

# Reclaiming Control

A **step-by-step playbook** for  
insourcing UM with automation



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## A step-by-step playbook for insourcing UM with automation



### Why insourcing utilization management is a **strategic advantage**

For many health plans, outpatient utilization management (UM) has traditionally been handled through delegation, relying on third-party vendors to manage prior authorizations and care approvals. However, this model often results in a lack of control, increased costs, inefficiencies, misaligned incentives, and growing compliance risk. It also carries **reputational risk**, especially when legacy vendors rely heavily on denial-based models that create friction with providers, fail to meet them where they are, and erode trust across the care ecosystem.

**The traditional UM approach, which heavily relies on manual processes and siloed systems, is increasingly unsustainable.** Organizations face challenges such as inefficient workflows, high administrative costs, fragmented systems that fail to integrate clinical and claims data, and an overreliance on partners who may lack the infrastructure to ensure full regulatory compliance.

Insourcing UM offers a unique opportunity to reclaim control over costs, enhance operational efficiency, and deliver a more seamless, patient-centered experience.

### By bringing UM in-house, organizations can:



**Reduce administrative expenses** by eliminating reliance on legacy delegated vendors



**Enhance provider relationships** through faster, more transparent decision-making



**Implement advanced technologies** to streamline UM processes and improve efficiency



**Incorporate value-based care (VBC) strategies** to optimize UM and align incentives

This playbook outlines a phased approach to help health plans transition from a delegated model to an insourced UM process—**whether starting from scratch or scaling existing automation.**

## Identifying goals for a successful program

When a health plan transitions from a delegated model to managing UM in-house, it's not simply about making an inefficient process more efficient—it's about **expanding operational capabilities in new clinical areas**. This shift introduces additional responsibilities, team structures, and technologies that must be well-coordinated to deliver timely, compliant, and clinically sound care decisions.

**Success, then, isn't measured by incremental gains over past performance**—it's measured by how quickly and effectively your organization can establish, manage, and scale UM operations with modern tools and intelligent automation.

**What success looks like for in-sourcers:**

### 1. Confident, scalable operations

Your internal team is equipped to make UM decisions across delegated and insourced areas, supported by automation and intelligent workflows. You've built a phased staffing model, adding specialist reviewers as needed, without overextending resources.

**The result:** A compliant, cost-effective UM operation that grows with your needs.

### 2. Lower total cost of UM operations

By reducing reliance on third-party vendors and automating routine decisions, insourcing helps lower administrative costs while improving efficiency. With visibility into your data, you can implement smarter cost controls that don't rely on blunt denial strategies.

**The result:** A leaner UM model that saves money through intelligent automation and strategic decision-making, not volume-based denials.

### 3. Faster, more consistent care decisions

With AI-powered clinical decision support, your team reduces unnecessary delays, minimizes denials that lead to appeals, and ensures timely access to appropriate care.

**The result:** Better patient outcomes, improved provider satisfaction, and fewer avoidable escalations.

### 4. Stronger alignment across the ecosystem

Insourcing fosters closer coordination among internal teams, providers, and members. With more transparent communication and shared goals, trust grows across your network.

**The result:** Higher satisfaction across clinical, operational, and provider stakeholders.

## Phase 1: Laying the foundation for a successful shift

Once a decision to in-source is made, health plans must prepare the infrastructure and internal capabilities to support expanded UM functions. This phase is about building on your strengths while filling targeted gaps in staffing, systems, and processes.

-  **Staffing & expertise:** Confirm and refine roles and responsibilities across your existing UM team, and identify where additional clinical or operational knowledge is needed, such as specialty-specific reviewers or technology leads. Even with strong internal teams, early planning ensures you can scale responsibly as new service lines are brought in-house.
-  **Specialty selection:** Begin with high-volume, lower-complexity services well-suited to automation and streamlined protocols, such as imaging, physical therapy, and durable medical equipment (DME). These areas offer a fast path to impact without requiring deep subspecialty expertise. More complex domains, such as oncology or musculoskeletal (MSK), will require additional clinical oversight and are better suited for later transition phases.
-  **Technology & automation:** Select an AI-powered platform that integrates structured and unstructured data (e.g., clinical attachments) and supports accurate, real-time decision-making. Look for configurability, clinical intelligence, and proven provider adoption.
-  **Medical policy selection & management:** Most plans have existing policies, but insourcing a specialty requires ensuring the proper criteria are in place for operational use. If that work was previously delegated, you may need to replace vendor-owned policies with internal guidelines, licensed criteria, or codified policies supported by a partner, such as Cohere.
-  **Regulatory preparedness:** Establish compliance frameworks to align with national and state UM regulations.
-  **Provider engagement:** Develop communication strategies to ensure a smooth transition for provider partners.

