



ACCENTURE-AHIP WEBINAR
INTELLIGENT PAYER:
A SURVIVAL GUIDE

WEBINAR RECORDING TRANSCRIPT

Facilitator: Welcome to today's webinar, *The Intelligent Payer: A Survival Guide*. Before we get started, I'd like to announce a few brief housekeeping details. Today's session is being recorded and an online archive of today's even will be available a few business days after the call. You will receive an email from AHIP that will ask if you would like to receive the archive. Please respond to the email if you would.

I'd like to remind you of AHIP's anti-trust statement and ask that you reference it at the bottom of your screen. The anti-trust statement prohibits us from discussing competitively sensitive information. Please keep in mind, you may ask a question at any time during the presentation by typing your question into the Q&A box located on the right side of your screen and pressing enter. We will have polls during today's presentation. They will appear on the right side of your screen under the Q&A box when it's time for them. If you are having any trouble seeing the slides during today's presentation, please press F5 to refresh your screen.

We're very fortunate to have with us today Richard Birhanzel and Richard Fu. Richard Birhanzel leads Accenture's North American payer practice, which delivers consulting, technology and outsourcing services to a wide range of health insurers. Richard specializes in helping payers reshape existing businesses and enter new markets. Richard is also responsible for Accenture's Thought Leadership in Health Insurance, most recently offering an intelligent payer survival guide focused on artificial intelligence in health insurance.

Richard Fu is an Accenture health strategy executive primarily focused on strategic planning and corporate growth initiatives across Accenture's payer, provider and life sciences organizations. He is a published thought leader in digital health and AI, including his latest point of view, *The Intelligent Payer: A Survival Guide* which can be found at the bottom of your screen, highlighting how advanced automation and AI can unlock significant value for health plans within 18 months. Also, his previous piece in the *Harvard Business Review*, *10 Promising AI Applications in Health Care*, provides a more holistic look at the ways AI can transform the industry.

At this time, I'd now like to turn the floor to Richard.

Richard B: Hello everybody, this is Rich Birhanzel. Good afternoon and good morning. Thank you for the opportunity to talk to you all today about this concept of an intelligent payer. We want to give you some grounding as we start the conversation and context around the thinking. Um, soon I'll ask my colleague, Richard to jump in and start to talk through some use cases that we can roll around in together. And of course, we're going to leave some time at the end, so we can take on your questions. And feel free to submit those as we go, as you think of them.

As we think about the landscape, clearly there's continuous change in health insurance. You all live that every day. Notable to us is the material advances that are happening around digital. Most obviously in the space of experience, the way consumers interact with health plans today – or brokers or providers – has changed and continues to improve with the adoption of digital interaction. We also, of course, are seeing mega mergers, or at least vertical integration,

notably in the last several quarters around the pharmacy benefit management space. And then the continued growth in the government health plan part of the business. And notably, around managed Medicare and managed Medicaid.

So, amid all of that change, we also have the reality of a need to invest and reinvest in the health insurance organizations that are in this market. And you can see some of the usual suspects on the left side here that have been matured over time. So, there's been a general flattening around the commercial business side of the marketplace overall. So, the ability to grow, just to generate capital, has some limits to it. We've seen several generations of Lean and Six Sigma and Lean Six Sigma have an impact on the operations of our health plans. But we're getting to a point where we need additional innovation.

And you can see some of the other innovations that have occurred over the last decade or two. We see the need for new levers as these traditional levers appear to be arriving at a plateau. So, we caused ourselves to think through the key questions, around the ability to quickly generate value so we can feel and fund the need for strategic investment. And that, what we're going to talk about today – we think – holds the promise to concurrently improve profitability, free up capital to reinvest in higher value and higher return opportunities. And at the same time, reinvigorate and better enable the workforce that is supporting the health insurance plans.

