



While certain Artificial Intelligence (AI) capabilities have long been around in the healthcare space, in recent years there has been a significant acceleration in the introduction and adoption of new AI technologies. This has led to increased congressional and regulatory consideration of how AI operates within the industry and how best to regulate its use. MGMA advocates for policies that bolster the development and utilization of effective and ethical AI tools to improve operational efficiencies for medical groups and support high-quality patient care.

AI is generally characterized as technology capable of simulating human thought and performing real-world tasks. Different organizations and government bodies use separate definitions that are context-specific but colloquially referred to as AI.

Predictive AI may use algorithms to analyze large amounts of data to make predictions, while generative AI is trained on large datasets to create new content. Machine learning technology can analyze large datasets for patterns and gain insights that are applied to decision making; natural language processing allows computers to understand and manipulate human language. All told, AI technology can take many forms.

### USE OF AI IN HEALTHCARE

AI technology is utilized by medical groups in numerous facets of healthcare. AI-enabled tools can do everything from helping revenue cycle management by improving medical coding to providing predictive analyses of performance areas and assisting in patient communications and marketing efforts. New technologies have the potential to augment clinical decision making, as well as streamline operations and lower administrative costs.

Unfortunately, while AI affords much opportunity for positive change, there have been noteworthy examples of the technology being used to determinantal effect. Medical group practices have raised concerns that certain AI tools may be used to aggravate administrative burdens such as mass, rapid denials of prior authorization requests, large language models providing “hallucinations” or inaccurate answers, and more. AI could offer significant benefits to medical groups, but it’s important to understand the risks and have safeguards in place ahead of more widespread adoption.

### RECENT ADMINISTRATIVE DEVELOPMENTS

The Biden Administration recently issued an [Executive Order](#) focusing on the use of AI in many different sectors of the economy, including healthcare. There is no unified national policy to oversee the development and deployment of AI; various agencies are tasked with regulating certain sections of AI in healthcare such as the Food and Drug Administration (FDA) overseeing medical devices utilizing AI. The Executive Order signaled a coordinated approach from the federal government regarding instituting AI safeguards and included numerous directives to federal agencies.

In response to the Executive Order, 28 healthcare systems and payers — such as Geisinger, Mass General Brigham, and Sanford Health — signed a [pledge](#) committing to align the industry around principles that AI should promote healthcare outcomes that are ‘Fair, Appropriate, Valid, Effective, and Safe (FAVES).’ At least 15 leading companies that develop AI technology have since offered similar commitments to the White House.

The Office of the National Coordinator for Health Information Technology finalized a rule meant to increase AI transparency near the end of 2023. Specifically, the final rule established transparency requirements for AI and certain predictive algorithms that are part of certified information technology (IT). The agency's approach was to ensure that users of certified health IT can access information about AI and predictive algorithms, and that the technology follows the FAVES principles. Other federal agencies have signaled their intent to issue federal regulations on AI in the near future.

## CONGRESSIONAL ATTENTION

In an effort to better understand the technology, Congress has held numerous forums on AI such as closed-door briefings and hearings in anticipation of potentially introducing legislation to regulate the industry. Prominent executives from AI companies have testified about the potential oversight, while healthcare leaders have addressed both chambers on the benefits and challenges associated with AI programs.

Senate Committee on Health, Education, Labor, and Pensions (HELP) Ranking Member Bill Cassidy issued a white paper on AI's use in healthcare and called for the public's feedback on the regulation and development of AI. The [white paper](#) reviewed policy areas that could require updated laws and rules, while at the same time examining the possibility of AI to help develop new medicines, reduce the workload of healthcare providers, and more. This offers an indication of where congressional leaders are heading in terms of legislation.

## ADVOCACY PRIORITIES

- ➔ **Medical groups should be able to easily understand the use and function of AI products;** whether they be a stand-alone product or integrated into other technology. Proper transparency and disclosures from AI developers are critical to ensuring AI tools work as advertised and enhance practice operations.
- ➔ **Policies should be aligned across agencies to avoid establishing competing and confusing standards.** Federal regulation of AI should adequately balance the promise of AI technological capabilities along with the potential risks.
- ➔ **The deployment of AI should avoid the unintentional exacerbation of current administrative hurdles.** Federal and private payers should not use AI to amplify burdens associated with prior authorization and intensify denials of critical patient care.
- ➔ **Payers must be transparent and provide ample disclosures** about their use of AI for utilization management, claims processing, and coverage limitations. AI automated systems utilized by payers must be ethically designed and evidence-based, and should not interfere with physician clinical decision making.
- ➔ **Patient privacy should remain a priority first.** Healthcare data used to develop and implement AI technology should be subject to sensible and robust security and privacy protections.
- ➔ **All attempts should be made to mitigate discrimination and bias** in the development and utilization of AI to ensure these systems do not perpetuate harmful healthcare inequities.
- ➔ **Medical groups, physicians, and other providers should be appropriately protected** from liability associated with AI as it pertains to the conditions of the technology developed outside of the practice.