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# AI JOURNEY

AI IN MEMBERSHIP ADMIN FOR PAYERS

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*"The organizations that thrive aren't the fastest movers;  
they're the clearest thinkers."*

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*A strategic guide for health payers to leverage artificial intelligence across membership admin*

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# Application of AI in Health Plan Value Chain

An adapted view of where AI has the highest potential across the health plan value chain

## Legend:

- Higher current AI application potential
- Moderate opportunity
- Low Opportunity

### Front Office

#### Product Design

Develops and designs health plan offerings.

#### Benefit Administration

Manages the structure and delivery of health plan benefits.

#### Underwriting & Risk

Assesses risk & determines pricing for insurance products.

#### Sales & Marketing

Drives customer acquisition and brand promotion.

#### Broker Management

Manage relationships & transactions with insurance brokers.

#### Premium Billing

Manages premium payments and invoicing for members.

#### Membership Administration

Oversees member enrollment, data management & updates.

### Middle Office

#### Prior Authorization

Approves or denies specific healthcare services before they are provided.

#### Claims Adjudication

Processes and reviews insurance claims for payment.

#### Provider Contract Management

Verifies provider qualifications & manages provider network.

#### Credentialing & Network Mgmt.

Verifies provider qualifications & manages provider network.

#### Provider Services

Offers support and resources to healthcare providers.

#### Member Services

Provides support and assistance to health plan members.

#### Utilization Management

Reviews and manages the use of healthcare services.

#### Case Management

Coordinates care for members with complex medical needs.

#### Quality / STARS

Monitors and improves healthcare quality and performance metrics.

#### Risk Adjustment

Adjusts payments based on the health status of enrolled members.

#### Fraud, Waste & Abuse

Detects and prevents improper use of resources.

#### Pharmacy Benefit Management

Administers prescription drug benefits for members.

### Back Office

#### Finance

Manages the financial operations of the health plan

#### Accounting

Handles financial reporting, auditing, and tax-related tasks.

#### Supply Chain

Oversees the procurement and distribution of goods and services.

#### Human Resources

Manages employee relations, recruitment, and benefits.

#### Information Technology

Provides technical infrastructure and support services.

#### Analytics

Provides data insights and supports decision-making.

