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Identifying Optimal Use Cases For Generative AI In Health Care: DHIS West Panelists Share Views

by [Marion Webb](#)

Gen AI has enabled insurance provider Elevance Health to reduce the time needed for processing health system rosters from an average of 90 days to an hour, according to Ashok Chennuru, global chief data and insights officer at Elevance subsidiary Caredon Digital Platforms. Chennuru was one of four panelists at DHIS West to discuss gen AI's present and future in health care.

As generative AI sees rising adoption in health care, industry stakeholders are faced with tough decisions on how to best integrate these models into existing analytics or AI road maps.

AI is “everywhere,” noted Tarun Mehra, vice president of health strategy, M&A and partnerships at Microsoft’s Nuance Communications division, in a panel discussion at the DHIS West conference in San Diego, which brings together investors, providers, and policymakers in health care innovation to probe the future of digital health.

While there is no shortage of use cases for leveraging AI and generative AI in health care, many organizations and clinicians struggle with how best to harness the technology to meet their specific needs and deliver value without incurring undue risk.

“Everyone is working on an AI strategy,” Mehra said. “We have this large number of use cases that the clients are discussing and honestly struggling with, trying to figure out which two or three should we pick up,” Mehra said.

For example, providers may want to leverage AI for clinical documentation to ease administrative burden or to improve patient engagement. Payers may be exploring AI for fraud detection, adjudication, or identifying care gaps, he said.

Ashok Chennuru, global chief data and insights officer at Carelon Digital Platforms, part of Elevance Health, which sells government and commercial health insurance, said their focus is to build AI to create impact at scale. Leveraging AI for administrative tasks such as summarizing medical records has proven to be highly valuable for the organization, Chennuru said.

He gave the example of a typical, data-rich roster exchange between payers and health systems. By leveraging generative AI, Elevance has been able to cut the time to process these rosters from an average of 90 days to an hour. Elevance also rolled out AI-powered assist to every associate in the organization to help compare documents and generate content.

“These are all applications where we have deployed at scale, and now we are starting to see, in some cases, 15-20% administrative efficiencies and improved consumer experience,” Chennuru said. This, he said, has turned every associate in the company into a power user.

Abed Meer, partner at venture capital firm Questa Capital, which is focused on growth-stage software and technology-enabled services companies within health care, agreed that companies need to be judicious about which AI use cases they pursue.

“The framework that I typically use when I’m talking to companies is this balancing act between innovation, risk management – because there is a ton of that going on when you talk about gen AI – and, lastly, resource allocation. ... If you jump in head-first on every opportunity you see as a young company, you’re not going to be around very long. So being able to prioritize which use cases you go after is just as important as the actual use cases,” Meer said.

Munjal Shah, co-founder and CEO of Hippocratic AI, a Silicon Valley-based start-up that is building large language models [LLMs] to help solve health care staffing issues, provided his view on optimal AI use. (Also see "[Chatbots Are Not Ready To Be Medical Devices, Experts Argue](#)" - Medtech Insight, 7 Jul, 2023.)

“We believe the best use cases are auto-pilots, not co-pilots,” Shah said. “You can’t get as much leverage on co-pilot – if you make people 10% more efficient, you can’t make 10x more [workers]. ... The second concept we have is focus on nursing, don’t focus on trying to be a physician – you’re going to kill somebody. ... And the third part is you need something that

‘We Are Definitely In Uncharted Territory’: AI Innovation, Regulation And Health Equity Prospects

By [Marion Webb](#)

20 Dec 2023 A panel of industry experts from Microsoft, Singaporean government and Scripps Health highlighted concerns and opportunities within an AI regulatory framework at the recent HIMSS AI conference in San Diego. [Read the full article here](#)

means 130 IQ, that is gen AI.”

Hippocratic AI has raised \$50m in seed funding from venture capital firm Andreessen Horowitz (a16z) and General Catalyst to build AI nurse chatbots that can generate answers in various capacities from pre- and post-op calls to chronic care calls and wellness visits.

“There are a lot of phone conversations in health care with patients that AI can help offload. Let’s let the few nurses we do have do all the physical things that only they can do,” he said. He further noted that the cost of an LLM is about \$1 an hour compared to up to \$90 an hour for a nurse.