That's just the concept of the coming and intelligent payer. Let's spend a few moments here, definitionally, so that we can all talk from the same vernacular and vocabulary. The notion of the intelligent payer, the importance here is the embedding of advanced analytics and intelligence in the framework. So, this is not about adding software to the architecture. It's not about a technology acquisition in particular, it is really about an operating model refinement and the ability to thoughtfully embed the emerging capabilities in the artificial intelligence and machine learning and virtual call space. And do so inside of the operating model of a health plan.

And as we think about artificial intelligence up at the upper right, think about that definition, we're going to talk today about a continuum. And there's a lot of definitions about this. So, for the purposes of today, we'll try to be simple about it and say robotics and advanced robotics is something that's been around in health insurance for a while. And especially in the automation of back-office functions, especially those that are at scale. So, we hear words like advanced robotics or RPA. What those really are about are a automation of business process. And they can have a significant value.

When we think about artificial intelligence, we're talking about something else. We're talking about an advance from that, in which the machine is able to sense information, comprehend information, act upon it – sometimes autonomously – and learn from those experiences and provide an input to the next time it executes a transaction. So, we're expecting more from the machine or the algorithm, the software, whatever it may be, as we move down the continuum toward artificial intelligence and some of the other dimensions that we see. So, we'll be using those definitions as we talk today, and hopefully we'll be able to frame that up in a thoughtful way.

On Page 7 here, we introduce the crux of the piece we recently published, and what we're really talking about today which is the survival guide concept. We see this movement toward intelligent payer as a multi-step journey over – essentially – several years. The exciting part about it is there's an opportunity to generate value rather quickly in this first part of the journey, which we're calling the unlock capacity part of the journey. And Richard's going to drive into this in just a moment.

Here we're looking to apply leading capability that already exists. So, technically capable. It's out there. It's able to be done and there's, there are use cases that exist in the industry and outside the industry to generate cost reduction, to improve cash flow, maximize revenue. And the intent is not necessarily to just write up bottom-line savings. It's actually to create investment capacity so that we can fuel innovation in other parts of the organization that – perhaps – are more customer-facing, more complicated and will take more time and innovation to fund.

So, in this early stage, that's what we're seeking to do and we're going to describe that shortly. As we move down the journey, as you see on the page, then we get to the stage of reimagining healthcare. And an example I'd give you is the difference between automating the loading of benefits at the front-end of a claim system, which can be done with robotics and fairly straight-forward RPA. To moving to something where you can actually do intelligent benefits modeling, where you can take in all the dimensions and variables of what you could design, and a benefit, and the combination of a benefit with a network and policy. And model what the downstream impacts might be to a certain population, to your operations, to your provider network. So, that's an example of a progression that we would see in the next year to three years that moves beyond, sort of, the fundamentals and the basics and the application of artificial intelligence.

And then to just take that a step further as we move out beyond three years. It's a little hard to see that far out given the dynamics of this industry, but sticking with that example, moving from something you can do for yourself to something you can extend either to your ecosystem – like brokers and providers. So, example on that benefits modeling capability, if we had a benefit simulation capability that would extend out to our distribution channel like a broker. Or extend out to other ecosystem partners, or perhaps productize, commercial and sell to other health plans. So, we can think about that across all the different processes and value chains that exist in a health plan, and the potential to commercialize assets that you're able to advance inside your own organization.

So, with that, we're going to move along and talk about the unlock capacity stage of the journey. And I'll ask my colleague, Richard, to take this one.

Richard F.: Thanks, Rich. Yeah, I think to build on Rich's last comment around enabling the future. I think a lot of times when we think of AI, we think of AI as mystical, mythical feature that might be very futuristic. Kind of akin to some of the images that we see in movies. That's certainly one spectrum, and it is very nebulous and can be abstract, and who knows what the future might hold. But there is a lot of opportunity, even within the next three to five years.

