data into new content. Chatbots, contract intelligence tools, and search-and-retrieve applications are common examples. Most health plans are experimenting with generative AI or have already moved some solutions into organization-wide production.

## 3. AGENTIC AI

Agentic AI uses agents to automate multi-step processes, a promising solution to improve efficiency. To implement, identify the highest-friction work, validate the opportunity, and prove value with a focused pilot that demonstrates measurable, touchless execution before expanding scope. Then, scale across systems as a horizontal capability, an operational model shift you deliver through a sequence of pragmatic projects, rather than a one-time platform upgrade.

**Priya Iragavarapu, Managing Director**

"Once health plans unlock the power of agentic AI, they will realize how much human, mundane grunt work can be outsourced to AI, allowing human workers to be leveraged more effectively. All projections target wider agentic AI adoption by 2030."

## **Popular Generative AI Use Case:** Summarization and Insights

Current generative use cases exist across contracts, contact centers, and medical record reviews. One of the most popular is the summarization solution. It allows a Customer Service Rep (CSR) to pull together all relevant information about a member in seconds. That means the member doesn't have to wait on hold and the CSR can fully focus on resolving their concerns, increasing member satisfaction.

## **Future Agentic AI Use Case:** Streamlined Appeals, Grievances, and Recruiting

"Agent elves" can review appeals and grievances quickly, make a decision, then present it to a human for final approval. Or a recruiter can use agents to review resumes, summarize the candidates' work history, and recommend whether they're a good fit for the organization.

## **ZeroOps:** Horizon or Near-Term Reality?

ZeroOps is a new model that aims to autonomously execute complex workflows. One potential application is touchless claims triage. Your AI tool ingests claims and supporting documentation, applies payment policies, and automatically routes clean claims for adjudication while flagging exceptions for review.

# CHALLENGE #1:

## Achieving Higher Levels of Data Integrity

Every AI solution needs accurate data to generate trusted results. Yet inside payer organizations, data is often scattered across multiple systems and teams. Much of that data is unstructured, locked up in provider contracts, or in separate workloads for claims configuration and adjudication. If AI engines can't find, structure, and act upon that data, health plans will see little impact from their AI initiatives. While making data AI-ready may feel like heavy lifting, it delivers compounding value by helping health plans meet interoperability mandates and enabling higher-value AI use cases. Here are four ways to move forward:

"A lot of health plans have invested in AI. They've even set up AI councils. But the whole ecosystem has to communicate together via data for AI to get the full picture."

**Darren Ghanayem, Managing Director**

## 1 DEMOCRATIZE DATA ACROSS THE ORGANIZATION

When data sits only with IT and data science, it limits what an organization can do with AI. Business users must also have visibility into the data that drives their operations. They are the keepers of domain knowledge within a health plan. When they can see and understand their source documentation and how their systems are performing, business users can start asking smarter questions. For example, they can assess whether their contracts are accurate or whether they're collecting the right data, thereby improving AI outputs.

## 2 PRIORITIZE CLEAN, CONSISTENT DATA

Organizations should establish clear governance and ownership, determining who is responsible for extracting, validating, and maintaining each component of source data. Doing so allows payers to move toward a single source of truth organization-wide. It can also encourage teams to use the same terminology when discussing different types of data to reduce confusion and improve interpretation of insights.

Erica Wegielewski, Managing Director

"In our work with payers, 20% of our findings are linked to incomplete or outdated source documents. When provider contracts and amendments are not consistently managed, gaps emerge between those source documents and claims payment."

## 3 DIGITIZE & STRUCTURE UNSTRUCTURED SOURCE DATA

Implement processes and technologies that quickly digitize, structure, and integrate unstructured data into operational workflows. Doing so ensures that critical information can be consistently accessed, analyzed, and acted upon across the organization. A significant portion of payer data exists in unstructured formats, such as PDFs, documents, correspondence, and other source materials that are difficult for traditional systems to interpret. When this information remains inaccessible to analytics and operational systems, it limits the effectiveness of AI initiatives. Transforming unstructured data into usable inputs lets payers improve the accuracy and scalability of their AI-driven capabilities.

## 4 CREATE STRONG GOVERNANCE FRAMEWORKS

Establish clear governance structures that define how AI models are developed, validated, and monitored over time. Effective AI governance includes setting guardrails around model transparency, privacy, and regulatory compliance while ensuring accountability for how AI-driven insights influence operational decisions. With the right governance framework in place, health plans can scale AI confidently while maintaining trust with regulators, providers, and members.

