



Reimagining appeals and grievances handling in healthcare using agentic AI



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Executive summary

What is appeals and grievances in healthcare and why is it important?

Appeals and grievances (A&G) refer to patient complaints and escalations related to their care and claims. If a patient is dissatisfied with the service received—whether due to claims denied or cost and quality of care—they can file a grievance. If they remain unhappy with the grievance resolution, they have the option to file an appeal.

Appeals and grievance processes are critical to maintaining member satisfaction, regulatory compliance and operational efficiency in US healthcare payer organizations. With increasing case volumes and evolving regulatory demands, payers must modernize their A&G systems to reduce costs, improve outcomes and enhance member experience. We at Cognizant believe that technologies such as generative AI and agentic AI can help reduce operational overhead and A&G management costs by up to **30% to 40%**.

The challenge—Ripe for agentification

Historically, appeals and grievances have been handled in a multistep, labor-intensive and highly manual manner. The resolution process is complex, with appeals often supported by hundreds of pages of documentation, the need to compare to the member's individual policy and history, and a requirement to stay abreast of guidelines that change on a regular basis. Decisioning is complex with multiple rules, considerations and analyses leading to the ending disposition. All of this together makes this complex workflow the perfect candidate for agentification.

By the numbers



Volume and scale:

US healthcare organizations process approximately **2.5M grievances annually**.



Operational costs:

Manual A&G processes can cost up to **\$45 per case**, especially when involving multiple handoffs and documentation reviews. Inefficient systems lead to **high administrative overhead**.



Compliance penalties:

Noncompliance with CMS timelines and documentation standards can result in **substantial financial penalties and Star rating reductions**, directly impacting reimbursement.



Lost revenue opportunities:

Poor A&G handling affects **member retention and enrollment**.

Why is appeals and grievances such as complex challenge?



Disconnected systems:

Legacy platforms and siloed data make it difficult to both find the information needed and track appeals across departments. Human agents spend excessive time extracting data from multiple sources and coalescing on a holistic understanding of the case.



Intensive manual processes:

Numerous pages of unstructured documentation and intake via fax, mail and calls lead to delays and errors. Lack of automation results in **high error rates (up to 30%) and slow resolution times.**



Regulatory complexity:

CMS mandates strict timelines and documentation standards, applying pressure to an already challenging analysis. Appeals often escalate to administrative law judges or federal courts, requiring detailed audit trails.

Cognizant's solution

The A&G case handling process comprises four key steps: case triaging, investigation, resolution and finally response communication to the appellant conveying the payer's decision. In working with our customers across a multitude of platforms, Cognizant worked collaboratively with our customers to develop an agentic AI-based solution across each of these steps to maximize automation across the entire workflow and provide consistency of resolution to guarantee ROI.

End-to-end appeals and grievances resolution workflow with and without "agentic AI" orchestration



As can be seen in the image above, in the side-by-side comparison of the end-to-end appeals and grievances resolution workflow, contrasting a traditional manual process with an agentic AI-enabled approach shows tremendous benefit.

At the top, the **manual workflow** is broken into four stages: triaging, investigation, resolution, and communication. In this legacy process, a human agent handles each step—starting with reviewing and interpreting appeal cases, switching between multiple screens to gather data, reconciling information to make a decision and finally drafting a response to the appellant. This method is labor-intensive and prone to inconsistencies due to subjective interpretation, often resulting in backlogs and penalties from unresolved or aging cases.

At the bottom, the **agentic AI-enabled workflow** mirrors the same four stages but replaces manual tasks with intelligent automation. A triaging agent identifies issues and summarizes case details, followed by a validation agent that maps issues to the necessary data sources and retrieves relevant information. A decisioning agent then evaluates the data against references, appeals documentation, member demographics and clinical policy guidelines to generate recommendations, and a communication agent drafts the response letters, which all can be manually improved upon by the appeals worker. This AI-driven process is highlighted as delivering at least a 30% productivity improvement with our customers, offering more consistent interpretations and significantly accelerating appeal resolutions.

Realized benefits



30%–40%

reduction
in A&G
operational costs



40%

improvement
in member
satisfaction scores



4X

increase
in case
processing capacity



80%

improvement
in regulatory
compliance

The above metrics speak for themselves—underscoring how agentic AI can streamline traditionally manual, error-prone processes by automating case triage, validation, decision-making and communication.

These improvements align with broader industry expectations for generative AI in healthcare. According to a recent [McKinsey report](#), 85% of healthcare leaders are actively exploring or implementing generative AI solutions, with many reporting positive ROI and enhanced administrative efficiency. Similarly, [BCG research](#) found that early adopters in biopharma and medtech are already seeing cost reductions and revenue increases of at least 5% through gen AI deployment. Most notably, a study by [Simbo](#) estimates that **up to \$265 billion annually** could be saved in the US healthcare system by eliminating duplicated and inefficient administrative spending—representing a potential **25%–30% reduction in effort** across manual processes.

Success story @ leading healthcare payer

Business challenge

High case volume and complexity

The client was processing over **600 appeals and grievance cases daily**—many accompanied by extensive medical documentation, sometimes exceeding **200 pages**. The scale and depth of each case created serious operational strain.

Manual, time-intensive processing

A customer team was tasked with reviewing documents, interpreting intent and classifying each case—a process averaging **30 minutes per case** and consuming hundreds of hours weekly.