### Action steps:

- ☐ Establish internal UM policies that align with clinical best practices and regulatory requirements.
- ☐ Create a detailed transition timeline to ensure a phased and controlled implementation.
- ☐ Design a training program to upskill staff on new processes and technology tools.
- ☐ Conduct change management initiatives to prepare internal teams for the transition.

**Note:** The right clinical intelligence partner will offer more than software—look for best practices and proven workflows, not a “plug-and-play” approach that skips the real work of transformation.



## Phase 2: Executing the shift to an insourced model

**Insourcing UM doesn't mean flipping a switch.** Once you've vetted and chosen your technology partner(s), the real work begins: assuming responsibility for a wide range of interconnected tasks. **Keep this challenge in mind as you evaluate potential partners.** The right vendor won't just hand you a platform—they'll offer white-glove implementation support and scalable services that grow with you, ensuring your team is set up for success.

**For many health plans, the core infrastructure is already there—nurses, intake staff, and generalist physicians handle existing UM tasks.** The challenge lies in expanding internal capabilities to cover new specialties or more complex denial decisions, often requiring specialist reviewers and new workflows. While not a ground-up build, this expansion is critical to ensuring long-term success and operational continuity.

This shift also means that the responsibility for outpatient compliance now falls squarely on the health plan's shoulders. Areas previously delegated now fall under the health plan's oversight, including adherence to federal and state regulations, documentation standards, and audit readiness. **Managing this effectively requires more than policy updates—it requires the right technology partner.**

### Key focus areas:

- **Phased rollout:** Start small by adding specialties or LOBs incrementally to reduce disruption.
- **Process standardization:** Apply evidence-based guidelines and automate data sharing across systems.
- **Data integration:** Seamlessly connect UM with claims, EHRs, and portals to streamline decisions.
- **Real-time performance monitoring:** Track key metrics like turnaround times, auto-approvals, and clinical impact.
- **Compliance management:** Align with regulations (e.g., CMS-0057-F) and automate audit-ready reporting.
- **Risk mitigation strategies:** Plan for staffing gaps, integration delays, and provider onboarding challenges.

**This is where automation becomes not just a nice-to-have, but the essential infrastructure for success.** A strong AI-powered platform transforms UM from a fragmented, manual process into a scalable, intelligent workflow—supporting consistency, accelerating decisions, and reducing pressure on internal teams. With the right partner, health plans don't just insource—they perform like mature operations from day one.

### Recommendations for success:

- Start with a focused program to validate workflows, then expand thoughtfully
- Align clinical, operational, and compliance responsibilities as you scale
- Invest in specialized clinical expertise and reinforce new team routines
- Choose a partner who adapts to your pace and engages your provider network

## Phase 3: Continuous improvement after insourcing

Once insourcing is implemented, the work doesn't stop. Long-term success depends on continuous optimization and leveraging AI-driven insights to refine UM processes.

### Sustaining long-term success:

#### Ongoing performance reviews



Regularly assess operational and clinical performance metrics, including compliance tracking, to ensure adherence to regulatory standards.

#### Advanced AI & automation



Leverage AI to automatically identify clinical indications by extracting insights from unstructured data in attachments.

#### Provider and member engagement



Strengthen relationships by streamlining authorization processes and improving transparency, incorporating compliance at every step.

#### Regulatory adaptability



Stay ahead of policy changes by working with a responsive partner and leveraging configurable workflows that can be quickly updated to align with evolving compliance requirements and best practices.

#### Scalability strategies



Expand UM capabilities to adapt to growing membership and evolving healthcare needs while maintaining a high standard of compliance.



## Why Cohere is the ideal partner for your UM transformation journey

Health plans need a partner offering the perfect blend of expertise, flexibility, and ongoing support when automating and insourcing UM. It's not just about the technology—it's about finding a partner who understands the complexities of delegated services and platform solutions and can guide you through every stage of the transformation.