On the other end of the spectrum, we are living and breathing AI day-to-day. From your Google searches to your Gmail account to your Instagram feed and your ads that come from that, all the way to your customer service representatives. That when you engage with Macy's or Nordstrom – whoever it might be – we're actually engaging with elements of AI already day-to-day. And so, a lot of our colleagues in financial services, retail, some of these more consumer-facing technologies, are being adopted within these industries.

And so, in thinking about this future, how do we unlock the capacity. And from our analysis, we actually believe that there's a lot of opportunity for health insurer's today to actually unlock value in the next 18 months. So, from our analysis, we really took a deeper dive into what is the value potential. How can you actually increase operating income? What is the source of value? There's a lot of qualitative factors that come into play, but health insurers can really unlock this 10 to 15 percent within a short amount of time. And that could translate to over \$7 billion in value across the industry in aggregate.

And so, what is the source of this value? From an operating model perspective, if you look at the pie chart towards the right of the page, it comes in various ways. We're seeing a lot of the value coming in managing customer interactions. About a third of this value is going to come in this realm. So, here think call centers, contact centers, multi-channel, Omni channel types of communications unlocking, and then enabling AI to help facilitate the types of engagements.

The membership and billing around benefits modeling, Richard touched on a little bit of those examples. To reimbursement, so really think claims, all things claims. How can we streamline this process to remove the impression that health insurers are the middle man? It really can be seamless with AI. To other elements, as you can see, with managing provider networks to health management. Here we see a lot of media and press and lots of buzz around the potential up here to help unlock clinical quality improvements across the board. To everything about managing broader quality improvement in just our day-to-day compliance issues that help us keep the lights on.

And so, how do we unlock capacity? It really starts at the core. And there are a lot of fundamental solutions, as well as some pretty interesting innovations that are possible today. And so, what we want to do is to highlight and profile just a few of these examples. But before we do that, we want to do a quick poll of the audience to understand to what degree are some of these solutions intelligence-embedded in the framework of your organization's strategy and business. So, we'll start the poll and you can scroll down and answer accordingly, and we'll come back to see where the group stands.

[Poll conducted]

Richard F.: All right. Very interesting. Let's see if I can publish this for the group. It looks like it kind of stands exactly what we're seeing across the market. It really just depends. So, it's mostly not fully embedded across strategies. That's not surprising. We know a lot of organizations are testing and experimenting in a lot of different ways through side projects. We see a lot of that. But a lot of

times, we are seeing AI types of strategies be implemented through the IT organizations specifically. IT organizations being chartered with, how do we advance and improve our processes and improve the value from information technology.

And we are seeing more and more specific departments are being tasked with their new charter, as to how they can unlock new value and get to that next level. So, I think this poll is quite representative of what we're seeing across the market. I think what we would advocate is, there does need to be an increasing holistic view that needs to come to the forefront when we're thinking about AI. And we'll get to some of those potential obstacles and tax [sounds like] forward in a little bit it.

So, moving to Slide 10, we wanted to start to profile some of these opportunities that we think can be really impactful over the next 18 months. The first one we wanted to highlight is around managing customer interactions. As you recall from the previous page, this is likely the top category where there's going to be a lot of value in the near term. And so what one area or one opportunity to bring this to life is around intelligence call center routing. A lot of organizations are already implementing versions of this.

So, think about how do you get callers on your customer service channels to the right channel, to the right person, to the right type of information at the right time. Is there a way to route call-backs automatically? Get communications, can you initiate a SMS text chat with the member over their cell phones? Can you engage various different types of communications based on their preferences and needs? Is it via email or even just a broad, all-channels type of approach.

In addition, can you preemptively start to send communications, anticipating the questions that might asked before it even becomes a pick up a phone and call. And so, we're in this moment now where there are lots of opportunities to realize value. And the source of value here, as you can see, is reducing the time it takes to handle some of these Tier I, Tier II requests as well as getting requests to the right person. And so, really spending time on a complex, complicated Tier III request that may not have had the attention, or the right attention level ascension in the past.