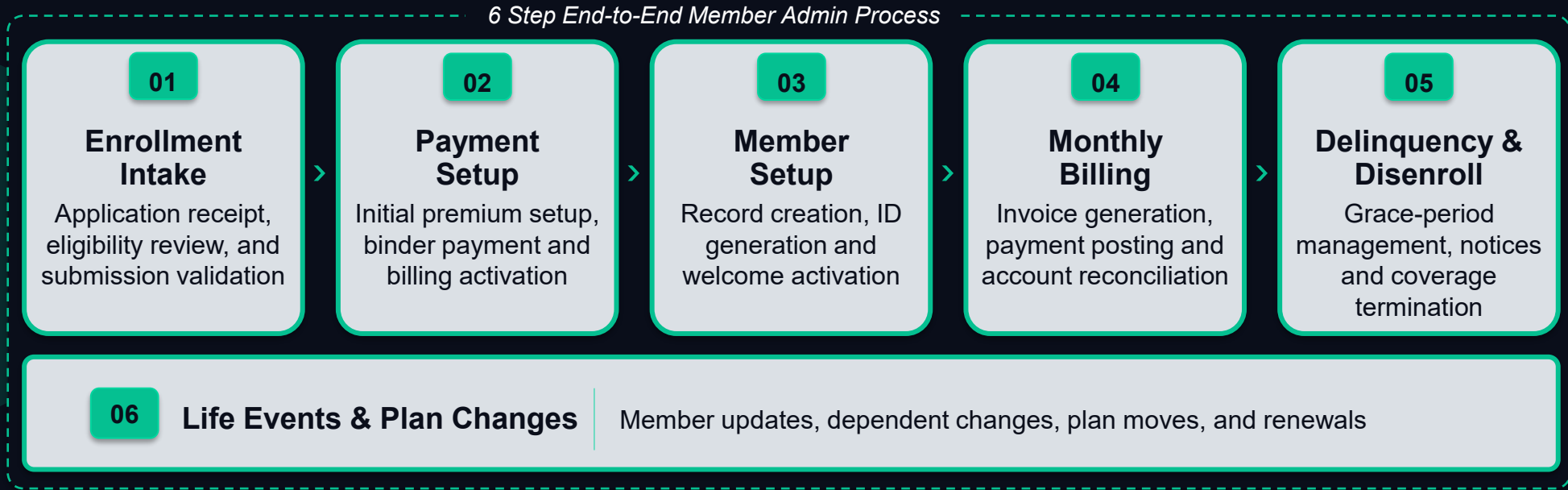
#### Compliance

Adherence to and preparing reports for regulatory agencies.

# Membership Administration: End-to-End Process

MEDICARE ADVANTAGE • MEDICAID • INDIVIDUAL & FAMILY PLANS

**Membership Admin** is the operational bridge between member acquisition, coverage integrity, financial accuracy, and retention. It is one of the most compelling places to start an AI transformation journey.



## MEDICARE ADVANTAGE

CMS rules | premium billing | member servicing

## MEDICAID

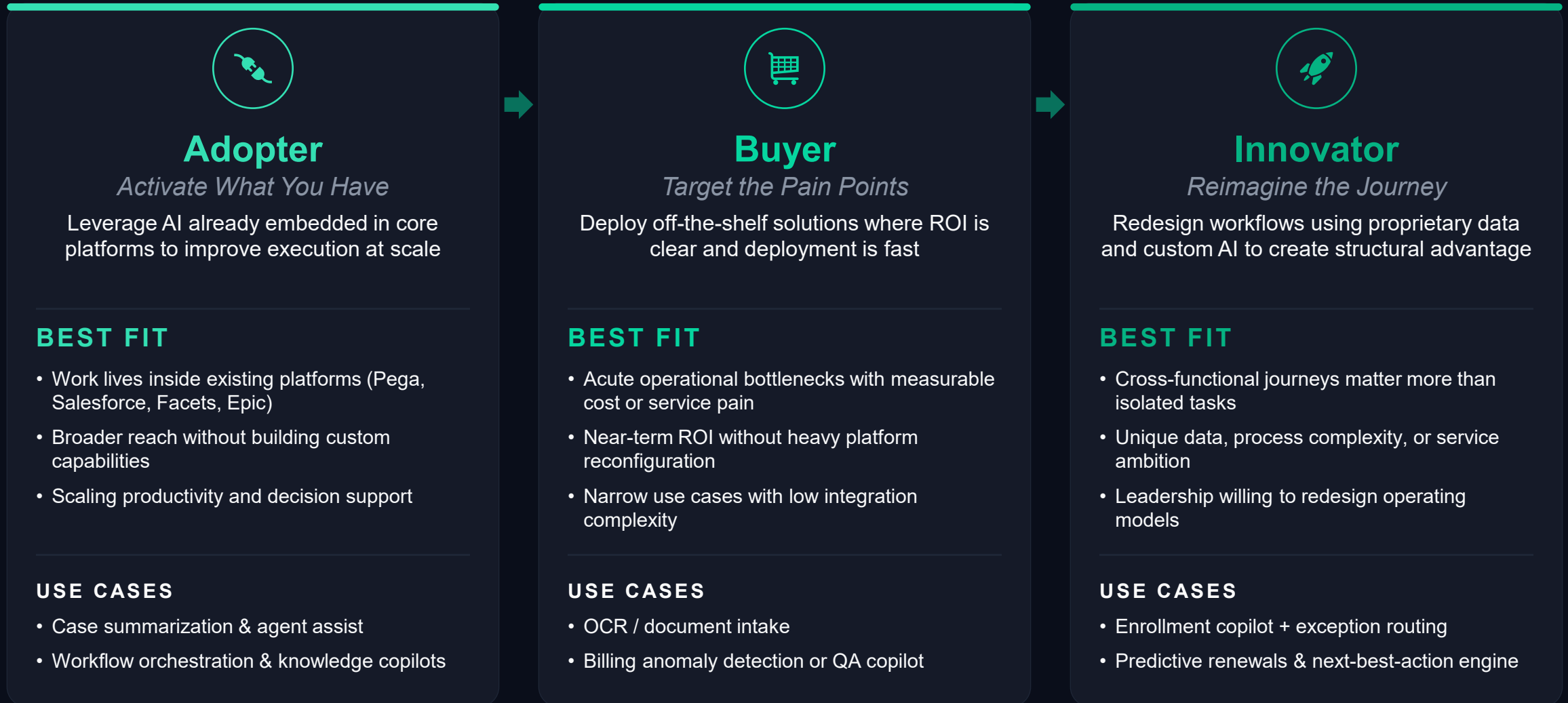
State / county determination | eligibility updates

