Simplify Healthcare®

The AI-Ready Payer:

How Health Plans Can Prepare Today for the Next Era of Payer Operations

By Simplify Healthcare®, a Simplify Group™ Company

Artificial intelligence (AI) has the potential to reshape some of health plans' most complex and resource-intensive functions, from benefit configuration and provider management to claims processing, regulatory compliance, and member and provider service. But AI alone won't transform payer operations. Its value depends on the environment in which it operates—including the quality of the data it draws from, the business rules that guide it, the systems it connects to, and the workflows and people that turn its output into action. For payers, preparing for AI therefore requires thinking beyond individual tools and use cases to the broader operational foundation needed to use AI effectively.

The potential payoff extends well beyond operational efficiency. As payers build the foundation to use AI effectively, they also have an opportunity to consider how those capabilities can create value across the healthcare system. AI could reduce the administrative work providers perform navigating payer processes, help members get clearer and faster answers about their benefits, reduce costly errors and rework, and accelerate processes that can delay payment or access to care. For health plans, the bigger question therefore isn't simply, "How can we use AI?" It's "How can we use AI to make healthcare work better for everyone?"

In this e-book, we'll explore where AI can create meaningful value across payer operations, the barriers that can limit its impact, and the steps health plans can take now to build a strong foundation for AI. We'll also look ahead at how AI could evolve from supporting individual tasks to helping coordinate increasingly connected, end-to-end payer workflows.

Simplify Healthcare®

Table of contents

1. **The Opportunity:**
   Where AI Can Change Payer Operations
2. **The Reality Check:**
   What Stands Between Payers and AI at Scale
3. **The Foundation:**
   What Payers Need to Put in Place Now for AI to Deliver Meaningful Value
4. **The Road Ahead:**
   Preparing for the Next Era of AI-Enabled Payer Operations

Simplify Healthcare®

01 The Opportunity:

Where AI Can Change Payer Operations

Lower administrative burden, faster decisions, improved accuracy, and better member and provider experiences. All of this and more is possible for payers with the help of AI because the technology helps health plans:

- Automate repetitive work
- Identify inconsistencies
- Interpret large volumes of information
- Surface the information employees, providers, and patients need

Applied across functions such as benefit configuration, provider management, claims, compliance, and member and provider service, these capabilities can help payers address some of the administrative complexity that slows work and creates friction across the healthcare ecosystem. Improving benefit data management, for example, can have ripple effects. Payers can spend less time configuring, validating, and correcting information manually, while more accurate data flows to downstream processes and systems. This gives providers clearer coverage information and helps service teams deliver faster, more consistent answers about members' benefits.

This is where the larger opportunity for AI emerges. Rather than optimizing isolated tasks, AI can help payers connect information, decisions, and workflows, resulting in a more responsive operating model that translates into better experiences for payers, providers, and members alike.

As one healthcare AI leader at a health plan in the Northeast explained:

> **"Historically, many healthcare processes have operated in silos. A member interaction, a claims event, a care management activity, and a provider engagement may all occur in separate systems and workflows. AI has the potential to bridge those gaps by bringing together relevant information at the right moment, enabling faster and more informed decisions."**

The AI Advantage: How Payers, Providers, and Members Benefit

Type of AI	How payers can use it	Benefit for payers	Benefit for providers	Benefit for members
Generative AI / LLMs	Interpret and summarize benefit, policy, contract, and operational information	Reduces manual research and accelerates routine work	Makes complex payer requirements easier to understand	Provides clearer explanations of benefits and coverage
Intelligent document processing	Extract and structure information from benefit documents, contracts, policies, and forms	Reduces manual data entry and accelerates configuration	Reduces document-related administrative work	Helps speed coverage and service processes
AI-powered data validation	Identify missing, conflicting, or inaccurate benefit and provider data	Improves data quality and reduces downstream errors	Improves provider data and directory accuracy	Provides more reliable coverage and provider information
Conversational AI	Help service teams find and explain benefit and provider information	Improves efficiency and consistency	Provides faster answers to payer-related questions	Enables faster, easier-to-understand support
AI-powered workflow automation	Automate routine tasks, routing, reviews, and handoffs	Reduces administrative burden and manual touches	Reduces time spent navigating payer processes	Reduces administrative delays and friction
Agentic AI	Coordinate multi-step workflows across systems and functions	Creates more connected, end-to-end operations	Reduces handoffs and repetitive interactions	Creates a more seamless experience

Simplify Healthcare®

02 The Reality Check:

What Stands Between Payers and AI at Scale

Health plans operate in complex environments where data, business rules, technology, and workflows may span multiple systems and departments. This means AI must be able to function within (and increasingly across) that environment to deliver meaningful operational value. Several common barriers can stand in the way.