Lots of really exciting startups in this space. I think we all know that there's standard routing mechanism today, as Rich mentioned. Advanced robotics has been mature across the board, and this has been an example of an area where this has been taking off. But now we're actually starting to see AI come to the forefront. And so, there's a startup called Mattersight that actually starts to tie predictive behavioral routing. So, to match the person who's calling with the call center representative with the right skill set. Or even the call center representative with the right emotional connection.

And so, now you're starting to mimic a real in-person interaction via a virtual channel. So, that's quite exciting. That, into, there's even more value down the line when we get more sophisticated to more real-time, in the moment coaching of the call center representative. So, companies like Cogito, they use real-time support using natural language processing, cognitive interpretation

of voices. And these representatives actually have real-time coaching mechanisms. Is your tone too harsh for the member on the other line? Are you speaking too quickly? Is the pace... Is there a lot of overlap, etc., etc.

And so, now you can actually – real-time – adjust the way that you are interacting with that member. And hey, this algorithm then will improve over time as more and more interactions are being tracked and being able to be modified. And so, here you can see we go from just reducing the time it might take to handle certain calls – certain requests and services – to actually improving net promoter score and actually be able to develop a better connection with the member when it's a time of customer service, and perhaps even and distress.

And so, our prognosis over the next 18 months, this is something of significant value. There's elements that are definitely in that top right-quadrant of value and viability of being the new normal. But there's significant potential to actually unlock and deliver even great value down the line. And so, some of the keys here that we see is that certainly pilot, pilot as much as you can. Take chunks, take bits and pieces of it. And try doing it in the off-season. Don't do it when it's peak in moment time. Let's save that for when we have a lot of our core operating procedures and processes down pat.

So, this is our first spot light and profile. And with that, we wanted to get a quick post-check and poll to see what the group thinks of this opportunity. What is the likelihood of your organization implementing this solution within the next 18 months? So, on the bottom of your screen, again, you'll have a quick poll. And we'll get a pulse check.

[Poll conducted]

Richard F: All right, it looks like, OK. It's pretty – 43 percent are already implementing such solutions; 38 percent low likelihood. And then you have just about 20 percent where it's going to be a high likelihood of adoption. Interesting, OK. I mean, this is certainly an area where it would require a significant portion of understanding of customer dynamics. And I think within the next 18 months, given the cycles at stake, there's definitely a lot of considerations when it comes to piloting, which is why we called it out to be in that three-piece category where the viability actually is not as easy as if I see the technology is there and the promise is pretty great. And so, I know a lot of organizations are already implementing certain types of solutions today.

But very interesting. Thanks for participating. All right. We'll get to the next profile. All right. So, profile number two: *Managing Support and Reimbursements*. If you recall, this is tied with the second or third of our top opportunity for health insurers in the next 18 months. And so, think claims. So, one opportunity that we wanted to high light was around prior authorization optimization. So, this is an area that we all know, even as consumers – as patients – that might actually create a lot of headaches, a lot of time loss, a lot of negative NPS on almost all parties involved within the health system. So not only your providers when they're dealing with it, but also the insurers.

And so, are there technology solutions that actually help us become less of that middle man – at least in the eyes of the member – and actually optimize this entire process. This is an area where we believe this is the new normal. It really needs to be part of the framework of how health insurers really elevate their ability to connect and really think about what is important to the member, the provider and all its constituents.

So, there's a wide range of vendors in this space today. A lot of health insurers, a lot of our clients, are actually building home-grown solutions to actually develop the rules in place to reduce the number of codes that can be handled as well as using that then to adjust and apply standardized medical policy. And so, now we can actually start to automatically approve various requests. You can start to make decisions on its own, and this is another example of an area where we're seeing robotics overlap and blur with artificial intelligence down the line. And so, again, today we're seeing a lot of health systems and health insurers get on the same page around, how do we make this a more seamless process between the various parties.

