

Building an AI-Powered Case Diversion System for Lancaster County

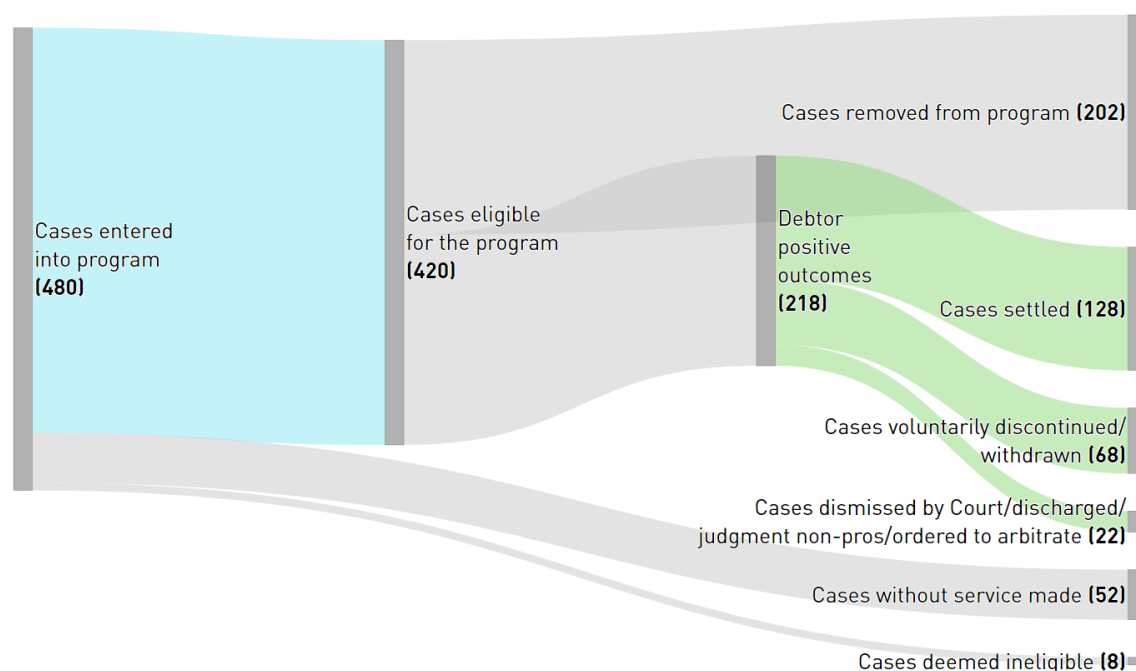
The [American Arbitration Association®](#) (AAA®) is an alternative dispute resolution (ADR) “administrator.” We don’t resolve disputes; rather, we administer fair, quick, and affordable alternatives to litigation that parties can use to resolve their disputes. As a mission-driven nonprofit that provides more options for parties to resolve disputes we support the public justice system and the rule of law. Courts can allocate their resources to the disputes that must be resolved by courts.

This case study shows how the AAA leveraged its experience—in ADR, software design, and generative AI—to streamline and support administration of a program in Lancaster County, Pennsylvania that moves hundreds of credit card debt cases off a local court docket each year, to a conciliation program that facilitates settlement between the parties. It also demonstrates the AAA’s commitment to partnering with organizations that share our focus on access to justice and court-connected ADR. [The National Center for State Courts](#) saw how technology could supercharge the already-promising civil diversion program in Lancaster County and, as a trusted partner of the courts, was in the perfect position to bring the AAA and the court system together for this project.

The result was a simple but powerful case management system that automates countless clicks, keystrokes, and page-turns for those who coordinate the program. The system also harnesses generative AI to review large volumes of documents automatically, helping court staff to swiftly determine whether filing requirements have been met. Although the impact was targeted, this project serves as a blueprint for addressing a more general need: enhancing access to justice by making court-connected ADR programs both easier to run and capable of handling higher volumes—and different kinds—of cases.

