ActiveOps®

TRANSFORMING HEALTHCARE OPS WITH AI

Uncovering the challenges and opportunities facing Operations teams in 2024 and beyond

Contents

Foreword

Welcome to our report on the past, present and future of AI, data and decision-making for operations teams in Healthcare.

There is a lot of hype around AI, and for years to come, it is set to be a critical business enabler in the healthcare space. It will drive innovation and play a crucial role in early detection and diagnosis of medical conditions, keep people informed of their health and improve treatment.

For the healthcare insurance industry, at an operational level, many leaders are now exploring where AI can help to ease some of the stresses facing teams on a day-to-day basis. From contributing to improved customer experiences and boosting employee engagement and well-being, to highlighting areas where costs can be managed.

For these organizations, the challenges they face are heightened by regulation and policy. Data protection laws, compliance and the overarching impact of the Health Insurance Portability and Accountability Act (HIPAA) mean that there are many requirements facing leaders outside of the traditional operational obstacles they must hurdle, and often results in many organizations being overwhelmed with data, everywhere.

As healthcare insurance moves into the next wave of transformation they must think differently. AI has a much greater potential to uncover deeper, more meaningful insights from operational data that will support better, faster decision-making – and as a tool, it is yet to be fully explored.

To understand the true reality of what leaders are facing today, ActiveOps commissioned a market research survey of Chief Operations Officers, Chief Financial Officers, and Senior Heads of Operations in the healthcare insurance sector in the United States, seeking to uncover in more detail the complexities they face with data and assess where they are on their AI journeys.

The results of the survey were surprising, revealing feelings of optimism and trust in AI's potential. Healthcare insurance professionals believe that AI can enable positive changes to support – not replace – workforces, but many barriers remain, including leadership buy-in, a shortfall of skills within teams and a swathe of data challenges.

In fact, 90% of operations leaders said that they need to put significant effort to get insights from their operational data, which is having a major impact on their ability to make decisions. And despite all that AI can do to help, almost 70% believe that their leadership team aren't interested in AI investment.

There is an urgent need to face a range of data challenges head on to glean the benefits of AI. While there is a long road ahead, it's a worthwhile journey that will uncover new possibilities for healthcare that will benefit organizations and their teams in 2024 and beyond.

I do hope you find this report insightful for your own AI journeys. Visit the **ActiveOps Resource Hub** for practical advice to harness the power of AI in operations management, whether you are just starting out or are already on your way.

Spencer O'Leary
Managing Director North America, ActiveOps

Healthcare in the US

Hurdling the barriers to AI

For healthcare insurance organizations, there is undoubtedly faith in AI's potential to transform processes. Yet many are facing difficulty in getting relevant, real-time data to make it a success. There is plenty of work ahead on the road to AI optimization.

Top Priorities

01 Increasing business resilience

02 Improving employee productivity

03 Retaining and supporting people

Data Challenges

90%
Of operations leaders take significant effort to get insights from their data

36%
Are basing decisions on data that is almost a week old

42%
Cannot access the data they need to make real-time decisions

AI Benefits

4in5
Believe that if they had trusted data, it would enable them to make more effective decisions

46%
Believe that AI in healthcare service operations will enable deeper, more meaningful insights

1in2
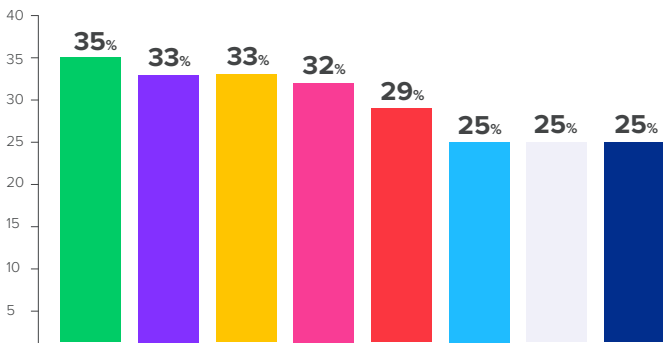Want AI to tell them what is likely to happen in the future

Day to day data

The current state of play

We surveyed healthcare insurance operations leaders from across the US to gather insights on their priorities for 2024, challenges they experience with their data, how advanced they are with AI and how real-time data could improve key areas of their business.

Decision-making is paramount to the success of service operations to meet their goals this year; and using AI to access relevant, accurate real-time data and insights is critical to help operations leaders make better decisions, faster. What we didn't know was the degree to which healthcare operations leaders were struggling to make data work for them, how advanced they are with implementing AI and whether there is fear or optimism for AI – because it is coming, whether businesses are ready or not.

Our research found that the top priority for 2024 is business resilience, at 35%, ranking only slightly ahead of the need to improve productivity at 33% and effectively retain employees at 32%. Despite this, 42% of those surveyed cannot access real-time data – which is critical to making informed decisions to meet these priorities, and protect and promote business interests, from budgeting to customer experience.

This lack of relevant, real-time data is holding healthcare insurance organizations back. Effectively identifying, collecting and utilizing data to support business processes within operations can unlock and make visible hidden possibilities for productivity.

