Understanding & Applying AI

Traditional, Generative & Agentic

Value-based care requires orchestrating data across fragmented systems and tracking outcomes across extended patient journeys

Organizations face challenges with fragmented data, clinician burnout, misaligned incentives, and localized complexity

The administrative burden of managing VBC contracts manually **leads to errors and missed intervention opportunities**

The left, middle, and right brain for healthcare

Healthcare organizations have long used AI—predictive models for readmission risk, natural language processing for clinical documentation, and machine learning for claims fraud detection. These are powerful tools, but they represent only part of the equation.
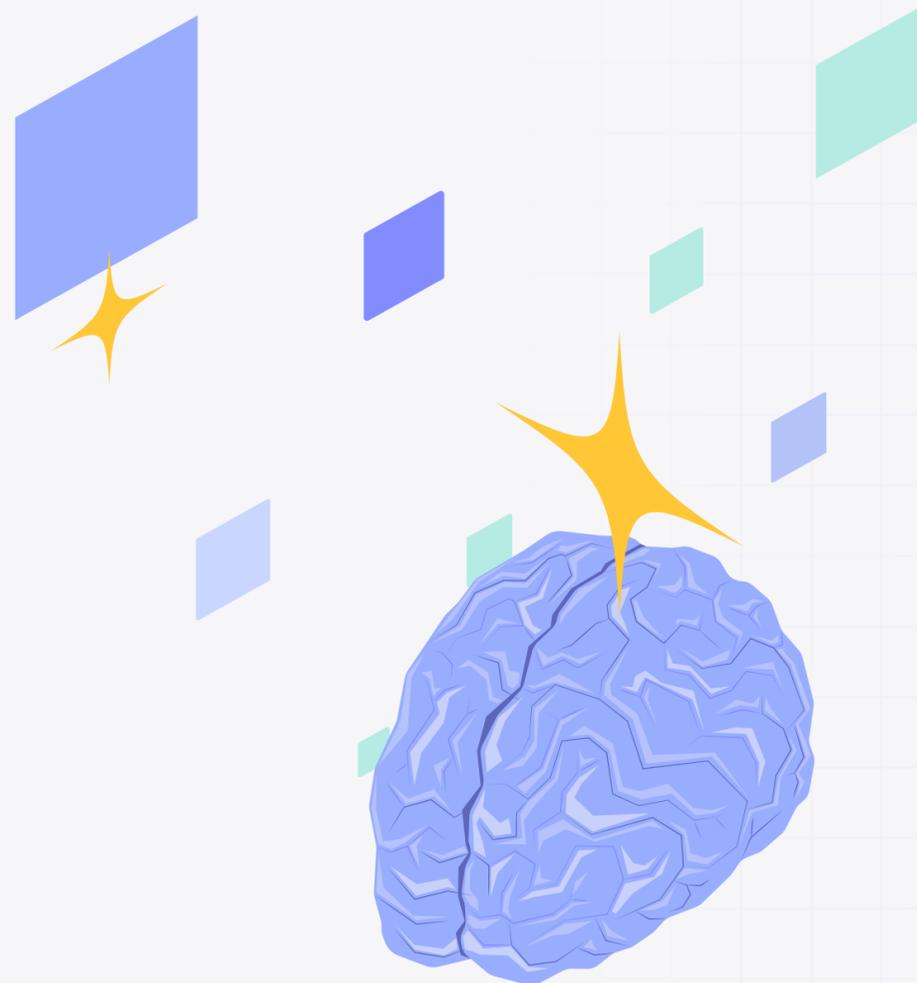
Traditional AI: The analytical left brain

Traditional AI excels at analysis, pattern recognition, and generating insights from large datasets. In healthcare, this includes:

- Risk stratification models that identify high-risk patients
- Predictive analytics for hospital readmissions
- Natural language processing to extract data from clinical notes
- Image recognition for diagnostic support
- Claims analytics to detect billing anomalies

The limitation: While traditional AI provides incredible insights, it still often requires human interpretation and action. A risk model might flag a patient as high-risk for readmission, but it takes a care coordinator to review the chart, contact the patient, schedule a follow-up, arrange transportation, and coordinate with the provider. The insight is valuable because it focuses work on critical needs, but it doesn't reduce the workload—often it increases it by generating more tasks for already-stretched teams.

Generative AI: The creative middle brain

Generative AI adds creativity and flexibility by producing new content and ideas based on existing data. In healthcare, this means:

- Drafting personalized care plans tailored to patient history
- Creating patient-friendly educational materials in plain language
- Generating summaries of complex clinical documentation for quick review
- Producing predictive scenarios for resource planning

Generative AI bridges the gap between insight and communication, helping teams act faster—but it still relies on humans to execute those actions.

Agentic AI: The action-oriented right brain

Agentic AI goes beyond insights and content creation to autonomous action. It can reason about complex situations, plan multi-step interventions, and execute workflows without constant human supervision. Think of it as having the ability to:

- See that a patient missed an appointment and automatically trigger an outreach sequence
- Detect a medication gap and coordinate with the pharmacy and provider for a refill
- Identify a concerning lab result and escalate to the appropriate clinical team with full context
- Recognize patterns suggesting deteriorating health and proactively schedule preventive interventions
- Manage prior authorizations by gathering required documentation and routing requests

The synergy: Traditional AI predicts what might happen, Generative AI creates what could be communicated or designed, and Agentic AI decides and acts on what should be done next - closing the loop from insight to execution.

Five key differences

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1	**Primary Function**	Analysis and prediction	Creation of new content and ideas from existing data	Reasoning, planning, and action
2	**Output**	Insights requiring human action	Drafted content, summaries, and personalized plans	Autonomous workflow execution
3	**Approach**	Reactive response to queries	Augments human decision-making with creative outputs	Proactively initiates interventions
4	**Scalability**	Creates more work for humans	Speeds communication but still needs human execution	Reduces human workload by orders of magnitude
5	**Value in VBC**	Identifies risks and opportunities	Improves patient engagement and care personalization	Orchestrates care delivery at scale

Why this matters for value-based care

Healthcare is fundamentally a reactive business. People get sick, then the system responds. But because of AI's scale, breadth, and speed, we can now scale care proactively.

AI cannot, and should not, replace a human clinician, but it can dramatically change how clinicians allocate their time and attention. AI handles triage, identifies emerging issues, prevents problems before they escalate, and ensures that talented clinical staff focus on complex cases rather than administrative tasks.

This is especially critical given the clinician shortage. AI, applied well, can alleviate healthcare's struggle with insufficient clinical resources. The answer isn't just hiring more people, it's using AI to help existing staff deliver more value, using their expertise where it matters most. AI not only allows clinical staff to be more efficient and effective, it allows them to focus far more on their clinical skills, which dramatically increases job satisfaction.

"You cannot scale a nurse. But AI can help nurses scale their impact by focusing their attention on the patients who need them most, while the system handles routine coordination automatically."

PEGA