AI Role in Workers' Comp:
Claim Processing

Agenda

- Current Challenges in Workers' Compensation Claims Processing
- The Role and Benefits of AI in Claims Processing
- AI Technologies and Tools
- Challenges and Considerations for Implementing AI
- Where is the Commonwealth on our AI Journey?

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Current Challenges in Claims Processing

- Inefficiencies of Manual Processing
  - Extensive paperwork
  - Manual data entry
  - Potential for human error

- Volume of Claims

- Error Rates
  - Lead to delays, disputes and increased costs

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The Role of AI in Claims Processing

What is Artificial Intelligence?

"The term 'artificial intelligence' means a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations or decisions influencing real or virtual environments."

NATIONAL ARTIFICIAL INTELLIGENCE ACT OF 2020

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Example Use Cases of AI in Claim Processing

- Automate repetitive tasks
  - Data entry
  - Document classification
  - Basic decision-making
- Advanced Analytics
  - Identify patterns, trends and anomalies
  - Prioritizing claim investigations

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Benefits of AI in Claim Processing

- Potential Cost Savings
  - Faster claim processing times
  - Fewer errors and disputes
- Improved Accuracy
  - Minimize human errors and potential biases
- Enhanced Customer Experience
  - AI-driven automation and efficiency can lead to faster claims resolutions and better communication, improving customer satisfaction

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AI Technologies and Tools for Claims Processing

- Predictive Analytics
  - Forecast outcomes
  - Identify risk factors

- Robotic Process Automation (RPA)
  - Data entry
  - Document generation

- Natural Language Processing (NLP)
  - Extract and analyze unstructured text data

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Challenges and Considerations for Implementing AI

Challenges and Considerations in Implementing AI

- Data Quality and Availability
  - Clean, accurate and accessible data

- Change Management
  - Assist employees to adapt to new AI-driven workflows and processes
  - Training, communication and support for employees

- Regulatory Compliance
  - Data privacy regulations
  - Anti-discrimination laws
  - Industry-specific requirements

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Ethical and Legal Implications of AI

- Bias and Fairness
  - Bias in AI Algorithms exist
  - Potential for unfair treatment of claimants based on factors such as race, gender or disability status

- Data Privacy and Security
  - Required to protect sensitive personal and medical information
  - Risk of data breaches and unauthorized access

- Employment Impact
  - Displacement of certain roles by automation
  - Creation of new opportunities for skilled workers with AI expertise

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AI in the Commonwealth of PA

PA's Approach

> We can't ignore new technology — we have to educate ourselves and be proactive to minimize the risks and maximize the benefits of innovation and that's the approach my Administration is taking here in Pennsylvania. We have the potential to become a leader in responsible, ethical use of generative artificial intelligence."
>
> **- Governor Josh Shapiro**

Executive order signed at CMU
on September 20th

Executive Order

Commonwealth of Pennsylvania
Governor's Office

Executive Order 2023-19 – Expanding and Governing the Use of Generative Artificial Intelligence Technologies Within the Commonwealth of Pennsylvania

Date: September 20, 2023

By Direction of:

                         Josh Shapiro, Governor

WHEREAS,   the integration of Generative Artificial Intelligence (AI) into Pennsylvania's economy and the daily lives of Pennsylvanians requires the Commonwealth to ensure it is used responsibly and ethically in the Commonwealth's operations; and

EO Guiding Values

"Agencies shall weigh the design, development, procurement, and deployment of Generative AI technology based on the following core values. The Office of Administration (OA) shall proactively consider these core values in all its activities, policies, and processes that leverage or intersect with technologies that enable automated decision-making."

- Accuracy

- Adaptability

- Employee Empowerment

- Equity and Fairness

- Innovation

- Mission Aligned

- Privacy

- Proportionality

- Safety and Security

- Transparency

Board Overview

- Monthly meetings since October 2023

- Board members are internal to the PA government

- Primarily focused on generative AI

- Primary function:
  - Uphold the values in the EO
  - Make recommendations on generative AI usage
  - Be a vector for feedback, thought leadership, external partnerships, and general government leadership on AI

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Generative AI Pilots - Two Paths

Wide and Shallow:

- AI work that touches many people in a generic, high level, or low-stakes capacity

- EX: Employees using AI-powered assistive tools in their work

Deep and Narrow:

- AI usage that has a very specific use (product, solution) for a defined population

- EX: Building a citizen facing application that leverages a specific model that is most appropriate for that context

Piloting AI

Strategy & Implementation

Generative AI Work - Two Paths

Wide and shallow:

- OpenAI ChatGPT Enterprise Pilot (announced 01/9/2024)

Deep and narrow:

- Exploring options that are high impact, low risk, and relatively applicable across the organization

OpenAI ChatGPT Enterprise Pilot

The Commonwealth will be partnering with OpenAI throughout 2024 to test the capabilities of this technology in PA.

The pilot will be limited in scope and serve as a valuable learning opportunity to understand **where there are opportunities** and how to **mitigate any potential risks.**

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Pilot Interest Results

- In January 2024, a pilot interest form was sent to all OA employees

- 300+ responses indicating interesting in the Pilot (13% of OA)

- Feedback from employees:
  - Interested in ChatGPT and Generative AI
  - Have ideas about how, when, and where they can use ChatGPT in the pilot
  - Excited to be included in this discovery process

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Pilot Phase Timeline

Phase 1:

- Will be only open to OA employees

Phase 2 & 3:

- Will not start till ~June
- Licenses can be made available to additional agencies

Phase:	Description	License counts*	2024 Q1	Q2	Q3	Q4
1	Focused on OA	- 50 collaboration - 100 exploration	Active Pilot (end of Q1)	Active Pilot	Continued employee use	Continued Employee use
2	Expanding to new parts of OA OR interested agencies	- 50 collaboration - 50 exploration	Planning	Active Pilot (end of Q2)	Active Pilot	Continued Employee use
3	Further expansion of OA and agencies	- 50 collaboration - 0 exploration	Planning	Planning	Active Pilot	Continued Employee use

Looking Ahead

Generative AI Direction for 2024

- Enable the Generative AI Governing Board to execute its mission as established in the EO.

- Facilitate pilots that are high impact, low risk, and relatively applicable across the organization.

- Continue to collaborate across teams to share knowledge and gather input.

- Create pathways and resources for the necessary external collaboration, training, procurement, and governance to work with this technology.

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Thank you!

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