This court-connected ADR program was a victim of its own success.

A good number of civil cases in the Lancaster County Court of Common Pleas in Pennsylvania involve consumer debt, typically credit card debt. These are often straightforward cases that, when filed properly, should be conducive to settlement, freeing up scarce court resources. So, in 2022, the court set up a Diversion Program that stays proceedings and helps the parties resolve well-pled cases quickly and amicably. The chart below shows the Program's impact in terms of cases that would otherwise end up in court but no longer do:



2024 Credit Card Diversion Case Outcomes, Lancaster County Court of Common Pleas (Jan. 2024 – Aug. 2024).

As you can see, 480 consumer debt cases were filed between January and August, 2024. Of those, 420 cases were eligible for the diversion program. The parties were able to reach a settlement in 128 of those cases and, in an additional 68, plaintiffs voluntarily withdrew their claims. Only 202 were left unresolved, and those returned to the court docket for judicial determination. In other words, the diversion program reduced the number of cases on the normal court docket by over 50%.

But diverting hundreds of cases from the court docket doesn't reduce court staff time; someone at the courthouse still has to ensure that these cases are moving through the diversion program. This involves confirming the documents and evidence, scheduling and managing conciliation conferences, recording the outcome in each case, and following up with participants to ensure successful resolution. The Program Coordinator—one person with many other responsibilities—devised a workable but highly manual system that involved shuttling large PDF documents from folder to folder, maintaining various Excel spreadsheets, and completing the same fill-in-the-blanks paperwork again and again. This system could be improved.

Diversion programs enhance not only efficiency but also access to justice.

The headline benefit of court diversion programs is that they alleviate strain on busy court dockets by moving the most straightforward cases through a lighter-weight process.¹ This is one reason why the AAA-ICDR Institute™ is so interested in these programs. One of the Institute's focus areas is "court- and government-connected ADR." The "ADR" aspect of that is important. A fundamental principle of ADR is that the parties to a dispute must agree to take advantage of the "alternative" process, which can range from negotiation, conciliation, and mediation to more formal arbitration. The Lancaster County program, for instance, involves both negotiation and conciliation. Parties have the option to participate in the program and then have the option to agree to a settlement. They are not prevented from obtaining judicial resolution if that is their preference; it is their choice to take a different path. Often, parties in the diversion program settle before their conciliation session. Settlement through negotiation is a form of direct resolution that does not require involvement of a judge. If the parties are still far apart, they can attempt Court-supervised conciliation, to help them bridge the gap and, hopefully, avoid the cost and delay of litigation. Data also shows that, when parties agree among themselves to settle rather than having a judgment imposed on them by the court, the losing party is more likely to comply with its obligations.²

But programs like this one also grow access to justice—another AAA-ICDR Institute priority. Too many credit card debt cases result in a default judgment because the consumer does not participate, often because they are not aware of or do not know how to go about answering the claim. Default judgment leaves the consumer liable for the full amount claimed, without having the opportunity to confirm the amount sought is justified. Credit card companies benefit too: they are more likely to collect in cases resolved through diversion, even if it is for a negotiated amount less than the total debt. And they do not incur the expense of filing to enforce a judgment. Access to justice means cases that otherwise would not be resolved get resolved, and also that those cases benefit from safeguards to ensure a fair process, particularly important in the debt collection context given the common differing financial and other resources of the parties.

The AAA's existing technology and expertise offers a solution.

Each year, the AAA guides parties through hundreds of thousands of cases. That's a lot of detail for staff to keep track of and, of course, they rely on software to do their work: a "case management system" we built called PRISM. Among many other things, PRISM tracks document submissions, case calendars, and financial details. It also ensures that those participating in cases know what to expect at each stage of the process.

¹The Conference of Chief Justices and Conference of State Court Administrators define "civil diversion programs" as:

Programs that operate within or adjacent to the formal court process to provide litigants with the time, information, and resources to resolve disputes in a less harmful way. This may include eviction diversion, mortgage foreclosure mediation, consumer credit card diversion, or other types of programs; but excludes independent mediation programs, rental assistance programs, or other diversion programs that are not court-connected.

