
Wisconsin Legislative Council

STAFF BRIEF



STUDY COMMITTEE ON THE USE OF ARTIFICIAL INTELLIGENCE IN HEALTH CARE

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The Wisconsin Legislative Council is a nonpartisan legislative service agency. Among other services provided to the Wisconsin Legislature, staff of the Wisconsin Legislative Council conduct study committees under the direction of the Joint Legislative Council.

Established in 1947, the Joint Legislative Council directs study committees to study and recommend legislation regarding major policy questions facing the state. Study committee members are selected by the Joint Legislative Council and include both legislators and citizen members who are knowledgeable about a study committee's topic.

This staff brief was prepared by the Wisconsin Legislative Council staff as an introduction for study committee members to the study committee's topic.

INTRODUCTION

Artificial intelligence (AI) is an emerging technology that is already being utilized in health care settings. Some applications of AI in health care include tools that assist providers with documenting, diagnosing, and predicting patients' health care needs, and tools that facilitate communication between providers, patients, and insurers.

In response to legislative interest in how AI is being used in health care settings, the Joint Legislative Council (JLC) created the Study Committee on the Use of Artificial Intelligence in Health Care and directed it to study current and emerging uses of AI technology in health care. The JLC specified that the study committee must consider all of the following: (1) the use of AI technology in the patient-provider relationship, including in clinical care and communication facilitation; (2) the use of AI in interactions between insurers or medical assistance programs and patients; and (3) the use of AI between insurers and medical assistance programs and providers, including in health care coverage decision making. After gathering this information, the JLC directs the study committee to consider recommending legislation that addresses standards for the use of AI in health care services and insurance.

To support committee members in accomplishing this charge, this staff brief provides information on the following topics:

- **Part I** provides a background overview of AI.
- **Part II** summarizes regulatory developments in Wisconsin.
- **Part III** provides an overview of federal and European Union actions related to AI.
- **Part IV** summarizes examples of legislation that regulates the use of AI in health care in other states.
- **Part V** highlights data on the adoption and uses of AI in health care.

PART I: OVERVIEW OF AI

WHAT IS AI?

While the concept of AI dates back to the 1950s, recent technological advances have led to an increased use of and interest in AI. The term “artificial intelligence” has been conceptualized in various ways throughout the history of AI, but generally refers to computerized systems that work and react in ways that are commonly thought to require intelligence, such as the ability to learn, solve problems, perform complex tasks, and achieve goals under varying conditions.¹

There is not yet consensus on how AI should be defined for purposes of regulation. The Organization for Economic Cooperation and Development (OECD) and its member countries (which includes the United States) have pursued a consensus definition of AI to act as the foundation for AI regulations. The European Union adopted a definition similar to the OECD definition, as have some states.² Currently, the OECD defines an AI system as follows:

[A] machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment.

[OECD, [AI Principles overview](#) (last visited June 1, 2026).]

As will be explained in more detail in **Part IV**, states that have enacted legislation regulating AI have taken different approaches. Examples of various definitions of “AI system” in state law include the following:

- Similar to the OECD, the states of Colorado, Connecticut, Illinois, Maine, and Texas define an AI system as any machine-based system that, for any explicit or implicit objective, infers from the inputs the system receives how to generate outputs, including content, decisions, predictions, or recommendations, that can influence physical or virtual environments. [Colo. Rev. Stat. s. [6-1-1701 \(2\)](#); [2026 Connecticut Public Act 26-15](#); [2025 Illinois Public Act 104-0054](#); [2026 Maine Public Law, ch. 687](#); Tex. Bus. & Com. Code Ann. s. [551.001 \(1\)](#).]
- California and Maryland define an AI system as an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments. [Cal. Gov’t Code s. [11546.45.5 \(a\) \(1\)](#) and Md. Code Ann., Ins. s. [15-10B-05.1 \(a\) \(2\)](#).]
- Georgia defines an AI system as an engineered or machine-based system that emulates the capability of a person to receive audio, visual, textual, or any other form of information and use such information to emulate a human cognitive process, including, but not limited to, learning, generalizing, reasoning, planning, predicting, acting, or communicating; provided, however, that AI systems may vary in the forms of information they can receive and in the human cognitive processes they can emulate. [Ga. Code Ann. s. [33-46-7.1 \(a\) \(2\)](#).]

¹ Laurie Harris, Cong. Rsch. Serv., R47644, [Artificial Intelligence: Overview, Recent Advances, and Considerations for the 118th Congress 1](#) (Aug. 4, 2023).