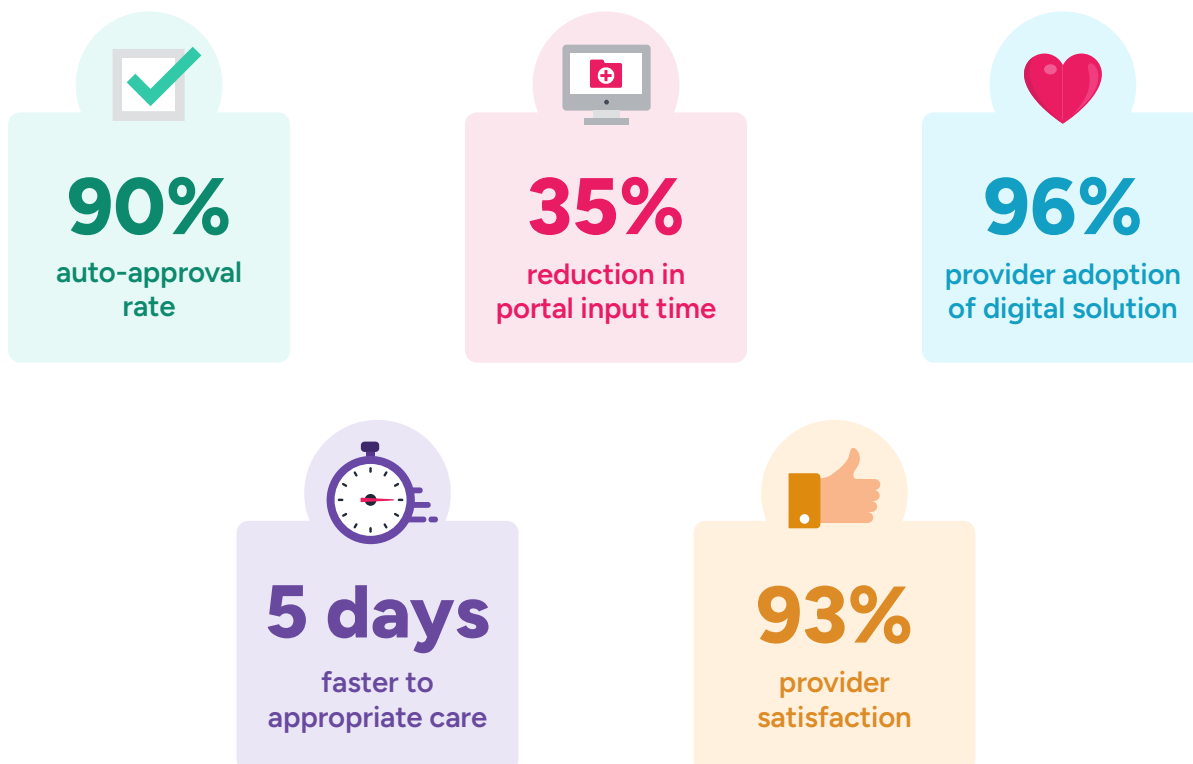
### A flexible approach to success

The best partner will provide flexible solutions that support a fully delegated model and the transition to insourcing at your team's pace. They should combine the strengths of both approaches, offering not just cutting-edge technology but also the deep clinical expertise and dedicated support that will set you up on a glide path for long-term success. **Cohere Health delivers exactly this—offering the flexibility to support clinical areas you aren't ready to take on overnight and providing a clear pathway toward insourcing.** We combine the efficiency of delegation with the control and autonomy of insourcing, powered by advanced, clinician-trained, precision AI and fine-tuned to a plan's specific UM population strategy that enhances the utilization management process.

### Unmatched customer support

Cohere Health stands out for its exceptional customer service. We're not just a technology provider but a dedicated partner, offering hands-on support throughout your journey. From initial consultation to full implementation and ongoing optimization, Cohere ensures you have the expertise and guidance you need to succeed. **Our commitment to customer service means you're never on your own during the transformation process; we're with you every step of the way.**

### Our impact








## Client case study: Enabling insourcing at a provider-sponsored health plan

### Background

A regional provider-sponsored health plan sought to modernize its UM operations and build a long-term insourcing strategy. The plan had previously delegated MSK, Cardiology, and Radiology, but faced persistent challenges: underperforming medical expense outcomes, delays in care due to complex workflows, and limited flexibility to scale programs.