As we get into more advanced artificial intelligence, the ability to actually pinpoint – using advanced analytics – to see what are the areas where there's the biggest headache or the biggest questions or the most number of requests. If you compare that then to even clinical quality, clinical outcomes, then you get some pretty robust information around what it means to conduct prior authorization and what it means to actually be a health plan and managing benefits. So, this one, a significant opportunity here. We think a number of health insurers can help actually pave the way here, and actually, quickly get to that third horizon that we were just mentioning earlier around enabling the future.

Similarly, we'll do a quick a pulse check here around the likelihood of implementing this type of solution, and the cost to the organization. Again, we've got some polling at the bottom.

[Poll conducted]

Richard F.: OK. So, 75 percent are actually either already implementing or a very high likelihood. And I think this is, again, this is certainly an area that we are seeing a lot of our clients see a lot of significant results in. It's only within time that the NPS will also improve with such technologies. So, another example of how we're seeing back-office, these core functions, be able to deliver the promise of the new.

OK. On the next slide, Slide 14, the final one that we'll highlight today is around performing health management. And so, I think we've all lived through various errors of care management. Certainly, our returns on the invest in care management has come with perhaps sometimes mixed results or at least [inaudible] results within the last few years. But this is an area where AI has significant potential. And this is likely what you read a lot about in your typical Tier I media publications.

It is around, how do you actually deliver care? Are we going to have robodocs in the future? Or are we going to have virtual nurses here and there, wherever.

Can we actually have AI help us with some diagnosing. So, you're seeing a lot of innovation come about in the space. And for obvious reasons, a lot of excitement dedicated to this area.

For the health insurer, there's a lot of opportunity for virtual care management. And so, how can health insurers then apply some of these technologies around machine learning to start to identify members needing a little bit more care. And so, in times past, we've always had analytics and been able to look down a member roster and see who has certain conditions. Who might need extra support and help. But we're missing a lot of the additional factors and layers that might come with that roster, or just that basic analytics set.

And so, how do we apply machine learning and actually use that same data set and analytics framework. And then actually apply other determinants that actually might help us understand the member's conditions a little bit more uniquely and specifically. I think a lot of times, the challenges have been that one size fits all. Now we can actually enable and implement solutions that can help us be more targeted in the way that we do our outreach and make sure that our members are staying healthy on a day-to-day basis.

And so, we're seeing virtual nursing assistance become more and more popular and more and more sophisticated. A lot of press has been written about the promise for mental health, an area where it has been lacking for quite a while. But companies like Big Health and then various other startups are actually focusing on, how do we deliver the right questioning mechanism. How do we develop the right avatars so that those patients or members who are dealing with mental health conditions feel comfortable in actually parlaying what they're struggling with day-to-day? What other support, or additional support, they might need.

To another side around chronic care management. Companies like Sensely is doing a great job in actually piloting across the board. They're getting really strong in the data sets – and this is representative of various startups in this space – into doing this by targeting. And then doing the right deployment of virtual agents to actually engage with members in a clinical or care management type of setting. All the way to the more easy or the more, I guess, simplistic way. Companies like Care Angel are deploying these types of “virtual” nurses to help triage and to help get members to the right type of care – to the lowest cost setting of care that might be appropriate for that specific member.

So, this area really runs the gamut. There's a lot of opportunity here. It's almost like the next wave or the next generation of how we think about care management. And so, the opportunity for the payer here is obviously the increased member engagement. Improving that high touch, and then that holy grail of potentially moving the needle on clinical outcomes and actually really realizing the reduction of medical costs at the health plan.

Now I think it's important to note that the source of value within the next 18 months, we actually don't believe that type of clinical quality element will be realized amongst health insurers. There's still a significant amount of experimentation as well as just waiting to see results and realize results, that will happen, that goes beyond this time frame. But in the early stages, how can

health insurers maybe pilot with some of these burgeoning startups to actually shift some of the key utilization management type of work over to more focus on engagement – reducing the amount of time that it takes to actually target and screen members. And perhaps, even the number of care managers that are needed.

