

# Insurer saves \$1.4M and boosts accuracy with gen AI automation

AI-driven solution speeds US healthcare organization's Appeals and Grievances (A&G) triage process.



## At a glance

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| <b>Industry</b><br>Healthcare                                                                                            | <b>Products and services</b><br>Gen AI-powered appeals management solution                                                                                                                                                                                                       |
| <b>Location</b><br>North America                                                                                         | <b>Success Highlights</b> <ul style="list-style-type: none"><li>• \$1.4M saved over 3 years by automating A&amp;G case triage</li><li>• Rapid reduction in team size from 20 to 5 in just 7 months</li><li>• 90% Accuracy rate in the case triaging automation process</li></ul> |
| <b>Challenge</b><br>Manual triage of appeals & grievances led to delays, inconsistencies and significant staffing costs. |                                                                                                                                                                                                                                                                                  |

## The challenge

Our client, one of the largest not-for-profit health insurers in the United States, serves millions in New York, New Jersey and Connecticut. It faced significant challenges in the categorization of appeals and grievances cases. In its existing system, case-categorization data originated from multiple channels and resided in disparate systems, requiring over 20 FTEs for the case-triage process.



Our client was facing the following:

- **High case volume and cost:** The client was overwhelmed by the sheer volume of appeals and grievances cases, which resulted in substantial backlogs. This not only increased administrative costs but also caused delays in providing timely patient care, further exacerbating the issue.
- **Manual subjective reviews with risk of error:** The process of categorizing appeals and grievances cases depended heavily on manual interpretation of medical records and regulations. This reliance on human judgment led to inconsistencies and errors in categorization, impacting the accuracy and reliability of the process.
- **Extensive staff time demands:** Analyzing and categorizing incoming cases required a significant amount of human intervention by the appeals and grievances and quality review medical director teams, creating substantial inefficiencies.

Failure to address this challenge would lead to a **continuous increase in the case triage backlog**, directly causing **customer and provider dissatisfaction** due to delays and **non-adherence to crucial turnaround times**

The client wanted to streamline its triage process for complaints, appeals and grievances and improve the accuracy of case categorization, allowing the business to focus its manpower on case-resolution investigation instead of case categorization.

## Our approach

After our successful proposal, Cognizant embarked on a transformative journey to enhance the client's appeals and grievances process. We brought our experience in applying AI and cloud technologies to address complex challenges in the healthcare sector, ultimately aiming to improve outcomes and operational efficiency.

Cognizant developed a appeals & grievances categorization assistant, powered by generative AI, designed to streamline **Complaints, Appeals, and Grievances (A&G) triage process** and enhance the accuracy of the **case categorization process**.

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| <p>The solution incorporated these elements:</p> <ul style="list-style-type: none"><li>• <b>Intent and entity recognition:</b> The assistant leverages advanced AI to automatically understand the intent behind each appeal. It extracts relevant information from various document types, whether structured (like forms and databases) or unstructured (such as documents with images, emails and handwritten notes). This reduces the need for manual interpretation, ensuring that all necessary information is accurately captured and processed.</li><li>• <b>Dynamic knowledge mapping:</b> The system maps identified entities and concepts to relevant regulations, policies and medical records. This provides a comprehensive context for decision-making, ensuring that each case is evaluated with all pertinent information at hand. It enhances the accuracy and consistency of case categorization, aligning decisions with current regulations and policies.</li><li>• <b>Decision support:</b> Based on the extracted information and contextual knowledge, the assistant predicts the category, subcategory, subtype, priority and case partner; performs a duplicate check; and provides a summary of each case. This predictive capability helps in quickly and accurately classifying cases. It streamlines the process, reduces administrative burden and ensures timely resolution of appeals and grievances.</li></ul> |  |
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The assistant not only improves operational efficiency but also enhances member satisfaction by providing quicker and more reliable responses to their concerns.

## Business outcomes

This forward-thinking solution brought our client these results:

- \$1.4 million Cost savings over 3-yr period due to Rapid FTE reduction because of automated G&A case triaging process
- Rapid FTE reduction from current **20 FTEs** involved in the case triage process to **5 FTEs** over a period of **7 months** because of automation
- 90% Accuracy rate in the case triaging automation process

By implementing the gen AI-powered assistant, Cognizant transformed the client's appeals and grievances process, making it more efficient, accurate and responsive.