THE BIGGER REALITY: AI READINESS IS OPERATIONAL READINESS

AI operates within an existing ecosystem of data, technology, business rules, workflows, governance, and people. Weaknesses in any of those areas can limit its effectiveness and make it harder to move from isolated successes to enterprise-scale adoption. For payers, the question therefore isn't only “Which AI capabilities should we adopt?” It's also “Is our organization prepared to put those capabilities to work?”

Fragmented data

Fragmented data can prevent AI from seeing the complete and reliable picture it needs to perform effectively. Claims, benefits, provider, member, clinical, and operational data may reside in separate systems, follow different standards, or contain conflicting information. When AI draws from incomplete, outdated, or inconsistent data, it can produce unreliable outputs and potentially amplify existing data-quality problems at greater speed and scale.

Legacy technology

Legacy technology can limit where and how AI is used. Older systems and architectures may make it difficult for AI to securely access data, exchange information, or initiate actions across the applications where work occurs. Without sufficient integration and interoperability, AI risks becoming another isolated technology layer rather than a capability that can work across payer operations.

Disconnected workflows

Disconnected workflows can limit AI's impact to isolated tasks rather than end-to-end processes. Manual handoffs, duplicate data entry, separate approvals, and movement between applications create breaks in the flow of information and work. Automating one step may improve that task without improving the overall process and may simply shift the bottleneck downstream.

Governance and compliance gaps

Insufficient governance can slow AI adoption or expose payers to unnecessary risk. Without clear policies for data use, privacy and security, validation, transparency, monitoring, accountability, and human oversight, organizations may struggle to determine where and how AI can be used appropriately. The challenge grows as AI moves from retrieving and summarizing information to recommending decisions or initiating actions.

Workforce readiness gaps

A workforce that isn't prepared to work alongside AI can limit adoption and increase the risk of inappropriate reliance on, or distrust of, AI-generated outputs. Employees may lack clarity about when AI can handle routine work, when outputs require validation, when human judgment should take precedence, and when exceptions should be escalated. Without clear roles and training, even effective AI capabilities may fail to translate into better operations.

Together, these barriers reinforce a critical point: AI readiness is ultimately about creating the connected data, technology, workflows, governance, and workforce needed to turn AI capabilities into meaningful operational value.

Simplify Healthcare®

03 The Foundation:

What Payers Need to Put in Place Now for AI to Deliver Meaningful Value

To build a foundation for AI, health plans need to ensure the broader organization is ready to support the technology effectively, responsibly, and at scale. This means addressing:

- Guardrails needed to manage the use of AI
- How employees will work alongside AI
- Quality and accessibility of data
- System interoperability
- Where AI can deliver the greatest value

Strengthening these foundational areas can help payers create an environment where AI can deliver meaningful, sustainable value across operations.

Connecting these systems remains a significant challenge across healthcare, as one health plan leader noted:

> **"One of the biggest challenges in healthcare is the time and effort required to move information between systems, organizations, and stakeholders. AI has the potential to interpret, summarize, enrich, and connect data across these environments, reducing friction and helping get the right information to the right person at the right time."**

Step 1: Fix the data foundation

AI needs accurate, complete, accessible, and current information to generate reliable outputs, support accurate decisions, and automate payer processes effectively. Health plans must:

- Establish authoritative sources of truth for critical operational information by defining where key data is maintained, who owns it, and how updates flow to downstream systems.
- Identify fragmented or inconsistent benefit, provider, claims, policy, and member data.
- Standardize data, terminology, business rules, and configuration where possible.

TIP
Start with one high-impact data domain, such as benefits or provider data, and trace how that information moves across systems. Identify where conflicting versions, manual updates, or inconsistent rules occur before introducing AI.

Step 2: Modernize, then automate

Legacy systems don't necessarily need to disappear, but AI needs secure ways to access information and interact with existing systems. Health plans must:

- Break down technology silos by connecting legacy and modern systems through APIs and integration layers.
- Build reusable technology and integration capabilities that allow AI and automation to work across existing systems rather than creating new technology silos.
- Create interoperability across benefits, provider operations, claims, and member operations so data and actions can move securely between functions.

TIP
Start by identifying where legacy systems create the most manual handoffs or data bottlenecks. Build connections at those points first so AI can work across existing systems without requiring wholesale replacement.

