

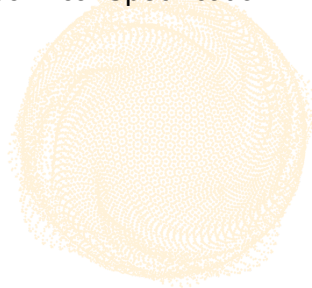
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Companion Materials

Read these three documents before starting your assessment

This package contains three documents you must read before beginning your AI Risk & Responsibility Assessment:

- Document 1: Meridian Health Company Brief
- Document 2: Stakeholder Map
- Document 3: ClaimsAssist v1 Technical Specification



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Document 1 Meridian Health Company Brief

Company overview

Meridian Health is a regional health insurance company headquartered in Columbus, Ohio. Founded in 1987, Meridian provides commercial group, individual marketplace, and Medicare Advantage plans across Ohio, Indiana, Kentucky, and West Virginia. The company serves approximately 850,000 covered members and employs ~2,400 people.

Meridian's competitive positioning is regional service quality, the company has historically marketed faster claims turnaround and more responsive customer service than national carriers. The CEO has publicly committed to investing in AI to maintain that positioning as larger competitors automate more aggressively.

Member demographics

- Members range in age from infants to 94, with a median member age of 47
- Roughly 32% of members are enrolled in Medicare Advantage plans (age 65+)
- Approximately 18% of members have at least one chronic condition (diabetes, heart disease, COPD)
- Approximately 4% of members have a documented serious mental illness diagnosis
- Geographic distribution skews toward small-town and rural communities; ~38% of members live in counties classified as rural by HRSA
- Racial composition mirrors the four-state service area: ~78% white, ~12% Black, ~5% Hispanic/Latino, ~3% Asian, ~2% other or multiracial
- Approximately 22% of Medicare Advantage members are dual-eligible (qualifying for both Medicare and Medicaid based on low income)

Claims operations

Meridian processes approximately 18,000 claims per business day across all lines of business. Each claim is currently routed through a triage workflow:

- Auto-adjudication handles roughly 62% of claims (straightforward, well-coded, in-network procedures)
- Human claims adjusters review the remaining 38%, roughly 6,800 claims per day
- Meridian employs 140 claims adjusters split across two regional offices
- Average adjuster handles 48 claims per day; average claim review time is 9 minutes
- Backlog has grown 14% over the past 12 months as claim complexity increases and adjuster headcount has been flat

Regulatory environment

- HIPAA Privacy and Security Rules apply to all member health information

- State insurance regulators in OH, IN, KY, and WV, each with distinct rules around claims handling timelines and denial notification
- CMS regulations apply to all Medicare Advantage claims, including specific rules around appeals timelines and disclosure
- Ohio's claims-handling law requires written explanation of denial within 30 days of claim receipt
- No state in Meridian's service area has yet enacted AI-specific insurance legislation, though Ohio and Indiana have active legislative proposals expected to pass within 12–18 months
- Meridian has been subject to three CMS audits in the past 5 years; all closed without major findings, but one cited inconsistent denial language across adjusters

ClaimsAssist project context

The ClaimsAssist project was initiated 7 months ago by the VP of Engineering and the Chief Operations Officer. The stated goals are: (1) reduce the claims processing backlog, (2) improve consistency of adjuster decisions, and (3) preserve Meridian's regional speed advantage.

The Board of Directors was briefed on ClaimsAssist 4 months ago and approved continued investment contingent on a successful pilot. The CEO has communicated to the board that ClaimsAssist will launch this year. The project has consumed approximately \$2.1M in engineering and infrastructure costs to date. The ML team is 6 engineers; their lead joined Meridian 14 months ago from a consumer tech company.

The ML team has completed model training and an internal pilot. They are now requesting executive approval to launch ClaimsAssist into production with all 140 adjusters within 6 weeks.

Recent incidents and audits worth knowing

- Two years ago: a third-party vendor processing claims data experienced a breach exposing ~14,000 member records. Meridian was not directly faulted but tightened vendor security review afterward.
- Eight months ago: an internal audit flagged inconsistency in denial reasons given to members for similar claim types across different adjusters — contributing to the original motivation for ClaimsAssist.
- Four months ago: a state insurance commissioner inquiry into a different regional carrier (not Meridian) cited unexplained denial-rate disparities across rural vs urban members. The inquiry is ongoing.
- Last quarter: Meridian's quality team noted that adjusters in the southern Ohio office had a denial rate 23% higher than the northern Ohio office for similar claim types. Root cause is under investigation; current hypothesis is training inconsistency.

Document 2 Stakeholder Map

These are the five executives reviewing your assessment and watching your Loom. Read each profile carefully, anticipating their concerns is part of the assignment.

