

# How CFOs Can Use AI to Reduce Healthcare Spending



**Interview with: Lutz Finger, President, Product & Development, Marpai**

"CFOs should not only think about reducing healthcare costs today, but also about how prevention and proactive care can reduce future costs," says Lutz Finger, President, Product & Development, **Marpai**. The most recent advances in Artificial Intelligence (AI) technology can help to improve the health of members, and prevent costly claims, he explains.

Marpai is an AI-powered TPA service provider at the **marcus evans CFO Summit XLI 2022**.

## **How can companies spend less on healthcare?**

Healthcare costs are rising year after year, as the cost of treating patients is increasing and the life-expectancy in the US is decreasing. CFOs have two ways to address this challenge: to actively cut costs of care, which is what most of them try to do, or to improve the health of their members. The latter path is often neglected in our industry. Many in the industry today use technology for reducing waste, abuse and out of network costs, but not for health improvement. That's the opportunity.

## **How does your model enable early interventions that help prevent costly claims?**

Marpai uses the same technology used for precision medicine, but as a Third Party Administrator working with self-funded health plans. We predict health risks on an individual member basis. We use Machine Learning and Deep Neural

Networks to predict how the health of each of our members is developing. We don't look at aggregated risk pools quarter per quarter rather we look at individualized scores. For example, our system recognizes a member with back pain who is taking pain medication and starts increasing the dosage. The model sees these tiny clues that indicate when a condition is deteriorating, and flags it to our care team since we believe we can help this member proactively to avoid disruptive and costly surgery/procedures in the future.

## **What's the next step?**

Predictions are only useful if they help to drive actions. Marpai's algorithm can determine avoidable health issues in the next 12 months. The big question is, now what? Our main action is to connect our members to the best clinical resource for their medical need. Our members trust us and we reach out to the ones that we believe have a high potential for engaging a clinical solution. We are a GPS for their personal health journey. We identify a health opportunity for an at-risk member, and proactively connect the member to a proven clinical solution that fits their need. The solution might be a preventative care solution, specialized healthcare provider, fitness program or just a reminder to visit their primary care physician. We aim to avoid avoidable care. Healthcare is complicated. With AI, we can make it easy so that our members have healthier lives and our self-insured plans have lower costs.

The idea to connect members with the highest value care is simple, but powerful. Every month, we can show our self-insured plans how each of our interventions reduces costs over the coming years. Our "secret sauce" is our data and our algorithms. On one side, we use AI to analyze the longitudinal health record of the member population to identify at-risk members. On the other side, we use member engagement data to predict which members will most likely engage successfully with a clinical solution, and partner outcome data to match members to the right solution. We optimize our member outreach in order to maximize high potential, near-term positive outcomes. This effort translates directly into a reduction of healthcare costs.

We believe that our AI-powered match-making, which accounts for risk, willingness to engage and likelihood of successful outcomes, is unique. Because we use predictions, we proactively intervene with members early and enable small changes that help them live better and prevent costly care. If you want to reduce healthcare costs for a plan, we believe it's too late when it's time for the actual procedure. We simply help the member avoid the knee or hip replacement surgery altogether. Our technology allows us to look at certain conditions before they become extremely costly, before they become an acute case. This kind of proactive care and prevention is good for the members and the bottom line.

## **What concerns or hesitations do you get from CFOs?**

The biggest concern CFOs have with this approach is how long it will take for the numbers to materialize. We report monthly numbers to our CFOs, but most of the impact for a self-insured employer health plan is visible within one to two years.

Our AI enables us to keep members on the best health journey, and reduce costs by preventing them. Just as seatbelts protect lives by preventing costly injuries, our proactive interventions mitigate costly deterioration and reduce avoidable care. It's hard to precisely measure case by case, but you can see the effect over time. Consider the flu shot. When you don't provide flu shots to members to reduce contracting the virus, you see higher flu-related costs for the population. Here's where reporting and analytics help. We can show, on aggregate, the expected costs given the current health of the member population. We also show CFOs how those numbers developed and how they can change.

Through this exercise, we create an understanding about how prevention can often be the most cost-effective path. Marpai's AI-powered matchmaking empowers members to act in ways that reduce and prevent costly healthcare. We make health interventions available to all members as part of our universal Marpai Cares offering which leverages advanced technology to better care for our members and, in turn, our clients.

## About the CFO Summit XLI 2022

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## About Marpai

Marpai, Inc. (Nasdaq: MRAI) is a technology company bringing AI-powered health plan services to employers that directly pay for employee health benefits. Primarily competing in the \$22 billion TPA (Third Party Administrator) sector serving self-funded employer health plans representing over \$1 trillion in annual claims, Marpai creates the healthiest member population with the greatest cost efficiency within the plan budget. Marpai leverages AI and big data to proactively fill gaps in care for members, implement meaningful interventions that improve near-term outcomes and guide members to high-value provider and pharmacy solutions to reduce avoidable, excessive, inappropriate, and costly care. Operating nationwide, Marpai offers access to provider networks including Aetna and Cigna and all standard TPA services.

For more information, visit [www.marpaihealth.com](http://www.marpaihealth.com)

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