Simplify Healthcare®

Step 3: Prioritize high-value use cases

Not every process should be AI-enabled simply because it can be. Health plans must:

- Gather input from stakeholders across functions, such as operations leaders, frontline employees, IT, compliance, and member or provider service teams, to identify pain points, validate potential use cases, and understand where AI could have the greatest impact.
- Identify well-defined, measurable problems where AI can address specific operational challenges, such as reducing claims review time, improving benefit configuration accuracy, or accelerating provider data updates.
- Look beyond individual tasks to use cases that can improve multiple downstream processes or experiences, such as improving benefit data that feeds claims, member service, and provider interactions.

TIP
When multiple AI use cases appear promising, score them against common criteria such as business impact, data readiness, implementation feasibility, risk, scalability, and member/provider impact. Prioritize opportunities that combine high value with high readiness.

Step 4: Establish AI governance

Establishing guardrails before AI becomes deeply embedded in operations can help payers manage risk, maintain accountability, and ensure AI is used responsibly as its role in decision-making and workflows expands. Health plans must:

- Continuously monitor AI performance and compliance, including the accuracy and consistency of outputs, potential impact on members and providers, regulatory requirements, and emerging risks as payer use cases evolve.
- Define how AI can be used across payer functions and establish requirements for human review, validation, accountability, and escalation.
- Establish clear boundaries for high-impact payer decisions, such as claims determinations, prior authorization, benefit interpretation, and member communications, including when AI outputs require human review before action is taken.

TIP
Build guardrails into AI pilots from day one so governance practices can be tested and refined before the technology scales across payer operations.

Step 5: Prepare the workforce

Train employees to supervise, validate, and collaborate with AI rather than treating AI solely as a replacement for manual labor. Health plans must:

- Build AI literacy so employees understand AI's capabilities, limitations, and risks.
- Prepare employees to focus more on exceptions, complex cases, judgment, oversight, and continuous improvement.
- Provide role-specific training on how AI will be used within existing workflows.

TIP
Teach employees how to challenge AI. Training should cover how to recognize incomplete, inconsistent, or questionable outputs and when to verify information against an authoritative source.

Simplify Healthcare®

04 The Road Ahead:

Preparing for the Next Era of AI-Enabled Payer Operations

AI technology will continue to evolve, but the fundamentals of effective AI-enabled operations won't. Today's generative AI tools will become more sophisticated, AI agents will take on more complex workflows, and entirely new capabilities will emerge. Payers don't need to predict exactly what AI will look like five years from now to prepare for it.

> **"The goal isn't to predict which AI technology will prevail. It's to create an operating environment where new capabilities can plug into trusted data, established business rules, connected systems, and well-designed workflows without requiring health plans to rebuild their infrastructure each time AI evolves."**

What they do need is an operational foundation that can adapt as the technology changes, one that includes the following:

- **Connected technology**, allowing new capabilities to integrate with existing systems rather than creating additional silos
- **Human expertise**, providing the judgment, oversight, and accountability technology cannot replace
- **Strong governance**, establishing appropriate guardrails as AI takes on more responsibility
- **Trusted data**, giving AI reliable information to work with
- **Well-designed workflows**, giving AI a clear role within payer operations.

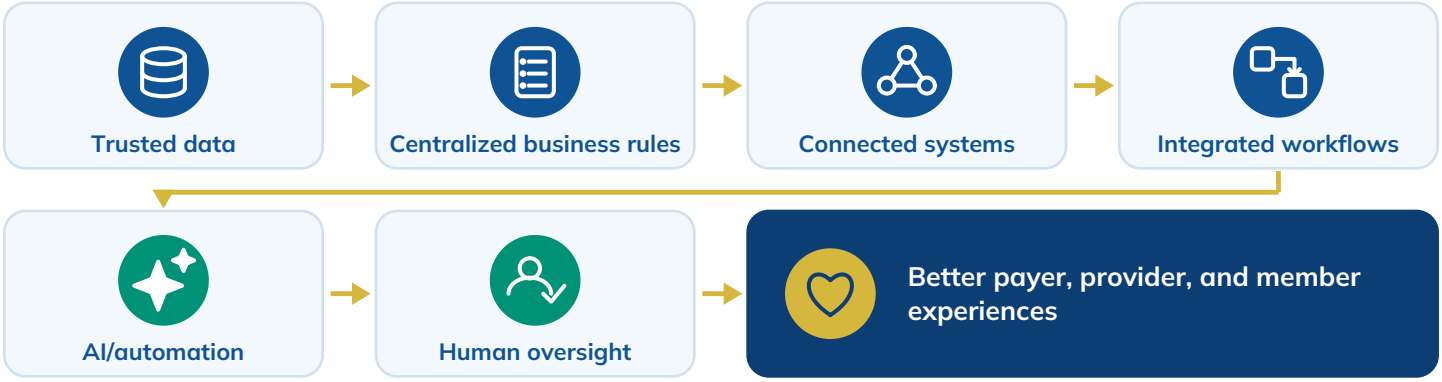
Building that foundation requires more than the right technology. As one health plan leader reflected:

> **"One of our most important lessons learned is that successful AI adoption is not primarily a technology challenge. It is a data, governance, and change management challenge."**

Investments in these fundamentals create an infrastructure that can support today's automation and generative AI while positioning health plans to adopt tomorrow's agentic and increasingly autonomous capabilities.

