


THE AI REVOLUTION IS COMING:

Will You Be Ready?

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benefits
MAGAZINE

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Artificial intelligence (AI) offers the potential for benefit fund offices to increase efficiency and enhance services but can also pose significant challenges and risks. What should your fund office be doing now to prepare?

Advancements in artificial intelligence (AI) computing power, capabilities and applications are happening at an exponential rate. These advancements will transform the way we run organizations. What does this mean for your employee benefits fund office and plan participants? It likely means that you cannot afford to ignore or postpone engaging with AI technology.

AI can offer unprecedented opportunities to streamline processes and enhance the service provided to plan participants. Examples of such use cases—already being developed—include the following.

- AI chatbots that interact with plan documents, participant data, contracts and more, which can be used by member service representatives to respond to participant inquiries more quickly and thoroughly and by participants to look up plan information easily and at their convenience
- AI data analytics that can provide insights on data trends, which can be used to:
 - Support payroll audit programs by targeting areas of higher risk
 - Assist in contract negotiations
 - Develop programs and communication campaigns that better address trends in participants’ health care needs

But AI can also pose significant challenges and risks if not used properly or ethically.

... it is imperative to understand what AI is, what it can do and how you can use it responsibly and effectively.

Before We Begin

Job displacement is a common concern voiced during discussions of AI. Rather than viewing AI as a threat or a tool to reduce head count, it is more helpful to think of it as a tool that can augment productivity and increase job satisfaction by automating tedious and repetitive tasks. Finding ways to deploy AI in this manner can help fund offices attract high-quality candidates when hiring for open positions. It can also have a positive impact on operations with some of the following results.

- Less wait time for participants calling member services
- More effective monitoring of compliance with increasing regulatory demands
- Better monitoring of health claims processing according to plan benefits and participant eligibility
- Improved communication of health care information to participants
- More specific identification of potential risks to a plan, such as identifying ineligible participants or dependents, prescription drug abuse or fraudulent provider billing

As AI becomes more advanced and its use more widespread, it will inevitably change the nature and requirements of work and demand that workers acquire new skills and competencies. To prepare for this transition, fund leaders need to have honest and open discussions about the true objectives of introducing AI in the workplace and equip the organization with the necessary skill sets and tools through training and strategic investments.

By adopting a positive and proactive mindset, leaders can inspire their teams to embrace AI as an opportunity to learn, grow and excel in their careers.

Prepare Your People

You can start now to prepare fund office employees for the AI revolution by cultivating an innovative culture and engaging employees in the AI journey.

takeaways

- Artificial intelligence (AI) can offer unprecedented opportunities for benefit fund offices to streamline processes and enhance service to plan participants. Potential uses might include chatbots that could be used by member service representatives to respond to member inquiries more quickly or data analytics that can identify data trends.
- AI can also pose significant challenges and risks if not used properly or ethically.
- Fund offices should prepare employees for AI by providing training and cultivating an innovative culture. Plan participants also should be educated about AI and its capabilities and uses.
- Fund offices need to address potential cybersecurity threats created by their own use of AI as well as use by their vendors.
- Areas that should be addressed when examining an organization’s information technology infrastructure include data storage and processing systems, whether to have an in-house or outsourced chief technology officer, and the budget for the cost of future technological advances.

Prepare Employees

Fostering a culture that embraces change, innovation and learning can help prepare employees and the organization to leverage the power and potential of AI. Steps include the following:

- **Incentivize change and innovation.** Reward and recognize employees who initiate, implement or contribute to AI-related projects or solutions. Provide resources, support and feedback to help them succeed. Celebrate their achievements by sharing their ideas, implementing their solutions and facilitating continued training and education.
- **Discuss AI.** Educate employees about what AI is, how it works and why it matters for the fund and participants.
- **Encourage exploration.** This starts with researching, identifying and providing AI solutions from vetted vendors. Encourage employees to experiment with some pilot projects or proof-of-concept initiatives that can help you test and validate the feasibility and effectiveness of AI applications for your organization. For example:
 - Begin using tools such as Microsoft Copilot (AI tools designed to assist and enhance human tasks by providing suggestions, automating repetitive actions and improving overall efficiency of business processes) to summarize meeting notes or plan information
 - Explore available chatbots to answer common participant questions from plan documents
 - Apply natural language processing to analyze participant

feedback and identify areas for improvement

- Develop predictive analytics models to identify trends in participant behavior and to gain insight for tailoring benefit offerings, driving communication strategies, and steering participants toward better care solutions.