Guiding Principles for Civil Diversion Programs, 2; Conference of Chief Justices/Conference of State Court Administrators, *Resolution 2024-3*, 1 (2024).

²American Bar Association Division of Public Education, *How Courts Work* (Sept. 9, 2019) (noting that parties "have a higher commitment to upholding the settlement than people who have a judge decide for them."); State Bar of Michigan, *Letting litigants know that mediation really works!* (Feb. 2013) (citing 2001 Michigan Supreme Court State Court Administrative Office study of small claims cases that found 90% compliance with mediated agreements versus 53% compliance with judgments); New York State Division of Housing & Community Renewal, *Mediation / Dispute Resolution Services* (Feb. 14, 2012) ("[I]ndividuals are more likely to abide by their own decisions rather than decisions imposed on them by others.").

Because PRISM is a daily driver for the AAA's case staff, significant thought and effort goes into enhancing it and making it user-friendly. When even one mouse click can be removed from a repetitive activity, the AAA's Information Services Department, which includes its in-house software development team, will do their best to eliminate that extra step. Over hundreds of thousands of cases, these efficiencies can really add up.

Within the past year, the AAA has also begun integrating AI-driven features into PRISM and other facets of its case-management infrastructure. Of particular relevance to the Lancaster County project, the AAA has developed an AI workflow for the arbitrations it administers. The system extracts key information from the scheduling conferences arbitrators hold with parties at the outset of each case. Typically, the arbitrator issues a scheduling order that details what the parties agreed to at the conference. This can be a tedious, manual process. The new AI-powered process has been rolled out for certain categories of cases. If the parties opt in, they agree to hold their scheduling conference over a video platform, like Zoom or Teams, and have the conversation recorded and transcribed. Then, based on that transcription, an AI tool automatically generates a draft scheduling order and sends it to the arbitrator to review and finalize, saving them time and the parties money. In addition to improving efficiency and automating a rote task, the development process yielded learnings on best practices for prompting an AI model, training the system to extract the right information, and integrating AI into a more conventional case management system. That baseline knowledge accelerated the development process for the Lancaster County project.

The AAA visits Lancaster County to understand the Diversion Program Coordinator's pain points.

In late May of 2024, leaders from the Court Consulting and Access to Justice teams at the National Center for State Courts connected Lancaster County with the AAA to explore possible solutions for more efficient administration of the Diversion Program.

In August, a team of software developers and business analysts, and a representative from the AAA's legal team, went to Pennsylvania to learn more about how the Diversion Program Coordinator was managing cases.

This is a familiar process for the AAA team when building new software. Subject matter experts and users show what they want to accomplish, the technical team asks questions to get to the heart of the matter, and everyone iterates toward a solution: from mockups through user testing through a polished, final product.

The AAA team found that the Diversion Program Coordinator faced a number of hitches in her workflow that a proper case management system could help to smooth out:

- Diverting a case meant downloading and transferring details and documents from the main court docket into a parallel digital filing system, which was really just a series of folders containing documents and spreadsheets.
- For each case, someone had to manually review the file to confirm, based on numerous criteria, that it was eligible for the Diversion Program and that the required documents had been filed.
- Then someone had to generate a formal Case Management Order to send to the parties. There were templates for this, but the Program Coordinator had to create a new Order and enter the case caption and other basic information manually each time.



- Then someone had to go back to manually review the file again to confirm whether all missing documents required by the Case Management Order had been filed, and then generate new Orders depending on whether the case was ready to proceed to conference. Again, the Orders had to be assembled manually.
- In addition to various other details, a conciliation conference needs to be scheduled in each case, and then the outcomes of the conferences need to be tracked and yet another round of Orders generated.