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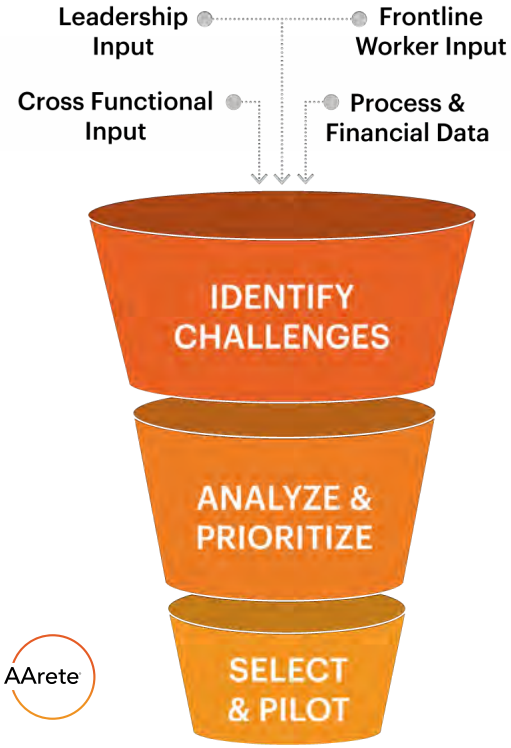
# CHALLENGE #2:

## Choosing the Right AI Use Cases

AI often gets implemented from the top down. The Board tells the CEO, the CEO tells the middle manager, and the middle manager is tasked with plugging in AI "where it makes sense." Without a centralized view of how AI can benefit the entire organization, payers often end up using AI to solve the wrong business problem, thereby limiting its potential. Here's a more effective strategy for selecting use cases that can save staff time, lower total costs of care, and drive member satisfaction.

### TAKE A 'BIG PICTURE' VIEW

Look at the most important functions in the organization, such as claims operations, contact center operations, utilization management, or analytics for decision-making. Map out two-month, six-month, and one-year goals for each, and then consider how AI might help achieve those goals.




### EVALUATE POTENTIAL USE CASES WITH A SHARED FRAMEWORK

This three-step system can help decide which use cases will make the final cut and which ones won't.

**IDENTIFY CHALLENGES:** Use process discovery workshops, journey maps, and employee and stakeholder interviews to surface pain points and challenges.

**ANALYZE & PRIORITIZE:** Assess each challenge to determine its business impact, speed to value, comvpliance and risk, technical feasibility, and organizational readiness by assigning a weighted score.

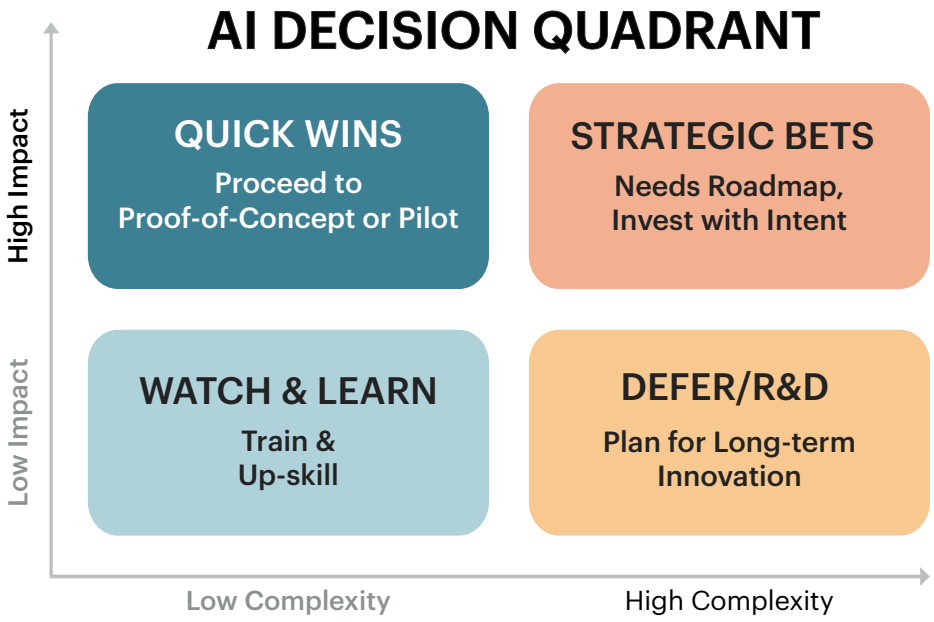
**SELECT & PILOT:** Rank each analyzed score based on business value and strategic alignment for a "go" or "no go" decision to determine which initiatives move forward to a proof of concept.