Name & Role	Background	Position on ClaimsAssist
Janet WhitakerCEO	20 years in regional health insurance. Joined Meridian 6 years ago. MBA, not technical. Has publicly committed to AI investment.	Wants this to launch. Worried about board commitment and competitive pressure. Will defer to compliance and medical concerns if they are explicit and well-defended.
Dr. Marcus ChenChief Medical Officer	Practicing internist before joining Meridian 4 years ago. Holds clinical authority over coverage decisions. Has veto power on anything medical.	Cautious. Has not been deeply involved in the project. His default skepticism is high, he has seen consumer AI products give bad medical advice.
Priya RamanChief Compliance Officer	Healthcare regulatory attorney. 12 years at Meridian. Reports directly to the board's audit committee.	Concerned about HIPAA, CMS audit exposure, and the pending state AI legislation. Will require documented controls before signing off. Highly detail-oriented.
Dale BrennanCISO	Information security background, ex-DoD. Joined Meridian 18 months ago after the 2023 vendor breach. Reports to the CEO.	Has not been technically deep on the ClaimsAssist project. Trusts the ML team's CISO-team liaison but has not done his own threat modeling.
Robin CastilloHead of Claims	20 years in claims operations, internal promotion. Manages all 140 adjusters and the auto-adjudication system.	Champions the project internally, sees it as the only way out of the backlog problem. Worried that delay damages adjuster trust and operational momentum.

Note: the VP of Engineering is not in this audience

You are not presenting to engineers. The ML team is the builder, not the buyer. Your assessment is being delivered to the executives who will decide whether to greenlight launch.

Document 3 ClaimsAssist v1 Technical Specification

System overview

ClaimsAssist is an LLM-powered triage assistant designed to read incoming claims and produce three outputs for the human adjuster:

- A structured summary of the claim (procedure codes, diagnosis codes, member info, prior authorization status)
- A recommended action: approve, deny, or escalate
- A natural-language reasoning paragraph supporting the recommendation

The human adjuster reviews ClaimsAssist's recommendation and either accepts it (with one click) or overrides it (with a written reason). The system does NOT auto-process any claim without adjuster sign-off.

Technical specifications

Base model	GPT-4o-mini via OpenAI API. Selected for cost-per-claim economics. No fine-tuning.
Prompting approach	Few-shot prompting with retrieval-augmented context. RAG retrieves relevant policy provisions from Meridian's plan documents per claim.
Training data for evaluation	12 months of historical claims (~4.2M records) with the final adjuster decision as ground truth label. 80/10/10 train/val/test split.
Reported accuracy on test set	Recommendation agreement with historical adjuster decision: 87.3%. Agreement on approve: 91%. Agreement on deny: 79%. Agreement on escalate: 71%.
Latency target	Median response under 3 seconds, p95 under 8 seconds.
Deployment	All claims that currently require human review (~6,800/day) will be routed through ClaimsAssist before reaching the adjuster.
Data flow	Claim data is sent to OpenAI API. OpenAI's standard API terms apply, ML team has confirmed Meridian's existing API contract opts out of training data use.
Logging	Every request and response is logged to an internal datastore with 90-day retention. Logs include full claim content and model output.
Override capture	When adjusters override a recommendation, the written reason is captured in the same datastore. ML team plans to use overrides to fine-tune v2 in 6 months.

Monitoring	Daily dashboard tracks override rate, response latency, and error rate. Alerting threshold: override rate above 25% triggers Slack alert to ML team lead.
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Pilot results

ClaimsAssist was piloted with a single adjuster team (8 adjusters, southern Ohio office) for 4 weeks. Pilot metrics:

- 9,840 claims processed through ClaimsAssist during pilot
- Adjuster acceptance rate (recommendations accepted without modification): 81%
- Adjuster override rate: 19%
- Average adjuster time per claim during pilot: 6.2 minutes (vs 9 minutes baseline, 31% reduction)
- Pilot adjusters reported high satisfaction in survey (4.3 / 5.0)
- No claims errors reaching members reported during pilot period

Known limitations (per ML team)

- Model agreement on "escalate" decisions is lowest at 71%, ML team plans to address with v2 fine-tuning
- Pilot did not include any mental health claims; carve-out planned but not yet implemented
- Pilot was conducted exclusively in the southern Ohio office due to scheduling, team acknowledges this means pilot may not generalize
- Demographic breakdown of pilot accuracy was not measured; ML team states this can be added post-launch
- No formal bias evaluation has been conducted on the training data, ML team states the historical adjuster decisions are the ground truth and represent Meridian's actual policy
- Spanish-language and multi-language claim handling has not been tested

Launch plan

ML team proposes launching to all 140 adjusters in a single rollout, 6 weeks from approval. No phased rollout is currently planned. Rollback procedure: if override rate exceeds 30% for any single day, ML team will disable ClaimsAssist and adjusters will return to baseline workflow within 4 hours.