² The OECD is a member organization comprised of 38 member countries, including Australia, Canada, Mexico, the United Kingdom, the United States, and many countries in the European Union. OECD works with policymakers, stakeholders and citizens to establish evidence-based international standards and to find solutions to social, economic, and environmental challenges. [OECD, *About: Better policies for better lives* (last visited June 1, 2026), <https://www.oecd.org/en/about.html>.]

OTHER CONCEPTS RELATING TO AI

While a full discussion of how AI systems are created is beyond the scope of this staff brief, certain common concepts related to AI are discussed below.

Generative AI, sometimes referred to as “GenAI,” is one type of AI. Generative AI can generate new content, such as text, images, and videos, by learning patterns from pre-existing data. Generative AI can create new content based on different inputs, which are also referred to as “prompts.” Examples of generative AI include chatbots, which can generate text from prompts based on training data, and applications that can generate images from prompts.³

Large language models (LLMs) are a subset of generative AI and are used to build many AI applications. LLMs can recognize, predict, translate, summarize, and generate language. They must be trained on large amounts of data. Most of this data is obtained, or “scraped,” from publicly available web pages.⁴

Machine learning (ML) is considered a subset of generative AI. “Machine learning” has been defined as “the field of study that gives computers the ability to learn without being explicitly programmed.” It is used for applications such as chatbots; predictive text; medical imaging and diagnostics; and recommendation algorithms.⁵

There are three subcategories of machine learning: (1) supervised machine learning models, which are trained with labeled data sets that allow the models to learn and become increasingly accurate; (2) unsupervised machine learning models, which look for patterns and trends in unlabeled data; and (3) reinforcement machine learning models, which train machines through trial and error to take the best action by establishing a reward system.⁶

Machine learning is associated with several other concepts. These concepts include **natural language processing**, which is a field of machine learning where machines learn to recognize, understand, and respond to natural language; create new text; and translate between languages. Natural language processing enables technology like chatbots, and, in health care, may be used to organize and analyze clinical notes.⁷ A **neural network** is a type of machine learning network, modeled on the human brain, in which processing nodes are interconnected and organized into layers, where cells in each layer process input and produce an output that is sent to other neurons. A **deep learning network** is a neural network with many layers that can process extensive amounts of data by using different layers to accomplish different tasks.⁸ **Computer vision** uses machine learning and neural networks to obtain useful information from digital images, videos, and other visual inputs and to make recommendations or act when indicated.⁹

Rule-based expert systems are distinct from generative AI (which creates content) and instead provides a decision-making model. In this system, a human expert creates if-then rules for the relationships between facts to lead to a decision outcome. Health care examples include integration with an electronic health record (EHR) to support a health care provider in making clinical decisions in a patient’s diagnosis; prioritizing triage cases based on acuity and available

³ Laurie Harris, Cong. Rsch. Serv., IF12426, [Generative Artificial Intelligence: Overview, Issues, and Considerations for Congress 5](#) (Updated Apr. 2, 2025).

⁴ *Id.*

⁵ Sara Brown, *Machine learning, explained*, [MIT Management Sloan School](#) (Apr. 21, 2021), <https://mitsloan.mit.edu/ideas-made-to-matter/machine-learning-explained>.

⁶ *Id.*

⁷ April J. Anderson, et al., Cong. Rsch. Serv., R48319, [Artificial Intelligence \(AI\) in Health Care 4](#) (Dec. 30, 2024).

⁸ *Id.*

⁹ Rina Diane Caballar and Cole Stryker, *What is computer vision?* IBM (last visited July 8, 2024), <https://www.ibm.com/think/topics/computer-vision>.

resources; and optimizing staffing, bed assignments, and equipment usage. An AI decision-making model commonly combines predictive models, classification models, optimization models, and LLM-assisted reasoning.¹⁰

Physical robots and **robotic process automation** are additional models of AI that may be used in health care. For example, a robot may be used to enhance physician capabilities in surgery or to deliver supplies, while a robotic process automation may be used to perform set digital tasks, such as medical billing.¹¹

¹⁰ Anderson, et al., see footnote 7; *AI Decision-Making: How It Works, Examples, and Best Practices*, Teradata (last visited June 1, 2026), <https://www.teradata.com/insights/ai-and-machine-learning/ai-decision-making>.

¹¹ Anderson, et al., see footnote 7.

PART II: REGULATORY DEVELOPMENTS IN WISCONSIN

Wisconsin has taken a number of steps to review the use of AI and to consider regulatory options, and has general privacy requirements under current law, as described in this part.

