

Digitised Expertise in the Pre-authorization Process

TOM in Medical Insurance



The Challenge

Fraud, Waste and Abuse (FWA) costs medical schemes billions of dollars every year

Medical insurers, schemes and administrators have implemented various risk management and control mechanisms to detect, monitor and prevent medical insurance fraud. These systems generate vast volumes of "alerts" or exceptions (complex queries), which continue to demand human attention and expertise to investigate and decide on the most appropriate action. Capacity constraints around human expertise **delays**

authorization turnaround times and limits the number of requests that can be reviewed by the specialist. Currently this human capacity constraint is managed by various severity and probability threshold limits.

Merlynn's Tacit Object Modeler-TOM[™] Artificial Intelligence technology removes the constraint around human expertise, in the potentially fraudulent transactions form a Virtual Expert. Virtual Experts digitally replicate the decisions of the human expert, enabling organizations to review each and every alert - regardless of size, severity or prediction probabilities in real time through the eyes of their best human experts.

Pre-authorization Existing Process

Elective / Non-emergency procedures & treatment

Currently members of medical schemes are required to submit an application for funding known as a "Pre-authorization" request. The pre-authorization request is checked/screened against specific member benefits for eligibility as well as for potential fraud / non-disclosure. if all clear the authorization is approved.

Exceptions or "alerts", such as complex requests or those which raise suspicion of potential fraud, are queued for review by specialist teams. In order to manage associated risk medical specialists, forensic and/or underwriting experts are required to review the alert / exception and provide advice on the next best action.

Existing Pre-authorization Process (Simplified)



Within the pre-authorization process medical schemes have identified the following operational challenges

Operational Efficiencies -Human Capacity Constraint

A limited number of human underwriters/ forensic analysts with the necessary skills and expertise to investigate suspected fraud, delays turnaround times on cases. Limited capacity also limits the number of authorization requests that can be reviewed and checked for FWA.

Consistency & Accuracy

Decisions on suspected fraud, waste and abuse often rely on human intuition and judgement. The assessment and outcome may therefore vary from individual to individual, and location to location if the functions are decentralized.





Tacit Object Modeler TOM[™] replicates human expertise. The technology is used to **digitally** scale human expertize enabling organizations to optimally manage risk and enhance process efficiencies.

A panel of digital experts provides real-time expertise on the most appropriate course of action. **Digitized expertize is consistent and accurate** reflecting the knowledge of the organization's top decision makers.



Conceptual Pre-authorization workflow Incorporating TOM Virtual Experts



- TOM learns directly from theunderwriting and forensic expert and requires no historical data to learn.
- TOM is able to replicate complex decisions including tacit knowledge knowledge gained through experience which is very difficult to explain or articulate and is often described as **"gut instinct"** and intuition.
- Furthermore decisions made by the virtual underwriting and forensic experts become traceable



For more information visit <u>www.Merlynn-ai.com</u>