Ensure that employees understand the importance of safeguarding participant data when experimenting with AI tools. You should develop and enforce policies that protect sensitive information and comply with relevant regulations (e.g., no personally identifiable information (PII) data can be entered in a chatbot).

- **Prioritize creativity.** Stimulate your employees' creativity and curiosity by exposing them to diverse perspectives, experiences and challenges. Encourage them to think outside the box, challenge assumptions and generate novel solutions.
- **Provide training.** Provide opportunities for employees to up-skill in areas such as prompt engineering, data analytics, critical thinking and problem solving, change management, no/low code programming and copilots.

Prepare Participants

Not only can you prepare employees for the AI revolution but you can also look for opportunities to prepare plan participants. Raise awareness among participants about what AI is, how it works, and how it may impact their benefits or their interactions with the fund office through webinars, newsletters and FAQ resources.

learn more

Education

Generative AI and Security Implications On-Demand Webcast

Visit www.ifebp.org/webcasts for more information.

Online Resource

AI/ChatGPT Toolkit

Visit www.ifebp.org/toolkits for more details.

You can help them overcome fear and resistance and foster a positive and proactive attitude toward embracing AI as an opportunity for learning and growth. By implementing these strategies, you can effectively educate participants about AI and help them see its value, leading to smoother adoption and greater acceptance.

Strengthen Your IT Defenses

AI poses threats to cybersecurity; organizations should prepare by taking the steps detailed below.

Review Your Policies

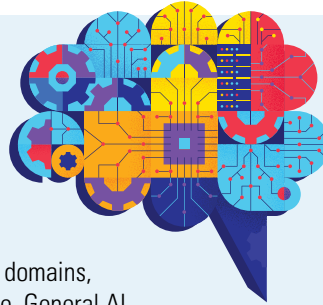
Create or review policies for what AI tools can be used and how. Asking questions in the following areas can help to get you started with thinking through and documenting your policies.

- **Use:** How do you align your AI strategy with your mission, vision and values and ensure that AI solutions are aligned with the needs and expectations of your fund office and participants?
- **Governance:** How do you manage and coordinate AI projects and initiatives as well as allocate resources and responsibilities for

Categories of AI

Artificial intelligence (AI) is not new. It is creating machines and systems that can do tasks requiring human intelligence, such as reasoning, learning or recognizing patterns in data. Following are some categories of AI.

- *General AI* is humanlike intelligence in many domains, such as emotions, creativity or common sense. General AI is far from being applicable to organizational contexts.
- *Narrow AI* does specific tasks, such as playing chess, translating languages or extracting information from invoices. Narrow AI is widespread and sophisticated in various domains and applications.
- *Generative AI (GenAI)* is a category of narrow AI and is exemplified by tools such as ChatGPT and others that burst onto the scene in late 2023. GenAI systems can generate text, images and audio and are beginning to transition from consumer applications into the business and professional sphere.



developing, deploying and maintaining AI solutions?

- **Data security:** How do you protect the privacy and confidentiality of the data used and generated by AI solutions and prevent unauthorized access, modification or deletion of fund data?
- **Transparency:** How will information about AI solutions be disclosed to your fund office and participants?
- **Legal considerations:** How do you address the ethical, social and human rights implications of your AI solutions as well as manage the potential liabilities and disputes arising from them?

Policies alone are insufficient. The entire organization should be aware of these policies and understand their implications. Identify a person, team or committee responsible for overseeing and enforcing these policies and implement mechanisms to ensure compliance and accountability for your AI activities. Provide training and edu-

cation on how employees can use and interact with AI solutions in compliance with those policies. One time is not enough; make these resources, discussions and training a routine part of your organization.

