

# AI for Healthcare Payers: How to Become AI-First

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Healthcare is being redrawn by AI—not just in how care is delivered but also in how it is orchestrated and paid for. As AI lowers the cost of care delivery and administrative operations, and consumers demand more control, transparency, and convenience, today's payers will soon face aggressive competition from consumer technology companies, global AI companies, AI-first care services, direct-to-consumer care companies, and large health systems.

For today's [healthcare payers](#), the risk is not disruption in the conventional sense. Competitive boundaries that have defined the industry for decades will be erased. Vertically integrated providers may disintermediate them. Consumer technology companies and LLM hyperscalers may commoditize some parts of the market. The question for CEOs is whether their organizations get left behind or transform into an AI-first innovator that can lead the industry's transformation on its own terms.

## Why 2026 Is the Inflection Point for AI for Healthcare Payers

Decades of digitization have increased efficiency but have not fundamentally changed the industry's structure. AI in health insurance could change that quickly.

Patients managing chronic conditions will soon interact continuously with an AI health companion that knows their history, monitors biometric data in real time, anticipates care needs before symptoms escalate, and navigates the system on their behalf.

In this era, providers and payers will cooperate to create innovative forms of AI-augmented care. New clinical startups will offer asset-light, condition-specific services, potentially at a fraction of the cost of traditional delivery. And at the center of this ecosystem should sit the AI-first payer: leaner, more personalized, with a unified front door, an intelligently curated care network, and back-office operations run largely by autonomous agents.

At the same time, consumers' expectations are already outpacing what the system can deliver. OpenAI reports receiving 1.8 million health insurance–related messages per week from US members seeking answers on coverage, claims, and eligibility—clear evidence of the friction embedded in today's experience.

# How AI is Redrawing the Healthcare Payer Value Chain

BCG estimates that the end-to-end deployment of AI can reduce administrative costs by 40%. That cost reduction is just one dimension of a deeper shift: AI is transforming healthcare payers by opening member engagement to consumer-tech competitors, reshaping how care networks are built and managed, and commoditizing back-office operations.

However, the risk is not just margin compression; it is progressive disintermediation from the most important parts of the value chain. The AI era will bring new entrants, each with structural advantages that today's payers cannot easily replicate. These entrants do not need to copy today's full payer model; as AI makes core administrative functions cheaper and more modular, and shifts the advantage toward consumer engagement and data, the entrants can choose to compete only in high-value areas.

- Back-office operations are likely to be increasingly commoditized by consumer technology companies, LLM hyperscalers, and AI-first service players that can build and stitch together hyper-efficient administrative platforms.
- Member engagement faces competition from consumer technology companies and LLM hyperscalers that already own a consumer relationship or from AI-native insurers that can create a seamless, personalized member experience that legacy platforms cannot easily match.
- Care management and provider networks are already transforming as AI makes it easier to build and optimize a care network. New AI-native care companies and vertically integrated

providers have strengths here.

# The Four Strategic Moves to Become an AI-First Healthcare Payer

An AI-first healthcare payer can look fundamentally different in several ways:

**Back-office operations can be run by AI agents (table stakes).** Today's administrative workflows draw on multiple systems and demand extensive manual effort. Agentic AI can run these workflows at scale, leaving humans to focus on oversight and cases that need complex judgment.

**The care network can be intelligent (core differentiator).** Annual contracting and backward-looking analytics can be replaced by an AI-driven network that reshapes relationships with providers and opens the door to innovative, AI-first clinical services.

**Care decision making can be far better and far more efficient (core differentiator).** This can, at last, break down the barriers between case management and AI-driven utilization management, including AI prior authorization, creating integrated, intelligence-driven care decision making. AI agents can handle execution, driving efficiency.

**The front door can be reshaped and greatly improved (core differentiator).** The technology can help replace today's confusing portals and phone hotlines with a unified, cross-channel experience that guides members step by step through complex processes. This reshapes front-office engagement and allows the invention of new, hyper-personalized products and benefits.

# The Strategic Choices Facing CEOs

Before committing resources to AI transformation, CEOs need to assess their organization's future role in the health ecosystem. The industry's structure is changing, and CEOs must make a strategic choice about how they will build value based on their current position, scale, and care asset footprint.

There are three clear AI-first healthcare business models emerging for CEOs to consider: the scaled platform operator, the care ecosystem curator, and the high trust orchestrator. Each puts a different focus on the enterprise strategy and AI agenda:

**The Scaled Platform Operator.** This means going all-in on agentic back-office automation, building the lowest-cost administrative platform in the market, with a strong potential to sell these services to those concentrating on other parts of the value chain.

**The Care Ecosystem Curator.** This involves using AI to reshape how care is delivered, actively managing health outcomes through strong provider relationships or owned care assets. New AI-powered clinical services will optimize care steering and health outcomes. Back-office platforms and front-door solutions can be purchased and integrated.

**The High Trust Orchestrator.** This means prioritizing the member relationship above all else, excelling at a unified user interface and care navigation. AI transformation should focus on the front office, reshaping member engagement and leveraging agentic AI to orchestrate care intelligently. Commoditized back-office operations can be outsourced.

## How to Become an AI-First Healthcare Payer

Choosing a new business model is the starting point. The next step is delivery—driving an AI-first transformation of how the payer operates. Each archetype requires a clear CEO mandate, concentrated investment, and explicit tradeoffs.

70% of the effort should go toward rewiring and evolving the organization, roles, talent, and skills and reimagining processes. This is where the CEO must be most present:

**Reimagine processes.** Design AI-native workflows starting with outcomes—from AI prior authorization to claims adjudication and care navigation—embedding AI agents directly into core workflows.

**Reorient and reskill staff.** Human expertise must shift from manual execution to oversight, exception handling, and performance management.

**Change leadership behavior.** This is a cross-functional rewiring of the business that requires faster decision cycles, clear ownership, and the systematic use of data in execution.

The competitive window for AI in health insurance is narrow, and new entrants will not wait politely for incumbents to adjust their strategies. Healthcare payers that move now—with clarity about their strategy, clear leadership, and deep commitment to becoming AI-first—will build business models with enduring competitive advantage. Those that don't will find themselves competing for a shrinking share of a value chain they no longer control.

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