Gina Hedstrom,
Managing Director

"The most important thing is to ground all use cases in solving a particular business challenge. A well-defined problem statement will always deliver the best result."

## CREATE A PRIORITIZATION MATRIX

Once consensus is reached on use cases, this decision quadrant can help determine which ones will bring immediate value vs. those that will drive longer-term benefit.




**HIGH IMPACT, LOW COMPLEXITY:** Start these projects first.

» These are ready-now use cases with clear business value. They show fast ROI and help build momentum.

**LOW IMPACT, LOW COMPLEXITY:** Perfect for experimentation. Hand them off to junior team members to complete.

» These are good for experimentation, innovation culture, an intern POC, or a training project.

**HIGH IMPACT, HIGH COMPLEXITY:** Create a strategic roadmap to guide planning, execution, and change management.

» These align with strategic goals and have major upside but require more resources, change management, or multi-phase rollout.

**LOW IMPACT, HIGH COMPLEXITY:** Consider these as long-term goals and reassess their viability before proceeding.

» Keep these parked until business conditions or technology evolve. Reassess quarterly or annually.

Timing can also play a role in prioritization. If redetermination or enrollment deadlines are approaching, piloting AI in those areas may offer a prime opportunity for quick results.

## PRIORITIZE EARLY WINS

Identify manual, repetitive business processes and implement those projects first. Two practical starting points that bring considerable value are:

- **Provider Contract Interpretation:** Using AI to digitize and analyze complex provider contracts can save teams time and improve payment capture, potentially reducing total cost of care, as providers are more likely to point out underpayments than overpayments.

- **Cost Control Over Edge Cases:** Let's say 5% of call center volume creates 60% to 70% of cost overruns because they're time-consuming for CSRs to resolve. AI can review call transcripts, identify drift, and provide near real-time insights, so CSRs can help members and providers resolve their concerns faster while delivering cost savings.

## EXAMINE WORKFLOWS BEFORE AUTOMATING THEM

Plugging AI into a poor manual workflow will not bring the level of improvement health plans expect. Instead, bring together engineering, product, operations, risk, and security teams to reimagine workflows first. This will help improve entire processes rather than speeding up a single inefficiency within an already-broken process.

# AI USE CASES BY LINE OF BUSINESS

### 1. MEDICARE ADVANTAGE

Heightened compliance and regulatory requirements open the door to reporting automation solutions. AI-driven payment intelligence tools can improve payment integrity, while policy intelligence solutions can audit medical policies against peer groups. Deploying both levers can reduce medical spend.

### 2. MEDICAID

Shrinking margins for Medicaid plans underscore the need for solutions to reduce the total cost of care. Among other uses, a behavioral health analytics AI tool can help identify clinical outliers that drive the highest costs so plans can correct them swiftly.

### 3. COMMERCIAL

With members expecting higher levels of digital engagement, AI-driven personalization tools can help plans provide retail-like experiences that emphasize convenience.

### 4. ACA/MARKETPLACE

ACA plans face significant volatility. High-impact use cases should focus on stabilizing enrollment, improving retention, and optimizing member mix, as well as risk pool and product design analytics.

# AI USE CASES FOR OPERATIONAL EFFICIENCY

## FRONT OFFICE

**Utilization and MLR Scenario Studio:**
Project medical cost and MLR under different benefit designs, policies, and provider strategies; quickly compare scenarios to guide annual planning.

## MIDDLE OFFICE

**Denial Prediction and Prevention:**
Predict likely denials and prompt pre-submission fixes or provider education to reduce rework.

## BACK OFFICE

**AP/AR Automation:**
Capture invoices, perform three-way match, and route exceptions to streamline payables and receivables.

# CHALLENGE #3:
## Knowing the Value AI Can (and Can't) Create

Plans may achieve short-term efficiencies with early AI pilots, but generating long-term value takes time. Most AI solutions follow a hockey-stick return curve: They have a long upfront investment, followed by outsized returns once the model is integrated into real workflows at scale. Hitting the "upswing" requires high levels of R&D, iteration, and engineering discipline. It also depends on establishing clear baseline metrics at the outset. Without a defined measurement framework, payers won't be able to quantify the value AI is delivering or know where it might be falling short.

### SEEK EFFICIENCY FIRST, OTHER TARGETS LATER

AI value should not be measured in cost reduction alone. Improvements in staff efficiency, care delivery, and response time are equally important success factors. In early stages, focus on reducing the time staff spends hunting for information and speeding the time it takes for CSRs to answer member inquiries. Then, as AI matures, payers can begin focusing on reducing costs, opening the door to increased revenue over time.