Examine Security Measures for Data Held With Vendors

AI introduces threats not only to data and systems of your organization, but also to your vendors that hold or transmit plan data. Examine the security measures that your vendors have in place to respond to these threats by asking some of the same questions explored for your fund office. Evaluate vendors' monitoring processes and ensure that they are using AI in responsible, secure ways that do not put your sensitive participant demographic and Health Insurance Portability and Accountability Act (HIPAA) data at risk.

Conduct Cyber Risk Assessments

Regularly conduct risk assessments to understand and mitigate potential

vulnerabilities introduced by the use of AI technologies. For example, you should (1) evaluate the security and privacy of your data sources as well as outputs of any AI products in use; (2) implement appropriate safeguards and controls to prevent unauthorized access, modifications or disclosure; and (3) assess the reliability and accuracy of your AI solutions and monitor their performance and behavior over time. While not specifically a cybersecurity risk, you should identify and address any potential ethical, legal or social risks that your AI solutions may pose, such as bias, discrimination or harm to individuals or groups. By conducting regular risk assessments, you can ensure that your AI solutions are aligned with your organizational values and goals and that you are prepared to respond to any incidents or issues that may arise.

Examine Your Infrastructure

AI is still in its infancy, and it will take some time before applications are cost-effective for many fund offices. However, you can start to lay the groundwork for embracing this technology in the future. Once those resources are available, organizations that fail to adopt them will risk becoming obsolete or antiquated far more quickly than with past corporate evolutions. This can impact employee attraction and retention, operating costs and organizational dexterity. It is important to plan and invest in the necessary infrastructure, skills and culture that will enable you to leverage AI effectively and responsibly.

Contemplate the following areas to identify how you may pave the way for greater technological advance.

- **Systems/storage in the cloud:** How secure and expandable are your current data storage and processing systems? Do they allow for easy integration and interoperability with other platforms and applications? Do they enable you to access and analyze large volumes of data from various sources and formats?
–*Consider:* Moving your systems and storage to the cloud can offer many benefits, such as lower costs, higher performance and greater flexibility. However, it also requires careful planning and implementation to ensure data security, privacy and compliance.
- **In-house or outsourced chief technology officer:** Who is responsible for overseeing and managing your technology strategy, infrastructure and innovation? Do you have a dedicated role or team that can provide the vision, leadership and expertise needed to harness the potential of AI and other emerging technologies? If not, do you have access to external consultants or partners who can offer guidance and support?
–*Consider:* Having a clear and accountable leader or partner for your technology initiatives can help you align them with your organizational objectives, prioritize and allocate resources, and monitor and evaluate outcomes.
- **Budgeting/saving for cost of technological advancements in the future:** How much are you investing in your technology development and maintenance? Do you have a realistic and sustainable budget that can accommodate the changing needs and demands of your technology environment? Do you have a contingency plan for unexpected expenses or challenges?
–*Consider:* Investing in technology can be a significant and long-term commitment, but it can also generate substantial returns and savings in the long run. Therefore, it is important to plan ahead and allocate funds for your current and future technology needs as well as anticipate and mitigate any risks or issues that may arise.

Be thoughtful when exploring new technologies. What technology aligns with your plan's strategy and operations, and what doesn't? Evaluate your current technology landscape and

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identify the gaps and challenges that AI can address as well as the opportunities it can create. Consider the potential benefits and risks of implementing AI solutions for your organization, such as improving efficiency, quality, accuracy, customer satisfaction or innovation as well as ensuring security, privacy, ethics and compliance. Align your technology decisions with your organizational vision, mission, values and goals.

Start Somewhere

AI is not a distant future but a present reality that is transforming every aspect of our lives and work. If you want to stay ahead of the curve and seize the opportunities that AI offers, it is time to start preparing yourself and your organization for the AI era. What small steps into the AI-verse can you take now? 📌



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