

California State University, Northridge

IBECC 2025 EXECUTIVE SUMMARY

Name	Graduation Year	Major
Christopher Mendoza	2025	Management/Finance
Cameron Gonzalez	2026	Marketing/Business Law
Erin Jordan	2026	Business Analytics
Faith Sanchez	2027	Finance
Ilia Gryshyn	2026	Information Systems
Melia Mikha	2026	Business Law
Taj Owens	2026	Information Systems

Advisors: Roxana Naraghi, Ed.D., Lauren Ross, J.D.

Topic: United Healthcare’s AI-claims processing

Division: Undergraduate

Audience: Board of Directors of United Healthcare Group (UHG)

Sea Sun Consulting has been engaged by the Board of UnitedHealth Group to evaluate and provide recommendations concerning its use of artificial intelligence (AI) in healthcare claims processing. This engagement follows growing public scrutiny, ethical concerns, and legal challenges related to AI-generated coverage denials. Guided by UnitedHealth’s mission “to help people live healthier lives and help make the health system work better for everyone,” our analysis emphasizes the need for ethical alignment and transparency in decision-making.

Our report includes three analyses: legal, financial, and ethical. The legal analysis examines compliance with HIPAA, the implications of the Biden Administration’s October 2023 Executive Order on trustworthy AI, and the potential for discrimination claims under Section 1557 of the Affordable Care Act. The financial analysis reviews UnitedHealth’s revenue growth—from \$287.6 billion in 2021 to \$324.2 billion in 2022—and the correlation between increased profits and rising denial rates. Although AI has contributed to short-term cost savings, the financial risks of lawsuits, loss of consumer trust, and regulatory intervention loom large. The ethical analysis addresses the impact of automated denials on society, individuals, and the company. Societally, AI-driven denials create systemic barriers for vulnerable populations. Individually, patients are overwhelmed by opaque appeal processes. Internally, UHG’s reliance on “black box” algorithms contradicts its values of compassion, integrity, and performance.

We conclude with our recommendation that UnitedHealth Group immediately adopt a human-centered approach to AI claims processing. While the company has the legal right to employ automated tools, doing so without proper oversight endangers both patients and the business. UHG should enhance algorithm transparency, increase clinician involvement in claims decisions, and establish rollback mechanisms for harmful AI outputs. Though these measures may reduce short-term financial gains, they will strengthen the company’s long-term position by restoring public trust, minimizing legal exposure, and upholding the integrity of its mission. Ultimately, aligning AI practices with patient welfare is both an ethical imperative and a strategic advantage.