### INTEGRATE AI TO SOLVE "SWIVEL CHAIR SYNDROME"

That's what happens when employees have to toggle between multiple systems endlessly. Each new login or open window costs both time and money. Integrate AI into core systems staff use every day, such as a CRM, rather than adding it on as yet another platform.

### CONSIDER THE EXPONENTIAL FUTURE RETURN

Even if AI doesn't bring immediate value, each deployment builds a health plan's technical muscle and provides empirical evidence on what works and what doesn't. Use that information to double down on use cases that bring results and extend them to additional teams and departments. This will lead to greater future returns and medical cost savings.

### DRIVE ADOPTION AND MANAGE CHANGE

AI solutions will fall short without user adoption. Moving to AI-driven workflows requires teams to change how they work, which can create resistance. Health plans should invest in proactive change management and clear communication so employees understand how AI will support their work rather than replace it.

# POTENTIAL VALUE OF AI BY LINE OF BUSINESS

## 1. MEDICARE ADVANTAGE

In a low-margin environment, AI's biggest upside for MA plans is stopping financial leakage by ensuring every dollar of medical spend is accurate and compliant.

## 2. MEDICAID

Focusing AI initiatives on increasing operational efficiency will help Medicaid plans reduce administrative costs to combat shrinking government payments.

## 3. COMMERCIAL

With AI, commercial plans can get the intelligence they need to overcome the shifting cost pressures from government lines.

## 4. ACA/MARKETPLACE

ACA plans can target retention strategies and enhance member experience during enrollment and renewal. Focus AI efforts on retention and risk optimization over administrative efficiency to see the most value.

**Bhrugu Pange, Managing Director**

"A strong engineering foundation can help payers derive maximum value from AI as it scales. For example, if you don't need low latency for contract intelligence, you don't need expensive GPUs. That decision can save thousands of dollars, if not hundreds of thousands, depending on the number of contracts needing review."

# CHALLENGE #4:

## Managing Risk While Advancing AI Initiatives

Health plans rely on Protected Health Information (PHI) and other sensitive data. When AI systems ingest and process this data, the exposure surface expands significantly. Managing this requires a dual focus, protecting data privacy and ensuring model integrity.

To reduce the risks of unauthorized PHI exposure, plans must implement strict access controls, data de-identification protocols, and secure computing environments. Simultaneously, to prevent models from scaling errors or biases across thousands of member interactions, plans should ask:

- Do we have documented data lineage for all inputs feeding this model?
- Have we audited training data for demographic gaps or historical bias?
- Who owns data quality accountability, and what triggers a review when upstream data changes?

## CLINICAL DECISION RISK: ADVISORY VS. AUTHORITATIVE

The most consequential AI risk for payers involves decisions that materially affect members' health and access to care, such as prior authorization, care management escalation, claims adjudication, and risk stratification. Regulators and courts are increasingly scrutinizing whether AI-assisted denials or delays meet the same rigorous standards as human-reviewed ones.

The distinction between AI as a decision-support tool versus a decision-making tool has direct bearing on liability, compliance, and member trust. Before deploying AI in any clinically adjacent workflow, payers must confirm that a qualified human reviews AI recommendations before they affect a member outcome and that a clear escalation path exists when model confidence is low.

## TAILORING GOVERNANCE TO LINE-OF-BUSINESS RISKS

Risk profiles differ meaningfully across lines of business, which is why applying a uniform governance framework is a common and costly mistake. A more effective approach is to establish LOB-specific guardrails. For example, AI models evaluating Medicaid and Medicare Advantage populations must be validated specifically against data representative of those demographics to ensure accuracy and compliance.

## INTEGRATING AI RISK INTO ENTERPRISE GOVERNANCE

Risk assessment should be built into the evaluation and approval structure for all AI initiatives. When selecting use cases, payers should consider data provenance and quality, the potential impact on members, regulatory exposure by line of business, and how decisions can be explained. If an AI solution cannot clearly answer, “How would we explain this recommendation to a member, regulator, or court?” it’s not ready for production. Establishing an AI Risk Council with representatives from compliance, clinical, legal, and data science ensures these questions are asked consistently before any model touches a live member population.

# ACHIEVING IMPACT:

## What a Tiered AI Strategy Might Look Like

For most health plans, building a value-centric AI strategy will take a deliberate, phased approach that builds capabilities, demonstrates value, and delivers true business impact over a three-year period.