The screenshot shows a web application interface for the Lancaster County - Credit Card Diversion Program. The main heading is "All Conciliation Hearing Dates". Below this is a table with two columns: "Hearing Date" and "Status". The table lists several dates from June 24, 2023, to December 19, 2024, all with a status of "Active". The interface includes a sidebar with navigation options like "Case Search", "Cases", "Conciliation Management", "Templates", "Manage Hearing Dates", "Users", and "Help". At the top right, there is an "Add Dates" button and a search bar. At the bottom right, it indicates "1 of 3 pages (25 items)".

Hearing Date	Status
Jun 24, 2023 01:30 PM	Active
May 20, 2023 01:30 PM	Active
Apr 30, 2023 01:30 PM	Active
Mar 25, 2023 01:30 PM	Active
Mar 15, 2023 01:30 PM	Active
Feb 25, 2023 01:30 PM	Active
Jan 26, 2023 01:30 PM	Active
Jan 27, 2023 01:30 PM	Active
Dec 28, 2024 01:30 PM	Active
Dec 19, 2024 01:30 PM	Active

The case management system helps court staff manage all aspects of the process, from case intake, to scheduling, and through each hearing date.

The AAA designs a simple case management system, applying its own best practices.

Using typical software design techniques like wireframing, prototyping, and user acceptance testing, the AAA's developers produced a browser-based system that simplified the Diversion Program Coordinator's workflow and made case data clearer and easier to track.

Here is how the system works:

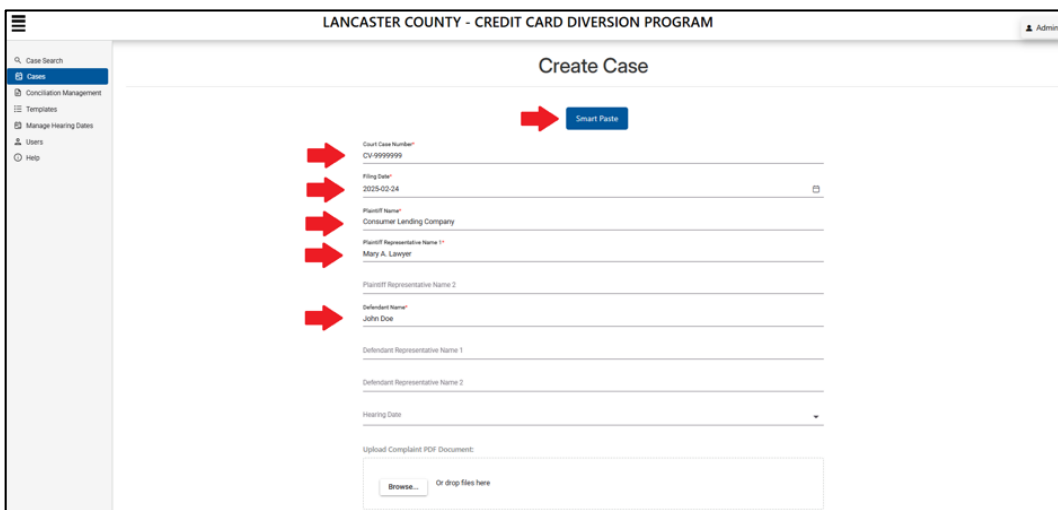
1. Court staff clicks a button to open a new case, and, using a simple, readymade AI tool that the AAA built into the system, is able to quickly copy and paste basic case information from the public-facing docket into the Program's new, standalone case management system, eliminating the need to enter the information manually, which also eliminates the potential for human error in data entry. Court staff also uploads the case documents, which no longer need to be stored in a folder on their desktop.
2. An AI tool screens the case documents, applying several tests to confirm that the case is eligible for the program. The case has to involve individual consumer debt (as opposed to business debt); notice must be provided to the consumer; the amount claimed must be stated, and proof of the debt provided; the majority of that amount must be principal as opposed to interest; the creditor must show they own and have the right to collect the debt; and the case must have been filed before the statute of limitations runs out.