The building blocks of AI-ready payer operations

AI delivers greater value when it operates within a connected payer ecosystem rather than as a stand-alone capability. That requires more than reliable data. Payers need a foundation that connects data, business rules, systems, and workflows so AI can access the right information, apply it consistently, and support action across functions.



Simplify Healthcare®

The payer AI transformation is well underway.

Across benefits, provider operations, claims, and customer experience, AI is increasingly transforming payer operations. Here's how.

Operational area	How AI can help	Benefit
Product and benefit configuration	Interpret requirements, extract and structure benefit information, identify inconsistencies, validate configurations, and support testing.	Faster product launches, fewer configuration errors, and less manual work.
Claims	Analyze claims data, identify anomalies, automate routine reviews, and route exceptions for further review.	Faster processing, greater accuracy, and fewer manual touches.
Prior authorization	Extract relevant clinical information, apply established rules, automate routine workflow steps, and route complex cases for review.	Shorter turnaround times and less administrative burden for payers and providers.
Provider operations	Extract and validate provider information, identify discrepancies, and automate steps within onboarding, contracting, and directory management.	Faster onboarding, more reliable provider information, and reduced administrative effort.
Member operations	Personalize communications, simplify benefit information, surface relevant information for service teams, and support responses to member inquiries.	Faster answers, more consistent service, and a better member experience.
Compliance	Monitor and summarize changing requirements, identify potential gaps, and support regulatory impact analysis.	Faster response to regulatory change and reduced compliance risk.
Payment integrity	Analyze patterns and anomalies to identify potential payment errors and cases requiring further review.	Earlier intervention, fewer improper payments, and more targeted review.
Analytics	Analyze large volumes of operational data, identify patterns and trends, and generate predictive insights.	Faster, more informed decisions and greater visibility into emerging trends.

Learn how Simplify Healthcare® can help your health plan build a connected, AI-ready foundation across benefits, provider operations, claims, and customer experience, so you can put today's AI to work while preparing for what comes next.

Simplify Healthcare®

AI Readiness Assessment: Is Your Health Plan Ready for What's Next?

Answer Yes, Partially, or No to each of the following questions to identify potential gaps in your health plan's AI readiness.

1 Benefits

Can your health plan efficiently create, update, validate, and distribute accurate benefit information and business rules across the systems and workflows that rely on them?

○ Yes ○ Partially ○ No

2 Providers

Is provider information accurate, standardized, and connected across contracting, credentialing, directories, claims, and member-facing systems?

○ Yes ○ Partially ○ No

3 Claims

Are claims data, business rules, and workflows sufficiently connected and standardized to support AI-enabled processing, validation, exception management, and human review?

○ Yes ○ Partially ○ No

4 Service

Can member and provider service teams access consistent, current information across systems and channels, and incorporate AI into existing workflows without creating additional steps or silos?

○ Yes ○ Partially ○ No

5 AI and automation

Does your health plan have the data, integrations, governance, human oversight, and reusable technology capabilities needed to expand AI and automation across multiple functions and use cases?

○ Yes ○ Partially ○ No

What do your answers reveal?

Mostly Yes	Your health plan may have many of the foundational capabilities needed to expand AI across payer operations.
A mix of Yes and Partially	Focus on the gaps preventing data, rules, systems, and workflows from working together effectively before expanding AI into more complex use cases.
Multiple No responses	Prioritize the operational foundation first. Fragmented data, disconnected systems, inconsistent business rules, and manual workflows can limit AI's value regardless of the sophistication of the technology.

NEXT STEP

Simplify Healthcare® can help health plans identify readiness gaps and build a more connected technology and operational foundation across benefits, providers, claims, customer experience, and AI and automation, creating an environment where AI can deliver value today and scale as capabilities evolve.

Visit simplifyhealthcare.com to learn more.

(844) 720-6678 info@simplifyhealthcare.com simplifyhealthcare.com

Copyright © 2026 Simplify Healthcare®. All Rights Reserved. Confidential and Proprietary.