WAVE 1

YEARS 0-1.5

**FOCUS:** Self-Service & Summarization

**GOALS**

- Make member and provider interactions self-service and conversational
- Reduce "swivel chair syndrome" by giving CSRs all the info they need in one place
- Eliminate tedious, paper-based processes

**POTENTIAL USE CASES**

- **Customer-Facing Service Chatbot:** Let members and providers self-serve benefits, claims status, prior auth status, and payments with clear, cited answers.
- **Pre-Interaction Summarization:** Compile IVR/chat history and likely intent before the call connects so agents start with context.

WAVE 2

YEARS 1.5-3

**FOCUS:** Mid- and Back-Office Automation

**GOALS**

- Automate data collection and complex workflows
- Use AI to handle behind-the-scenes steps

**POTENTIAL USE CASES**

- **Auto-Adjudication Assist:** Read claim attachments and policies to surface relevant rules and draft the rationale for determinations, improving accuracy and speed.
- **Credentialing Automation:** Automate document intake, primary source verification, and sanction checks to shorten time to credential.

WAVE 3

YEARS 3+

**FOCUS:** Agentic & Autonomous Intelligence

**GOALS**

- Reimagine core business functions and let AI agents do the work
- Move from human-in-the-loop (humans review all AI outputs) to human-on-the-loop (humans intervene when needed) oversight

**POTENTIAL USE CASES**

- **Payment Policy Market Comparison:** Leverage AI to continuously search payment policies of other payers, evaluate appropriateness for the organization, and measure financial impact via integration of paid claims.
- **Prior Authorization Automation:** Triage requests, match them to clinical criteria, and draft decision letters to accelerate determinations and improve consistency.

# CHOOSING THE RIGHT TECHNOLOGY SOLUTIONS & VENDORS

When evaluating AI investments, health plan leaders face a critical decision: When to extend their existing technology ecosystem and when to introduce specialized solutions. The most effective approach our team at AArete recommends is platform-first with targeted specialization.

We see plans succeed when they stay within core platforms (such as Salesforce) when the use case is operationally important but not a competitive differentiator. These environments are best suited for high-volume, low-complexity AI use cases like call center support, document generation, or internal co-pilots. Embedding AI directly into these existing workflows avoids the overhead of moving data across systems.

For high-stakes, differentiating use cases such as payment accuracy or contract interpretation, vendor AI solutions are typically the best fit. In these areas, precision impacts financial and clinical outcomes. Purpose-built AI solutions trained on specialized datasets and validated against real-world outcomes will deliver more accurate, trustworthy results than general-purpose AI models.

# How a Partner Can Help

Consultants with expertise in AI and deep knowledge of payers' challenges can help health plans determine the right technical approach and adopt capital-efficient AI solutions that move the needle on Day One.

When seeking outside guidance, look for partners who can help:

1. **Choose the right use cases** and tailor them to specific improvement opportunities.
2. **Embed AI into existing systems** or choose solutions that will not disrupt the business.
3. **Get data AI-ready** so AI tools can produce trusted answers.
4. **Set guardrails** around security, privacy, data sharing, and other AI risks.
5. **Drive user adoption** so multiple teams can benefit.
6. **Operationalize, improve, and sustain** an AI program.

## CUSTOMIZED AI SOLUTIONS TO MEET PAYERS' UNIQUE NEEDS

AArete helps health plans build their AI-focused future with consulting services and AI-enabled solutions, including:

**Doczy.ai™**
An AArete Solution

Digitizes and analyzes complex provider contracts, reducing payment inaccuracies and manual contract configuration.

**AArete Payment Intelligence®**

Finds the root cause of claims challenges and fixes them, helping clients save on average $8 PMPM in their first year.

**Behavioral Health IntelliScan™**
An AArete Solution

Rapidly pinpoints and remediates errors to uncover cost savings in behavioral health claims.

**PolicyPulse.ai™**

Analyzes clinical and reimbursement policies in a payer organization's peer group and compares them to publicly available data to close gaps.

# Put AArete's AI Expertise to Work

AArete helps payers achieve tangible results with practical AI by blending advanced AI solutions with human intelligence. Our experts work with more than 130 health plans in all 50 states, with experience across Medicaid, Medicare, Commercial, and ACA/Marketplace plans. With a combination of leading-edge AI tools and deep industry insight, we help health plans implement and use AI where it matters most for their organizations.

LEARN MORE ABOUT OUR HEALTHCARE PAYER SOLUTIONS

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