Although court staff still review all party submissions manually to confirm eligibility, the AI now pinpoints key information and offers a second set of eyes. Drawing on our experience building AI tools to streamline our processes, our team was able to add this functionality to the Diversion Program tool without reinventing the wheel.

3. Assuming the case is eligible, court staff sets a date for a conciliation conference (many cases settle beforehand) and clicks another button to generate the Case Management Order with all the blanks, including the case caption and conciliation conference date, automatically filled in. If not all the requirements listed above have been met through the initial set of documents, the generated Case Management Order will instruct the filing party as to what more must be filed and by when.
4. When the filing party submits any additional documents, court staff can apply the AI verification feature again to confirm whether the requirements have been satisfied.
5. On the day set aside each month for conferences, court staff can access a separate screen that lists all cases scheduled for that day and makes it easy to keep track of each case's outcome.
6. All of these activities are captured in an audit trail that establishes what happened when and gathers data about how the program functions.

A look under the hood on the AI-driven features in the case management system.

A key benefit of the tool the AAA built for Lancaster County is the automation of tedious, repetitive tasks—specifically, data entry and review of case files. The electronic documents that contain the case information reside in the court's existing public-facing case system. For cases to be evaluated for diversion and tracked through the diversion process, that data is transferred to this new case management system. But party filings come in all shapes and sizes, and, before AI had matured, it would have been difficult to design a process to automate consistent, reliable retrieval and review of that information.



LANCASTER COUNTY - CREDIT CARD DIVERSION PROGRAM

Create Case

Smart Paste

Court Case Number*
CV-9999999

Filing Date*
2025-02-24

Plaintiff Name*
Consumer Lending Company

Plaintiff Representative Name**
Mary A. Lawyer

Plaintiff Representative Name 2

Defendant Name*
John Doe

Defendant Representative Name 1

Defendant Representative Name 2

Hearing Date

Upload Complaint PDF Document:

Browse... Or drag files here

The Smart Paste feature populates multiple data fields with only a few mouse clicks.

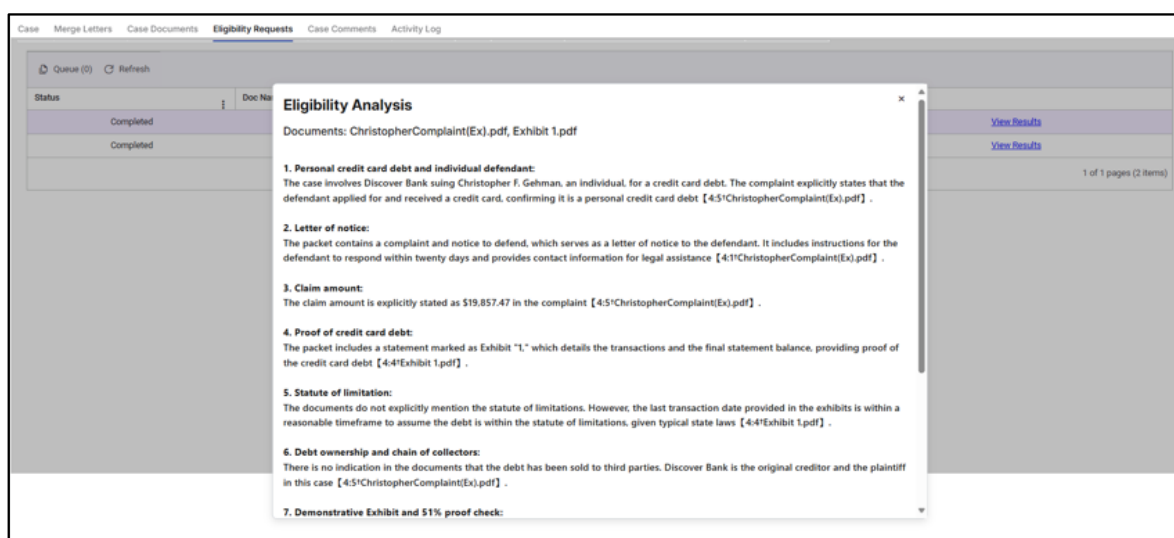
The first AI-powered feature the AAA built into the software leverages a “Smart Component” called “Smart Paste” that Microsoft makes available as a plug-and-play feature through its .NET development platform. This tool allows case staff to select the case caption from the relevant page in the public docketing system and then paste information about the parties and their attorneys in the correct fields on the new system’s case entry screen. In the background, the AI can intuit which party is which and insert their names, and the names of their lawyers, into the proper fields in the case information form. That information is then added to the database. The user now only has to perform one manual cut-and-paste operation rather than several and does not need to scrutinize the document to connect names to their roles in the case.

