ARTIFICIAL INTELLIGENCE

2025 ISSUE BRIEF

While certain Artificial Intelligence (AI) capabilities have long been around in the healthcare space, there has been a significant acceleration in the introduction and adoption of new AI technologies in recent years. 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.

BACKGROUND

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

Medical groups utilize AI technology in numerous facets of healthcare. AI-enabled tools can be used to reduce administrative burden for medical practices and improve patient care. They 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 many opportunities 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

Administrations have gone back and forth on issuing guidance on the use of AI in various sectors, including healthcare. Most recently, the Trump Administration rescinded an executive order from the Biden Administration that directed federal agencies to create strategies for developing and implementing AI.

The Assistant Secretary for Technology Policy (ASTP), previously known as the Office of the National Coordinator for Health Information Technology (ONC), finalized a rule 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.

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CONGRESSIONAL ATTENTION

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

- **Encourage proper transparency and disclosures from AI developers** to ensure medical groups can easily understand the use and function of AI products
- **Establish AI policies that adequately balance the promise of AI technological capabilities along with the potential risks** and ensure policies are aligned across agencies to avoid competing and confusing standards
- **Require payers to be transparent about their use of AI for utilization management, claims processing, and coverage limitation** and ensure any AI systems utilized by payers are evidence-based, do not exacerbate administrative burden for medical groups, and do not interfere with physician clinical decision making
- **Implement sensible and robust security and privacy protections** to prioritize patient privacy
- **Create standards to mitigate discrimination and bias in the development and utilization of AI** to ensure these systems do not perpetuate harmful healthcare inequities
- **Protect medical groups, physicians, and other providers** from liability associated with AI as it pertains to the conditions of the technology developed outside of the practice

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