## INDIVIDUAL & FAMILY

Direct enrollment | premium payment | self-service account changes

# Strategic Archetypes for AI Adoption

Choose the path that matches urgency, installed-base leverage, and appetite for differentiation



# The Execution Playbook: A Step-by-Step Guide for Health Plans

A practical sequence for moving from AI ambition to scaled membership-administration value



01

## Define Objectives

Establish measurable outcomes before any work begins



02

## Assess Current State

Diagnose where process, cost, and quality break down



03

## Architect Future State

Design the AI-powered process your organization needs



04

## Identify Interventions

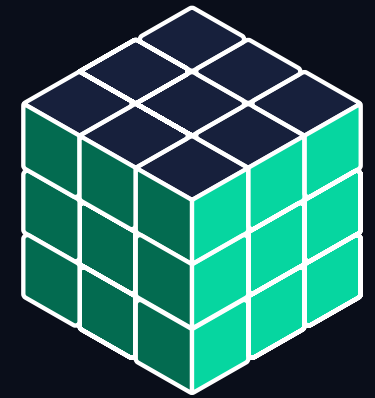
Isolate the points where AI delivers the greatest return



05

## Select Deployment Path

Choose the right strategy: Buy, Adopt, or Build



06

## Execute and Activate

Deploy the solution and track performance from day one

AI Layer: Accelerate

Human Layer: Decide

Adoption Layer: Embed

# Current Challenges with Membership Admin

Six workstreams drive most of the effectuation risk, servicing friction, and avoidable rework across the membership lifecycle

PROCESS	SCOPE	WHERE FRICTION SHOWS UP
<b>01 Enrollment Intake</b>	Medicare, Medicaid, and Individual/Family intake; eligibility screening; application validation; and handoff to effectuation.	Channel and product variation creates inconsistent submissions, missing documentation, and preventable pends before coverage can go live.
<b>02 Payment Setup</b>	Initial premium/binder setup, billing-unit creation, payment method activation, and readiness for coverage effectuation.	Payment setup sits on the critical path to activation; BUID-based setup, recurring payment enrollment, and statement transitions can create fallout if not completed cleanly.
<b>03 Member Setup</b>	Member record creation, ID generation, benefit activation, onboarding, and PCP assignment where applicable.	Breaks between enrollment, payment, and setup can leave members “approved but not fully active,” increasing first-month confusion and service contacts.
<b>04 Monthly Billing</b>	Invoice generation, premium billing, payment posting, reconciliation, and billing servicing.	Separate statements by plan, new payment workflows, and posting exceptions can create confusion for members and manual reconciliation work for operations.
<b>05 Delinquency &amp; Disenrollment</b>	Grace-period tracking, delinquency outreach, termination processing, and coverage end-state handling.	When payment issues are not resolved early, they can progress from missed premium to claims uncertainty and eventual avoidable member loss.
<b>06 Life Events &amp; Plan Changes</b>	Dependent adds/removes, address and demographic changes, income updates, plan switches, SEPs, and annual renewals.	The same member change can route through Member Services, forms, exchanges, or state agencies depending on plan type, creating fragmented follow-through.

