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Testimony on AI in Healthcare

Wisconsin Legislative Council Study Committee
Healthcare Trust Institute (HTI)
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Guiding Principles

Every use of AI in healthcare should be built on trust.

HTI represents healthcare organizations across the U.S. committed to using AI responsibly — protecting patients while enabling the benefits AI can deliver.

Transparency — patients should know when they're interacting with AI.

Accountability — organizations answer for how AI is used.

Fairness — AI should benefit patients and populations equitably.

Privacy — individual rights and health data must be protected.

I. Improving Patient Care

AI is transforming care — and every deployment should build trust.

AI covers many different applications, each with its own purpose and its own level of risk — from clinical decision support to everyday administrative tasks.

- **Clinical Care** — sharper imaging, safer treatment plans, fewer medication errors.
- **Population Health** — helps identify patients who could benefit from proactive outreach.
- **Patient Administration** — faster scheduling, claims answers, and plain-language help.

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II. A Risk-Based Approach

Using AI, by itself, does not make an application high-risk.

What matters is what the system does, what's at stake, and whether human oversight is involved in the outcome.

- **Highest Safeguards for Highest Risk** — lower-risk uses, like R&D, should be encouraged, not burdened.
- **Humans Stay in Control of clinical decisions** — AI should inform the clinical decisions of health professionals, not replace them.
- **A Meaningful Distinction** — a system that flags information differs from one that decides on its own.

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III. Safeguards

A risk-based approach still involves safeguards – the higher the risk, the stronger the safeguards.

Responsible AI deployment should rest on a few core practices — grouped here into four key areas.

Privacy & Security — privacy-by-design, data minimization, strong cybersecurity controls.

Data Quality — training data must be reliable, representative, and complete.

Ongoing Monitoring — watch for bias, model drift, and hallucinations after deployment.

Governance & Transparency — clear oversight, plus upfront disclosure when patients interact with AI.

Harmonize, Then Adapt

New AI rules should reinforce existing oversight — not duplicate or conflict with it.

Legislation should rely on established, risk-based, flexible frameworks rather than rigid, technology-specific mandates that quickly become outdated.

- **Rely on National Frameworks** — such as the NIST AI Risk Management Framework and the NAIC model bulletin, already adopted by 25 states.
- **Avoid Rigid Mandates** — technology-specific rules raise compliance costs and get outdated fast.
- **Support Continuous Improvement** — let clinical AI tools keep improving based on real-world evidence.

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Key Points

State legislation should get six issues right — part 1 of 2.

Scope

Focus on high-risk AI — not the many everyday uses that have worked safely for years.

Meaningful Disclosure

Require upfront disclosure that a patient-facing tool is AI — not disclosure of proprietary algorithm details.

Impact Assessments

Compliance with recognized frameworks, like the NIST AI RMF, should satisfy this requirement.

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Key Points

State legislation should get six issues right — part 2 of 2.

Meaningful Enforcement

State attorneys general only, with a chance to cure violations — no private right of action.

Consent & Opt-Out

Patient-by-patient consent and/or opt-out for AI use is impractical and could leave every patient worse off.

Consistent Definitions

Shared definitions across states ease compliance and reduce conflicting requirements.

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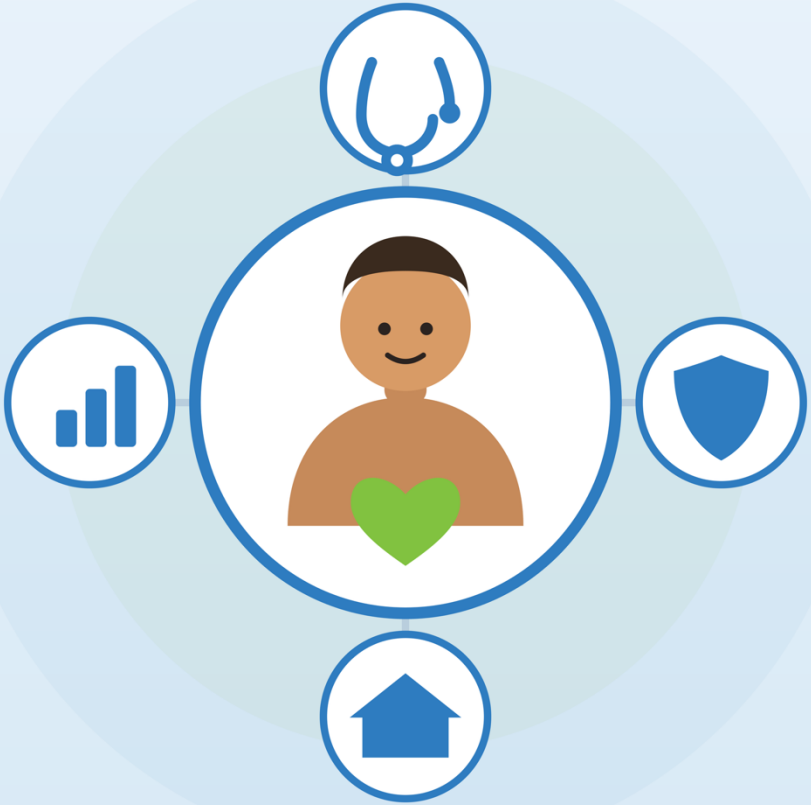
Conclusion

Putting patients at the center

The right framework is risk-based, proportionate, flexible, and coordinated — placing the strongest safeguards around the highest-risk applications while letting lower-risk uses keep improving care.

AI policy should keep AI trustworthy, transparent, and focused on augmenting clinicians — not on adding requirements that deprive patients of its benefits. Thank you for the opportunity to testify.



Appendix: Data Privacy

Health data privacy deserves special attention in the AI policy debate.

Health data privacy is regulated unevenly — by sector at the federal level and unevenly across states — creating gaps that any AI legislation must address directly.

- **Federal Patchwork** — HIPAA covers providers and their partners, but non-health companies handling health data are policed only after the fact, by the FTC.
- **A Growing State Patchwork** — without a comprehensive federal law, states are filling the gap with their own, often inconsistent, privacy laws — and data doesn't know borders.
- **One Standard as the Foundation** — AI legislation should rest on a single, harmonized privacy standard, not a fragmented patchwork that confuses patients and slows innovation.

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Thank You

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We welcome your questions and look forward to continued dialogue on these issues.

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