‘Raining Money’ On Gen AI

Moderator Julie Yoo, general partner at Andreessen Horowitz, raised the issue of fundraising for gen AI, which she described as “pretty crazy” relative to other areas.

Meer noted that investors are just now starting to pay attention to ethical considerations, such as around algorithmic transparency and bias mitigation.

“These are things that, even if you were a software investor, you weren’t thinking about 36 months ago,” he said. “We’re starting to think about those more now than we ever have or ever had to, and some of those [considerations] are going to persist over time ... and some of these [considerations], like valuations perhaps – like valuations do – will likely go up and down.”

“I don’t envy what the regulators have to do ... It’s incredibly challenging to try to balance innovation on one hand and patient safety and privacy on the other.” – Abed Meer

Shah, who started Hippocratic AI after co-founding and leading life insurance company Health IQ, which also was backed by Andreessen Horowitz and declared bankruptcy last year, said, “it’s just raining money on gen AI companies.”

“The age of the lean start-up is over,” he said. “This is a very expensive business that requires a lot of capital” but also offers “huge potential.”

Mehra believes AI strategy should not be mandated by top executives, but should have a solid governance structure around it. It should be closely aligned with the overall business strategy

and meaningful in terms of creating value for the business, he said.

Chennuru emphasized the importance of seeking solutions outside an organization's four walls.

"There is no pride in building applications internally" when the technology is changing so fast. "It's about the ecosystem partners," he said. "Everything that requires collaboration, whether it is consumer-oriented or provider-oriented – I feel like it's better to fail faster or partner with the ecosystem."

Elevance is leveraging partnerships, confident that it will save costs in the next couple of years, while focusing internally on developing AI related to compliance and regulation.

Yoo also addressed AI regulation, saying that in health care, AI technology already operates under a regulatory framework in the US. But when it comes to gen AI, regulation is still in its early stages. Much of the focus in this area has been on privacy rights of individuals and consumer protection. The 2024 presidential election could have a significant impact on AI and gen AI regulation. (Also see "[Califf Touches On A Range Of Issues And Priorities During Fireside Chat](#)" - Medtech Insight, 2 Feb, 2024.)

"I think we have not explored all the possible ways to make this safe," said Shah, noting that safety has many dimensions, including equity, inclusion and medical safety. He proposes "bottoms-up" regulation that leverages existing accreditation frameworks to vet AI performance.

At Hippocratic AI, Shah explained, human nurses are testing and grading AI on a micro-level that no regulatory body could match for every use case.

"I don't envy what the regulators have to do," Meer said. "It's incredibly challenging to try to balance innovation on one hand and patient safety and privacy on the other." He noted that the unique challenges posed by gen AI, such as algorithmic transparency and bias concerns, are not areas where regulators necessarily have expertise. He proposed a partnership between companies and regulators to address such issues.

Payer Pressures

Health insurers have come under scrutiny and some face lawsuits for denying patients coverage based on using an AI model. On 6 February, the Centers for Medicare and Medicaid Services announced it sent a [policy memo](#) to insurers stating that it prohibits health insurers from relying entirely on AI technology to determine patient care or coverage. (Also see "['This Is The Way Of The Future': Digital Health Experts Share Thoughts, Experiences With Generative AI](#)" - Medtech Insight, 18 May, 2023.)

In the memo, it states that "an algorithm or software tool can be used to assist Medicare

Advantage plans in making coverage determinations, but it is the responsibility of the MA organization to ensure that the algorithm or artificial intelligence complies with all applicable rules for how coverage determinations by MA organizations are made.”

Shah does not believe that using AI to do prior authorization analysis is the problem. But when an automated system denies coverage, he said, “we want to be able to present our case to a more sophisticated entity that’s empowered to make a decision [for an appeal],” namely a human.

Chennuru noted that statistically at Elevance when coverage is denied and there is an appeal, “we approve it 90% of the time.”

Mehra offered a note on the future. “At the end of the day, the goal over a period of time, [is] the tech has to get better – less hallucinations, less errors.”