And so, now we start to really get into, how do we connect the human with the machine and the broader realm of health management. So, lots of exciting things here. And of course, the age-old adage of focusing on chronic conditions still is at hand. But I think we now have the tools that we need to actually move the needle down the line in the future. So similarly, our final poll, we'll get a pulse to see what's the likelihood of this solutions in the next 18 months.

[Poll conducted]

Richard F.: Yeah, OK. Not surprising. Only 20 percent believe it's going to be a high likelihood. Fifty percent low likelihood. And just about 30 percent are implementing some version of this. Yeah, not surprising. I think this is an area where a lot of startups are trying to gain traction. You are likely approached by one often. We hear that a lot from our clients. What's interesting is that, as Rich mentioned before, this industry is moving very quickly. And it's evolving quickly. And a lot of these startups are actually realizing that they don't have the scale or the right data at hand to actually make some meaningful movement in terms of clinical quality.

So, little pilots are fine. But they really need a scale and the support of a much bigger player to actually pull data and actually to pull up the right insights and then thus, the right algorithms. And so, not surprising, I think this is still immature, but certainly an area of great potential value down the line. If you do implement such a solution, again, there is still benefit and value in terms of reducing the time that it takes to target and screen. Or just where the crux of the money is in the next 18 months anyways. So, still time to pilot and then prove a value down the line.

So, we've highlight three opportunity areas for health insurers that we see might be potential over the next 18 months. Now, while there is all of this great opportunity – and certainly realistic – for payers, there are a lot of common pitfalls that we see. And so, earlier on we had a question around where is this typically implemented? How are you implementing this across the organization? When it's siloed, there's a lot of challenges. And so, we'll get to this in a little bit. One of the key elements that we recommend is, really starting with a solid data foundation. Oftentimes when entities – payers specifically – start an initiative, they kind of focus on one department or they focus on relying on the IT support. Or IT is doing something on their own as a side project or a pet project.

That oftentimes creates challenges down the line. While you'll see near-term results, is it really sustainable beyond 18 months, two years? That's where it becomes questionable. You really need a mechanism to actually normalize data and effectively ingest everything to be a common platform for you to actually deliver and really realize the potential of being truly an intelligent payer across

the board. Because more and more, each of your departments are going to be interlocked and interlinked as we got on to be more strategic in our efforts. And without saying, overlooking security measures. I think a lot of us are scared by a number of the breaches that have happened and a lot of cyber attacks that have happened, even to our own consumer selves over the last several months. This is certainly the case for AI, and I am sure from Hollywood movies, we all see the potential of what might happen if AI goes awry and acts on its own and starts to improve or go off the rails. While I definitely think that's still sci-fi, it is something to be concerned about and something that we need to really focus on right at Day 1 to ensure that that doesn't happen. We don't want to risk anything detrimental to data or privacy or the security of our members and of our providers.

And then finally, culture and change. This is of utmost importance. I'm sure many of you have gone through stages of sometimes talent backlash. Sometimes just uncertainty around jobs. We all think about, will a robot replace humans down the line? At Accenture, we actually believe that humans will actually be enabled and empowered working side-by-side with the support of various robotics and machine and intelligence. And so, we can actually be more effective, and we can actually expand and unlock great value with the support of this intelligence. And so, getting that not only message right from Day 1, but really getting that mindset. Really understanding what AI is and what it means. And how do we enable ethical AI – as a controller put it.

And then finally, as Rich mentioned earlier, this is a great opportunity to really reinvigorate the workforce. Culture is health insurance. This is the time where we can take health insurance to the next level, applying the data that health insurers have to systems in place. The policies, the understanding of the broader system and really connecting the dots to become truly an intelligent enterprise. And so, how can we make sure that our employees, our best leaders, our best managers are equipped to actually deliver that? This is an exciting time, and so, how can we get the next generation of leaders on board and part of this process?