Add to this the fact that 90% of those surveyed said that it takes a significant or some effort to get insights from their operational data and it's clear that businesses are facing huge obstacles.

The solution isn't simple, but it is necessary. Operations leaders must assess the current state of play and AI readiness within their business, then focus on getting their data in order, and ensuring that they can jump on the AI wave now – before it's too late.

GLOBAL PRIORITIES FOR THE YEAR WITHIN HEALTHCARE

- 🟢 Increase business resilience
- 🟣 Retain and support our people
- 🟡 Increase employee productivity
- 🔴 Drive a better customer experience
- 🔴 Improve sustainability
- 🔵 Grow our revenues
- ⚪ Reduce operating costs
- 🔵 Manage our risk

90%

Of operations leaders take significant effort to get insights from their data

42%

Cannot access real-time data

Data challenges and decision-making

Many healthcare insurance organizations have been constantly on the lookout for cost-effective and value-adding ways to evolve their tech stack and ensure they are meeting the needs of the market.

Our research found that there is still time and opportunity for growth in many organizations' technology portfolios. The availability of data-driven insights is crucial for all businesses, and especially important for operations teams. Despite this, there are many challenges that still need to be overcome before successfully adopting and leveraging AI.

CHALLENGES FACED WHEN IT COMES TO DECISION-MAKING
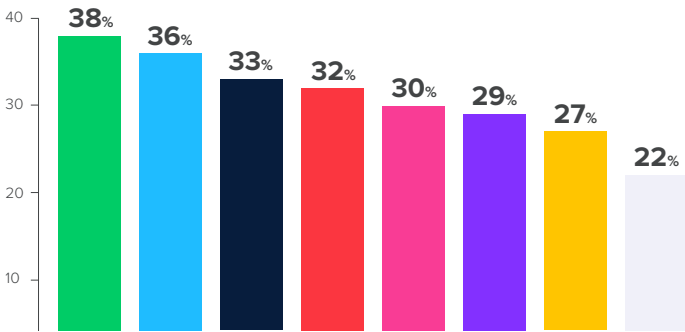
- 🟢 There are too many stakeholders involved with various opinions
- 🔵 We rely too much on how things have always been done
- ⚫ We rely too much on assumptions
- 🔴 We rely too heavily on human instinct
- 🩷 We're not data-driven enough
- 🟣 Decisions are very complex
- 🟡 There is an expectation to justify all decisions
- ⚪ We can't use data proactively to support decisions

The most prominent issue amongst respondents was that they have too many stakeholders involved in decisions, with as many as 38% of respondents saying that they experience this. Elsewhere, a reliance on how things have always been done impacts more than a third (36%) of those surveyed.

From the research, it's clear that many healthcare service operations teams are struggling to get the most out of their data too. In fact, as many as 42% of respondents say they are not able to access the data needed to make real-time decisions, while the same proportion (42%) say they are often dealing with siloed and

inconsistent data.

A third (33%) of healthcare insurance operations leaders also said that they find themselves relying too much on assumptions. Other challenges are more varied and include an overreliance on human instinct (32%), while 30% say that they are not data-driven enough.

THE AGE OF DATA ON WHICH RESPONDENTS ARE BASING OPERATIONAL DECISIONS
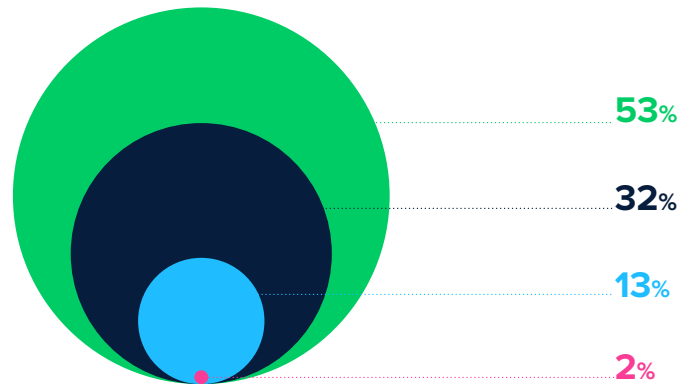
🩷 Real-time	**2**%
🟢 Up to one week	**53**%
⚫ Two weeks - two months old	**32**%
🔵 Three months and older	**13**%

Worryingly, just 2% of those surveyed said that they were using real-time data to inform their decisions. Instead, the majority (61%) of organizations are still making decisions based on data that is over a week old – with 13% even using data that is three months and older. This correlates to the finding that 44% of those surveyed said that at present they aren't confident that the data and insights can be trusted to inform their decisions.

Without real-time data, the decisions leaders are making are effectively rendered out of date almost immediately. Going further, leaders are finding themselves dealing with too much irrelevant data (51%) and having to fight against challenges such as the use of inconsistent definitions, terms and metrics across teams (51%).

The role of data cannot be underestimated, to support businesses with critical day to day decision-making. For many organizations, there is still work to be done to ensure that the right data is being collected in real time to fully reap the benefits of AI and effectively inform decisions.

Moving beyond data drudgery

The potential for AI for better decision-making

Many of the complexities facing organizations would be made simpler by embracing and experimenting with AI – which would allow them to access newfound levels of productivity.