Our solution

Cognizant implemented a gen AI-powered appeals and grievances categorization assistant leveraging Azure OpenAI that transforms high-effort manual triage into an intelligent, real-time automation engine—fully integrated into the client's legacy and cloud systems. The solution delivers faster throughput, improved accuracy and real-time decision support at scale and reduced processing time from 30 minutes per case to mere seconds.

Business benefits



80% reduction in labor

Reduced appeals team size from by 80%
unlocking millions in ongoing savings



50,000+

Significant production volumes
of cases processed



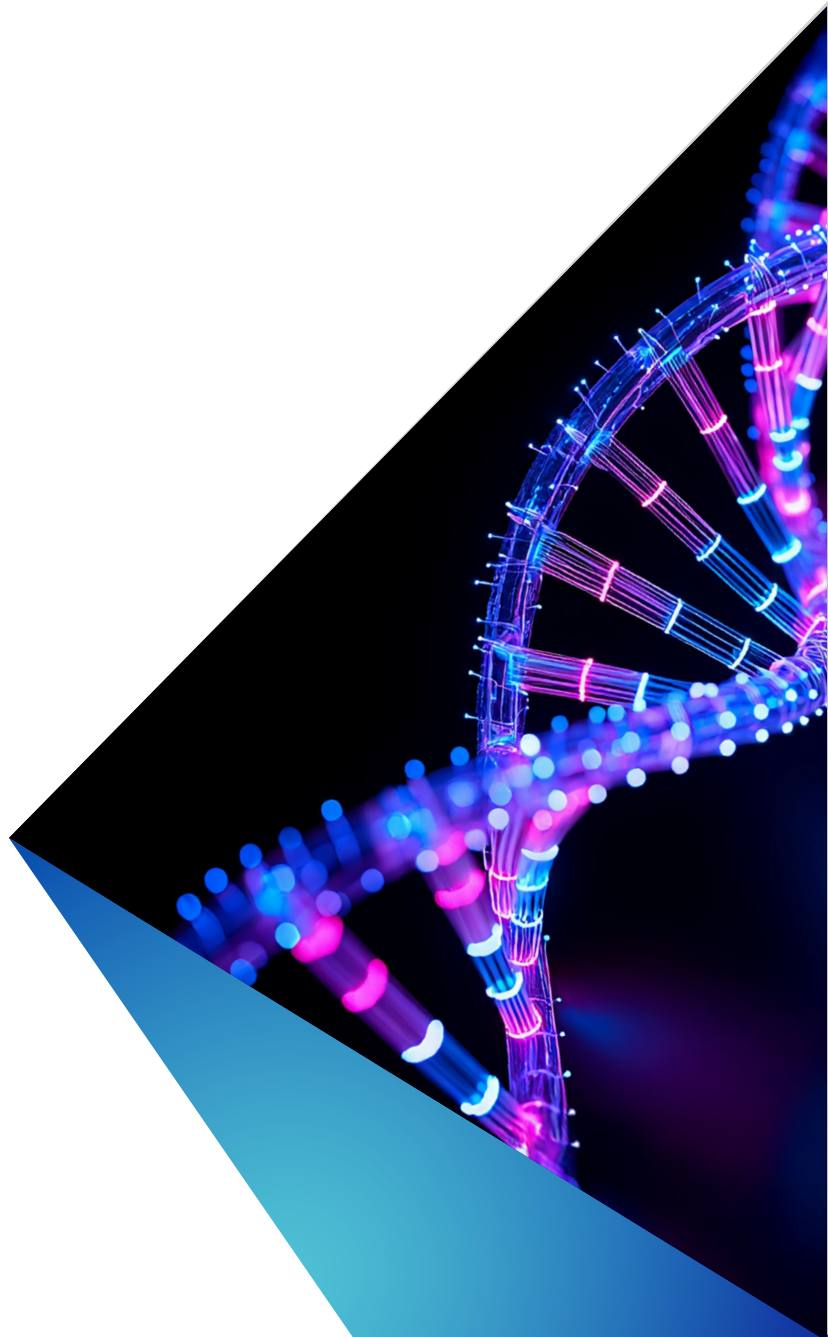
86% categorization accuracy

Less reliance on human agents' subjective
results, ensuring work is classified correctly
in a matter of seconds



90%

Successful routing, reducing
downstream errors, eliminating the
need to touch many cases, and for
others sending them to the right work
list automatically for resolution



Conclusion

The integration of gen AI agents into the appeals and grievances process marks a pivotal shift toward intelligent, scalable and compliant healthcare operations. By automating complex workflows, enhancing decision support and improving member experience, these agents lay the foundation for a broader transformation. Their capabilities naturally extend to adjacent processes such as prior authorization, pended claims analysis and claims payment resolution—areas equally burdened by manual effort, regulatory scrutiny and data fragmentation. As healthcare organizations embrace agentic AI, they unlock a future where operational efficiency, clinical accuracy and member satisfaction converge—driving value across the entire care and payment continuum.

Partner with us today

Unlock the future of agentification with Cognizant...

How we can collaborate



Consultation:

Reach out to our AI experts for a personalized consultation



Workshops and demos:

See Agent Foundry in action



Pilot projects:

Experience the benefits of AI agents firsthand



Innovation studios:

Visit our AI innovation studios to get inspired, ideate and solve real-world business problems

Contact us

Whether its with appeals and grievances or any of the multitude of other gen AI process in healthcare, please reach out to us today to begin your journey!



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