# Reimagining Membership Admin Processes Through AI

AI should reduce handoff failure, speed effectuation, and make lifecycle changes feel coordinated to the member

PROCESS	AI INTERVENTIONS	AI IMPACT
<b>01 Enrollment Intake</b>	<ul style="list-style-type: none"><li>• Application completeness check</li><li>• Document classification + extraction</li><li>• Eligibility / rules copilot</li><li>• Exception triage + routing</li></ul>	Activities that took days completed in minutes; cost reduction up to <b>30% over time</b>
<b>02 Payment Setup</b>	<ul style="list-style-type: none"><li>• Binder / first-payment readiness check</li><li>• Premium discrepancy detection</li><li>• Autopay and payment nudge engine</li><li>• Payment exception workbench</li></ul>	Cost per transaction from <b>~\$0.60 to ~\$0.08</b> , reducing manual touchpoints by <b>~87%</b>
<b>03 Member Setup</b>	<ul style="list-style-type: none"><li>• Setup orchestration monitor</li><li>• Duplicate / identity resolution</li><li>• Onboarding copilot</li><li>• "Approved not active" QA alerting</li></ul>	QC moves from spot checks toward <b>100% review</b> , reducing <b>error rates toward near-zero</b>
<b>04 Monthly Billing</b>	<ul style="list-style-type: none"><li>• Bill explainability assistant</li><li>• Payment-posting anomaly detection</li><li>• Reconciliation prioritization model</li><li>• Billing service copilot</li></ul>	Cost per transaction from <b>~\$0.57 to ~\$0.08</b> , about <b>4 min saved per transaction</b>
<b>05 Delinquency &amp; Disenrollment</b>	<ul style="list-style-type: none"><li>• Delinquency risk scoring</li><li>• Next-best-action outreach</li><li>• Grace-period ops monitor</li><li>• Termination QA + notice generation</li></ul>	Productivity <b>~14% overall</b> and <b>~34% for less-experienced workers</b>
<b>06 Life Events &amp; Plan Changes</b>	<ul style="list-style-type: none"><li>• SEP qualification assistant</li><li>• Change-impact engine</li><li>• Proof / document review AI</li><li>• Cross-system update orchestration</li></ul>	<b>~60% more digital intake</b> , <b>~\$30M annual savings</b> , <b>~1/3 fewer downstream issues</b>

# What Must Be True to Make AI “Sticky”

Delivering measurable value, earning trust, fitting naturally into work, running on connected data, and building an AI-fluent workforce

01

## Demonstrable Value

*ROI tied to specific use cases, tracked through clear KPIs*

AI must produce measurable business outcomes not just interesting pilots. Financial returns should be realized quickly enough to build momentum and justify continued investment.

02

## Ironclad Trust

*Governance, privacy, and human oversight embedded by design*

Trust must be engineered in from the start. Security, compliance, and human oversight need to be built in not bolted on so AI can scale safely and responsibly across the organization.

03

## Frictionless Adoption

*AI fits naturally into how people already work*

Strong change management, intuitive experiences, and workflow-level integration are essential. Adoption must feel seamless rather than disruptive to frontline teams.

04

## Data Fluidity

*Clean, connected, interoperable data that moves reliably across systems*

AI is only as effective as the data beneath it. Organizations need accessible, interoperable data that can power use cases end to end ; from intake to effectuation.

05

## Empowered Workforce

*Teams developed beyond awareness toward practical AI fluency*

Long-term success depends on people, not just technology. Workers need the skills and confidence to use AI effectively in everyday decisions and operations.

Healthcare organizations don't need  
another roadmap,  
**They need a Strategy in Motion**

**StatusGo**

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