So, with that, we had a number of pulse checks. And the final poll that we'll have before I pass it back to Rich, is Slide 17. What's the most pressing challenge that your organization will face when implementing these solutions. We went through a number of pulse checks where it might have been a low likelihood. What's the number one challenge amongst your organization?

[Poll conducted]

Richard F.: All right. The results are kind of – there's no clear winners. So, likely folks might have wanted a [inaudible] type of answer or selecting multiple answers. But yeah, we are constantly seeing all of these challenges being realized across our clients. Resources and investment at 30 percent is the number one based on this poll. Certainly, the case. I think what one element that I would – based on this poll – resources and investments certainly a challenge. Though I will say, a lot of companies are willing to pilot. And so, a lot of the upfront cash outlay might not be as significant as you might expect. Now, to realize that scale and to actually realize some of the value that we've laid out in our analysis and in today's talk, certainly resources will be required to actually realize the value.

But to get started, it might not be as great of a barrier as you might envision. And so, yes. All of these are going to be challenges and with that, I'll pass it off to Rich to close this out for today.

Richard B.: All right, thank you, Richard. I'm going to talk a little bit about the path forward. We've covered a few of these things, but these are actually the topics that we are advising our clients on today. And so, we think about artificial intelligence. This concept of obstacles, and particularly related to technology is a pretty important one. We touched on it earlier about getting the data right. It's interesting to note that investment in artificial intelligence is not about spending money on software.

Yes, there are software solutions. But that's not where the complexity and the cost really is. The complexity and the cost resides in the data and the integration of the data. Data needs to be dynamic. It needs to be shareable across the enterprise on a routine basis, and on a just-as-needed basis. And we also have to do it in the context of the security of health insurance information, and all the challenges that go with that. And then lastly, just infrastructurally. Things that are important are as simple as a service-oriented architecture. Without it, of course, it's difficult to share information among solutions, applications and AI solutions, which are ultimately solutions that are calculating math based on data.

This governance point is an important one too, cause oftentimes the experimentation around artificial intelligence or even some of the robotic, has emerged organically. If a particular business leader has a couple of different parts of their claims process that they want to address, then they work with a robotics vendor to solve that part of the business. They emerge that way. But as this starts to get more scaled, it's very important to declare where the governance lies in making choices about solutions and investment and priority. Does that sit within the business segment? Is it an enterprise-level thing that you're going to own inside the health plan?

IT's role versus the business' role. Is IT owning that implementation? Is it IT-supported or IT-governed versus a business application. And the answer might be different at each health plan, but it is important to sort that out as you start to see the scale and start to move down a roadmap which is also here on the page. There are only a few of these that we've seen, where there's actually a roadmap over the next two or three years, around artificial intelligence and similar technologies. Yet it is important to try to anticipate what that journey will be knowing that it's likely to change because, especially in artificial intelligence and machine learning, the vendor community is dynamic. It's largely venture-capital funded, many of the solutions. And so, it changes quarter to quarter, month to month. But at least having a sense for what part of the business is important to address and when can be helpful in terms of investment strategy and lining up resources.

And then lastly, this vendor relationship one is a really important one too. Health plans have become very adept at dealing with scale vendors, ones that have large technology solutions or services partners or whatever it is. Generally speaking, companies are less prepared to deal with the smallish kinds of artificial intelligence companies – or machine-learning companies – that can be

pretty young as a company. It could be less than a year old sometimes, and there can be a whole bunch of them all at once.

So, thinking about handling it, and having expertise specifically around software and software procurement, and even IP protection – and making sure that the things that you create as you create algorithms and store them in vendor solutions – that you're able to retain and use as competitive advantage if you choose to do so. So, it's something to watch out for cause it is different. More volume, mostly focused around mathematics and the uniqueness of your business process, and something to pay close attention to.

So, as we turn to the closing page here, a couple of reminders. We have a few questions in the queue, which we'll get to in just a moment. And you, please submit a question if you have one. You can also access the point of view that we've been referencing. It should at the bottom of your screen if you scroll down on your [inaudible] screen. So, we'll stop there and field some questions. And Richard, I think you're going to emcee this and direct us to the ones in order.