### Challenges

-  100% of prior auth requests were fax-based
-  High administrative burden for both the plan and its provider network
-  Delays in care created member dissatisfaction
-  Growing demand from state regulators for faster turnaround times and digital workflows
-  Desire to scale into new markets while improving cost performance

### The solution

**With Cohere Unify, the plan was able to streamline and digitize core UM operations, improving intake, decision-making, and reviewer efficiency.** Cohere's clinical and actuarial teams also collaborated with the plan to develop a data-driven roadmap to insource previously delegated programs, beginning with MSK and Cardiology.

### Results:



**93%** portal adoption



**68%** auto-approval rate



**20%** nudge acceptance rate, reducing back-and-forth and improving first-pass completeness



**Reduced administrative costs** by automating manual processes



**Increased capacity** to manage more codes and scale to new service areas



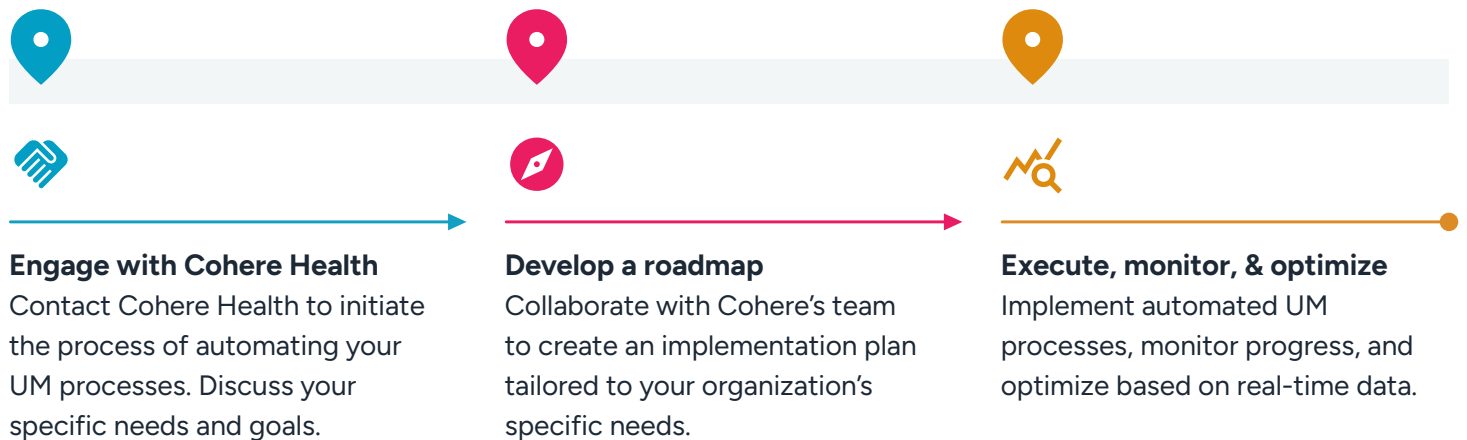
**Medical expense savings** through reduction in unwarranted care variation



## Take action now

Transforming your UM processes through automation and technology offers you control, efficiency, and data-driven insights. This can lead to better patient outcomes, cost reductions, and more efficient operations. By leveraging Cohere Health's platform, you can modernize your UM processes while aligning with your goals for improved care delivery.

### Final steps:



Ready to take control of your UM processes and transform them with technology?

Contact Cohere Health today



## About Cohere

Cohere Health is a clinical intelligence company delivering AI-powered intelligent prior authorization solutions that streamline patients' access to quality care by aligning their physicians and health plans for improved collaboration, transparency, and care coordination. Cohere works with nearly 600,000 providers and processes more than 12 million prior authorization requests annually, using AI to auto-approve up to 90% of requests for millions of health plan members nationwide. The company was recognized twice in the Gartner™ Hype Cycle™ for U.S. Healthcare Payers, is a Top 5 LinkedIn™ Startup for 2023 & 2024, and a three-time KLAS Points of Light award recipient. Its investors include Deerfield Management, Define Ventures, Flare Capital Partners, Longitude Capital, Polaris Partners, and Temasek.