PRIVACY LAWS

Federal law under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and the state law corollary, generally provide for the confidentiality of health care information. In particular, HIPAA specifies that a covered entity (a health care provider, a health plan, or a health care clearinghouse) or business associate may not use or disclose protected health information, except as permitted or required by federal HIPAA law and regulations. For example, a covered entity may use or disclose protected health information to carry out treatment, payment, or health care operations, but is required to adequately safeguard that information through security and privacy standards. [45 C.F.R. ss. [164.306](#) and [164.502](#).]

Additionally, state law recognizes a general right to privacy, which may have implications for the use of AI. Among the actions considered an invasion of privacy is the use, for advertising purposes or for purposes of trade, of the name, portrait, or picture of any living person, without having first obtained the person's consent. The law also prohibits the public disclosure of private facts in a manner that is highly offensive to a reasonable person. [s. [995.50](#), Stats.]

Wisconsin does not have a privacy law specific to data usage that addresses the collection, usage, and storage of sensitive personal data. Current law does, however, require an entity that possesses information relating to a person's physical or mental health, medical history, or medical treatment to take steps to shred, erase, or modify a record before disposal. Current law also requires an entity that possesses personal information to provide notice of the unauthorized acquisition (data breaches) of that information. [ss. [134.97](#) and [134.98](#), Stats.]

INSURANCE REGULATIONS

The Wisconsin Office of the Commissioner of Insurance (OCI) issued a [March 18, 2025, bulletin](#) advising insurers of the agency's expectations regarding the use of artificial intelligence systems in insurance. The bulletin states that insurers are expected to develop, implement, and maintain a written program for the responsible use of AI systems that, in particular, is designed to mitigate the risk of adverse consumer outcomes. The bulletin also encourages insurers to develop and use verification and testing methods to identify errors and bias in predictive models and AI systems, as well as the potential for unfair discrimination in the decisions and outcomes resulting from the use of predictive models and AI systems.

The bulletin reminds insurers that the decisions made as a result of the use of AI systems are subject to OCI's examination and all applicable existing legal standards governing the conduct of the insurer. The bulletin notes that the controls and processes adopted by an insurer should be reflective of and commensurate with the insurer's own assessment of the degree and nature of risk posed to consumers by the AI systems that it uses.

The bulletin provides a number of specific guidelines, including the following examples:

- A program for responsible use should address governance, risk management controls, and internal audit functions, whether the AI system is developed by the insurer or a third-party vendor.
- A program for responsible use should vest responsibility with senior management accountable to the insurer's board or an appropriate committee of the board, but the accountability structure should consider the formation of a centralized, federated, or

otherwise constituted committee of members from various disciplines and units within the insurer, and set forth the scope of responsibility and authority, chains of command, and decisional hierarchies.

- A governance framework should prioritize transparency, fairness, and accountability in the design and implementation of AI systems.
- A governance framework should consider the independence of decision makers and “lines of defense” at successive stages of an AI system life cycle.

GENERAL LEGISLATION AND REVIEWS RELATING TO AI

Enacted Legislation

In the 2023-24 legislative session, the Legislature enacted two laws related to AI that do not address health care. [2023 Wisconsin Act 123](#) created a requirement for certain political advertisements to disclose audio or video content substantially produced in whole or in part by means of generative AI. [2023 Wisconsin Act 224](#) created a new crime regarding possession of virtual child pornography.

2023 Assembly Speaker’s Task Force on Artificial Intelligence

In 2023, the Speaker of the Assembly established the Speaker’s Task Force on Artificial Intelligence to study the transformative potential of AI and make policy recommendations to ensure its responsible and ethical deployment. Specifically, the task force was asked to consider the use of AI tools by the public and private sectors, including automated decision tools, facial recognition, and generative AI.

The chair and vice-chair, on behalf of the task force, released a report describing the work of the task force and endorsing certain legislation, including the bills that became 2023 Acts 123 and 224, described above. The task force also recommended passage of 2023 Assembly Bills 466 and 1068, described below.¹²

2023 Governor’s Task Force on Workforce and Artificial Intelligence

In August 2023, Governor Tony Evers created the Governor’s Task Force on Workforce and Artificial Intelligence. He instructed the task force to gather and analyze information and produce an advisory action plan that included certain information, such as an identification of the current state of generative AI’s impact on Wisconsin’s labor market and solutions to potential impacts on Wisconsin’s key industries, occupations, and foundational skill sets.

[[Executive Order #211](#).]