Operations leaders not only need to have access to real-time data, but relevant and consistent data that can be turned into insights that help them make critical long-term and short-term decisions.

At present, 50% of healthcare insurance leaders say they're just starting out with AI, and 11% say they're not using it at all. This is despite the fact that many of those surveyed demonstrate a clear understanding and recognition of the benefits that AI can bring to an organization.

Specifically, four in five (80%) acknowledged that if they were equipped with trusted operations data in real time, it would support them in making more effective decisions. Similarly, 78% said that it could help them to improve operational performance. Clearly, leaders are calling out for AI, but are still early in their journeys.

Our findings also highlight a shift towards further trust in AI within operations teams. 35% of healthcare operations leaders said that in the next year they'd like to be in a position where AI is able to take action for them. This suggests that operations leaders don't feel the need to act as a custodian over AI usage within their organization, but are happy for technology to lead the way.

For healthcare insurance operations leaders, objectives for AI in 2024 are focused on wanting more data to hand such as predictive insights about what is likely to happen in the future (46%) as well as descriptive insights that are able to tell them what is happening (45%) in their organization at present. Armed with these advancements, leaders will be able to plan effectively, while enhancing their understanding of what is currently going on within the business.

To add to this optimism, when asked about what operations leaders anticipate the impact of AI to be on their department, the most common answer given was that it will enable deeper, more meaningful insights. 39% of respondents also said that it will help their business offer better customer service.

Processed and understood in the right ways, data can help to identify room for additional capacity and productivity, highlight where extra support might be needed and in turn lead to improved experiences for customers and employees.

The challenge is that at present, a lack of relevant, real-time data is holding operations leaders back. Healthcare insurance organizations who want to stay ahead of the competition must ensure they are getting the best out of their data to inform their decision-making on an ongoing basis.

78%
Say that AI could help to improve operational performance

50%
Of healthcare insurance leaders say they're just starting out with AI

39%
Of respondents believe that AI will help their business offer better customer service

Conclusion

From this research report, one thing is clear: AI is going to change the game.

Though AI adoption is low in healthcare insurance, operations leaders recognize the power and the potential of the tools out there. But it looks like there's a long road ahead – even for those who have already jumped on the bandwagon. Add to this the regulatory challenges posed in the industry, driving progress becomes a tall order.

Service Operations evolves every decade or so as processes and approaches shift with business best practice. In previous eras, robotics and process automation were seen as the 'silver bullets' enabling us to truly progress through data, process, or time management – but they weren't. And the reason they were not as truly successful as we were led to believe brings us back to the main issue; the lack of up-to-date, real-time data, which allows teams to make critical decisions in a more time-sensitive manner.

What we have here is an incredible opportunity to bring in technology that will support – and not replace – workforces, provided the data is present in the business, and the skills to put the technology to work have been correctly fostered. We're seeing the significant impact that AI can, will and is having as a business enabler when working closely with humans – it is making better decision-making possible, and that will ultimately be invaluable in the years to come.

Once AI is adopted, there is the potential to uncover deeper, more meaningful insights, helping businesses to collect more relevant and valuable data, accessing it more easily and using it to make more advanced and accurate predictions.

The insights shared in this report will equip US healthcare insurance organizations and their operations leaders with an action plan to take their business forward and keep pace in the new age of ops. While it is clear that AI can be a stalwart in the industry, there are practical barriers to get past before this is a reality.

Previous decades have been defined by technologies we now consider obsolete. But in this wave, AI leads the way. Operations teams in healthcare will be steering the ship in the coming years so it is critical that they are lightyears ahead with their thinking. By continuing to innovate and embrace AI, healthcare insurance leaders in service operations will stand in good stead, armed with the necessary insights to enhance performance, and overcome the obstacles facing them.

About the study

ActiveOps commissioned Censuswide to survey Chief
Operating Officers, Chief Financial Officers, and Senior
Heads of Operations within the Healthcare Insurance sector,
to gather insights on their priorities for 2024, challenges they
were experiencing with their operational data and adoption
of AI. The research was conducted between February and
March 2024 in the United States. Censuswide abide by and
employ members of the Market Research Society which is
based on the ESOMAR principles and are members of The
British Polling Council.

About ActiveOps

At ActiveOps, we believe the ability to make every decision – the right decision, at the right time, will transform operations.

Our blend of AI and human intelligence delivers the most complete and useful set of predictive and prescriptive insight to help service operations make better decisions – faster.

Service Operations has been in our DNA for 20 years. Our AI-powered SaaS solutions are underpinned by 15+ years of operational data and our AOM methodology that's proven to drive cross department decision-making.

We call this Decision Intelligence for Service Operations – and we are dedicated to the needs of banking, insurance, BPS and healthcare organizations, globally.

With Decision Intelligence, our customers deliver MORE - release 20%+ capacity within the first 12 months and boost productivity by 30%+ leading to MORE business impact. In fact, customer turnaround times are improved substantially, costs are reduced, SLAs are met, and employees are happier and more engaged.

Discover how ActiveOps can help you do more.

activeops.com

Choose **More.** Choose ΛctiveOps®