The second AI-driven feature required more development time and testing, but it is responsible for the greatest efficiency gains. Again, no two case files are alike and, typically, court staff needed to read through many pages to determine whether a given case met the seven criteria required to qualify for diversion. In fact, they might need to do that multiple times, whenever a party updates their filing to add missing information.

Generative AI is adept at processing such non-standardized input. AAA developers designed and refined the following prompt to accomplish this:

You are an expert Court Clerk or Court Judicial Assistant tasked with analyzing a debt collection case packet. Your objective is to determine whether the case should remain in the litigation (court) system or be transferred to a Credit Card Diversion Program for quicker resolution. This decision must be based on the facts and evidence presented in the case packet.

Carefully review the case packet and evaluate the following criteria. Provide a detailed analysis with clear reasoning and evidence cited directly from the case documents. Ensure all checks are thorough and aligned with the required legal standards.



The AI-driven Eligibility Analysis provides a determination and explanation for each factor, with citations to the relevant page in the case documents to facilitate human review and confirmation.

[The prompt then tells the AI what steps to take in analyzing each of the seven criteria for the program (what evidence to look for, when to cross-reference details across multiple documents, what calculations to make, etc.).]

[Finally, the prompt gives the AI a template for its analysis and explanation.]

The AAA team tested this prompting strategy to ensure that it was producing accurate results, and once the feature worked as expected, the team integrated it into the user interface. Court staff can now simply upload the case file and click a button. The AI then reviews the file and alerts the user when it has completed its analysis, which appears as a well-formatted summary in a popup window. If the filing is deficient, the court informs the filing party, and when the party submits additional information, court staff can run the case file through the AI again and get an updated analysis.

The AAA hands off the new case management system to Lancaster County.

Lancaster County has its own technology team, which will be deploying and maintaining the AAA-designed case management tool on its system. The AAA and Lancaster teams met periodically throughout the design process to discuss technical specifications to ensure the designed product would work within the court's technology architecture and to ensure a seamless handover. This partnership was an essential component of ensuring success.

The potential is there to enhance a great many court-connected ADR programs with technology—and without starting from scratch.

The AAA is a nonprofit with a mission and a track record of giving back to the ADR community and to those with disputes that may otherwise go unresolved. And our people and their expertise are some of the most valuable assets we have to offer. A cross-functional team of developers, business analysts, and legal staff solved a real-world problem for Lancaster County, and those efforts will continue to pay dividends. Of course, it was a rewarding experience for AAA participants who took away fresh insights on building with AI and integrating new software into an existing court-connected ADR program.

One crucial insight was how efficiently the team could build a fully functional case management system. The AAA staff involved all have full-time job responsibilities, and yet they were able to stand up a solution with what time they could find over the course of a few short months. This is an efficient, repeatable process that can make a difference, even for a narrow use case like this one.

The goal is now to roll out this case management system to other court systems.

This credit card diversion program case management system serves as a proof of concept for leveraging technology to improve court-connected ADR processes in other jurisdictions and in other areas of law where a similar need exists: landlord and tenant disputes, foreclosure actions, and no- and low-contest divorces, to name a few.

Of course, the technical know-how and infrastructure to deploy this system will vary by court system. We continue to work with the National Center for State Courts, which will help identify and encourage more courts to experiment with the tool.