



7 Considerations When Incorporating AI into Your Contract Lifecycle Management Process

Healthcare contracting is unique, and the integration of AI is an innovation that is proving transformative in the healthcare industry, particularly within contract lifecycle management (CLM) solutions. The advantages and use of AI are numerous, ranging from automating repetitive tasks, which saves time and reduces errors, to enhancing decision-making processes by swiftly analyzing vast amounts of data, resulting in more informed and timely decisions. AI also plays a role in identifying risks and opportunities for risk mitigation within organizations, enabling a fresh perspective on information and assisting in solving complex problems. Through process optimization, AI facilitates efficiency gains that allow for the reallocation of resources, as well as the identification of cost savings and improvements in visibility and contract transparency.

AI has the potential to revolutionize contracting practices, by enhancing day-to-day operations, streamlining processes, supporting decision-making, and helping identify and mitigate potential risks to the organization.

At Ntracts, we are enthusiastic about integrating AI into our CLM platform in a strategic way. We've identified seven key considerations for integrating AI technologies into your CLM processes.

1

Health systems deal with sensitive data

Health systems deal with sensitive contractual information, so ensuring data security is crucial.

AI solutions must be designed to maintain privacy and data security throughout the contracting process.



AI solutions should provide details about their approach to data security, including encryption methods, access controls, and measures to protect sensitive contractual data, especially when integrating AI solutions into healthcare systems.

2

Ensuring Compliance:

It is crucial for healthcare organizations to comply with state and federal regulations, including Stark Law and the Anti-Kickback Statute (AKS). While AI solutions can assist in identifying risks and opportunities for risk mitigation within an organization, oversight should still be maintained by risk, audit, legal, and compliance teams.

3

Managing Inherent AI Risks

Assessing and mitigating risks associated with AI implementation is essential. Health systems should consider potential risks such as algorithmic errors, system failures, or unintended consequences such as diluting or deteriorating your organization's contract lifecycle management best practices.

Proactively implementing robust risk management strategies can help mitigate these risks effectively.

4

Quality of Data Abstracted via AI:

Begin by clearly defining the objectives of the data abstraction process. Identifying the specific types of information and data points to be extracted from contractual agreements. Ntracts recommends utilizing AI to abstract the following data points: Parties to the Agreement, Effective Date, Expiration Date, Status, Auto Renewal Clauses and Provisions, Termination / Out Clauses, and Contract Execution.

Then, implement quality assurance measures to validate the accuracy of abstracted data. This may involve manual review by experts to verify the accuracy of abstracted information to identify and correct any errors or discrepancies.

5

Choosing Your AI Vendor Wisely:

Selecting the right vendors or partners when engaging with AI across your contract data is crucial for successful implementation.

Health systems should evaluate vendors based on their domain expertise, established and proven track record, ability to deliver on commitments and provide ongoing support and updates as technology advances.

For the unique requirements of the healthcare industry, we recommend partnering with a healthcare-specific vendor who will understand any data and implementation nuances that may arise; who will implement based on compliance and regulatory factors; and who will provide recommendations that align to industry best practices.

6

Training Requirements:

Implementing AI in contracting processes requires organizational change and training. Health systems should look to trusted vendors to provide thorough - even custom - training and CLM management strategies to ensure smooth adoption and to equip staff with the necessary skills to utilize AI tools effectively.

7

Human Oversight:

Maintaining human oversight throughout the utilization of AI is essential. The personnel managing review and oversight of AI output will utilize their expertise and judgment to identify nuances, context, and potential biases that AI can overlook.

We recommend conducting regular reviews and audits of AI-generated insights to identify areas of improvement so that biases and errors will be reduced over time.



Suggested Fields for AI-Assisted Data Abstraction:

- Parties to the Agreement
- Effective Date
- Expiration Date
- Status
- Auto Renewal Clauses and Provisions
- Termination / Out Clause
- Contract Execution



Organizations should make the most of AI innovations. But, when it comes to managing contracts, use AI alongside human oversight, not instead of it. The organization remains accountable for data accuracy and compliance with regulations.