Richard F.: Yep, I will. All right let's see. So, the first question that we have, and again, feel free to submit them and we'll try to get them in the next ten minutes or so. The first question that we have is, how do you define value? And how is the \$7 billion quantified? Great question.

So, when we looked at the value, we really focused on direct value, direction quantifiable value focused on operating and comms. So that's the real basis of it. We looked at how much time can be reduced, and thus therefore, what is the potential head count reduction as well as what are the processes that can be eliminated. So, the amount of time that an employee or a worker might be working on a specific task that can be then deployed to something else. So, that was the real basis of it – time, number of people as well as the potentially number of resources that might be aligned to that individual process. And so, the \$7 billion then, is the aggregate across the operating model of the payer across the US. So, we extrapolated it to the rest of the country.

Next questions is, do we think there is a correlation between the maturity of capability and the size of a health plan. Rich, do you want to take that one?

Richard B.: Sure. And this is an interesting question. This is one that we're actually hearing from journalists as they think about the piece that we published. What we would say is that in the advanced robotics part of this, certainly those that have had larger operations and have had more at stake in terms of being able to get to efficiencies and remove work, have largely gone further in their adoption of that and seeing more benefit. And I suppose that has trended towards the larger health plans that have those larger operations.

Interestingly enough through, as we think about artificial intelligence and some of these newer innovations, there isn't really a direct correlation between the size of the plan whether or not there's innovation. We're seeing it all across the map, including some of the smaller health plans. It is really about where the priority is and whether they want to be on the front end of it and experiment.

Richard F.: Great, and Rich, a similar question while you're at it. What are the top two or three vendors that might be most impressive?

Richard B.: Yeah, another question we get from time to time. And this is, it's really important. It's related to the vendor comments we just made a few minutes ago. In the robotics part of the business, we've seen a settling down around a few vendors that have some scale. And that can be in workforce automation or just simple automation. So, we think about companies like Blue Prism or Open Connect and companies like that, that are in the robotics space.

As we move toward artificial intelligence though and machine learning, what I would say is that there is not a dominant player. And it's highly nuanced to which business process we're talking about. So, oftentimes these vendors are becoming specialized and are creating content and IP that is aligned with one or two or three verticals, but not the entirety of the value chain of a health plan. So, it's a bit early to tell given the dynamics of the industry. And it's important also to, even if we had an answer today, it's likely to be wrong three months from now given the volatility of the vendor marketplace.

Richard F.: All right. And then we have a final question. How far away do we think payers are from actually realizing clinical quality? I'm happy to take this one. So yeah, as we mentioned earlier, I think the clinical part of the equation – I think – probably won't really happen in the next 18 months. A lot of these solutions, a lot of these vendors, are a bit nascent still, as Rich mentioned earlier. I think they still require some significant testing and experimentation that need to come, again, to really realize scalable results. Though we are seeing individual pilots, a lot of even government-funded pilots, with some great success. So, improving outcomes, reducing costs by 20 or 30 percent for [inaudible] for heart failure members, for heart failure programs.

There's been a number of studies done already with a number of our CMT or our communications and high-tech clients around using a combination of mobile phones with medical devices, as well as some clinical protocols to that we unlock value moving the needle for hearts of these patients. There's a number of pretty exciting promises out there. But I think for the health insurer to really realize value, it's going to be definitely in that three-year timeframe or so. Don't quote me on the number of years it might take. But I think it's going to be a significant amount of time beyond our 18 months.

Richard B.: OK. And I think that's the questions that we have and we're almost up to the time. I want to, as we close here, I'd like to thank the AHIP team for the opportunity to participate here and share our thinking. And also, for all the participants, for your attention and concern and interest in this. If you have any follow-up questions, you have our contact information. We're happy to answer those if you think of those later. And thank you so much and have a wonderful day.