For more information on the Governor’s Task Force on Workforce and Artificial Intelligence, see the Department of Workforce Development’s [“Governor’s Task Force on Workforce and Artificial Intelligence” web page](#) and the [Governor’s Task Force on Workforce and Artificial Intelligence Advisory Action Plan](#).

2024 Study Committee on the Regulation of Artificial Intelligence in Wisconsin

In 2024, the JLC created the Study Committee on the Regulation of Artificial Intelligence in Wisconsin. The JLC directed the committee to review current uses of AI and make recommendations for legislation regarding the use and development of AI, and specified that the

¹² The task force also recommended bill draft LRB-5745/1, relating to artificially generated representations depicting nudity and providing a penalty, which was not introduced.

committee may review the use of AI in disinformation and artificial imagery and the feasibility of establishing a process to ensure continued state monitoring of high-risk use of AI.

The study committee made seven recommendations for legislative action in its report to the JLC, including the following:

- Instead of regulating AI, focus on data.
- Avoid comprehensive legislation and prioritize high-risk areas.
- Ensure that existing laws apply to AI models.
- Ensure that existing programs include AI and work to address any rural-urban disparity.
- Consider a permanent body to review emerging technologies.
- Examine and invest in technology that will assist with public safety.
- Direct the executive branch to promulgate rules to establish clear, consistent guiding principles for state-level AI governance and to provide the Legislature with oversight regarding the state's procurement, development, and use of AI.

[Legislative Council, *Study Committee on the Use of Artificial Intelligence*, [CR-2025-05](#) (Feb. 18, 2025).]

Other Proposals That Do Not Address Health Care

Consumer Data Privacy

Companion bills [2023 Assembly Bill 466](#) and [2023 Senate Bill 642](#) relate to consumer data protection. The bills give consumers certain rights over their personal data and impose certain obligations on any controller and processor of personal data. The bills apply to a person that conducts business in Wisconsin or produces products or services that are targeted to residents of this state that meet either of the following metrics: (1) during a calendar year the business controls or processes the personal data of at least 100,000 consumers; or (2) the business controls or processes the personal data of at least 25,000 consumers and derives over 50 percent of its gross revenue from the sale of personal data. The provisions of the bills specifically do not apply to listed organizations; listed data, including certain data governed by federal law; and de-identified data.¹³ Neither bill was enacted.

Other Proposals

Companion bills [2023 Assembly Bill 608](#) and [Senate Bill 553](#) proposed to expand an existing prohibition on capturing or distributing a representation depicting an intimate representation of a person under circumstances in which the person had a reasonable expectation of privacy and did not consent to “synthetic intimate representations.” Neither bill was enacted.

¹³ The listed entities exempt from the bill include the following: government entities; financial institutions or their affiliates subject to Title V of the federal Gramm-Leach-Bliley Act; a covered entity or business associate governed by HIPAA or Health Information Technology for Economic and Clinical Health (HITECH); a nonprofit organization; an institution of higher education; an entity under contract under s. 153.05 (2r), Stats., and its contractors; and the data organized under contract under s. 135.05 (2r), Stats., and its contractors. Some of the data exempted from the bill's requirements include health care information or records governed by HIPAA, HITECH, the Cures Act, or other similar laws; health care information protected by state statute; information created for the purposes of the Health Care Quality Improvement Act; patient safety work product for the purposes of the Patient Safety and Quality Improvement Act; personal information on credit worthiness protected by the Fair Credit Reporting Act; personal data regulated by the Family Educational Rights and Privacy Act; and personal data regulated by the Farm Credit Act. The bill defines de-identified data as “data that cannot be reasonably linked to an identified or identifiable individual, or device linked to such a person.”

Companion bills [2023 Assembly Bill 1068](#) and [Senate Bill 1010](#), proposed the following: (1) requiring an audit of the use of AI tools by state agencies; (2) creating agency reporting requirements related to the use of AI tools; and (3) establishing goals for agencies to reduce their workforce needs through AI tools. Neither bill was enacted.

Companion bills [2023 Assembly Bill 1158](#) and [Senate Bill 1072](#) proposed prohibiting any person from hosting or using generative AI that simulates what a human user would reasonably expect to be a conversation with or instant message from a human being, unless the user is first provided a prominent and legible disclaimer that the generative AI on the person's digital platform, product, service, application, or web page is not a human being. Neither bill was enacted.

PART III: FEDERAL AND EUROPEAN UNION ACTIONS RELATED TO AI

While certain specific uses of AI may be regulated by federal law, no comprehensive federal law regarding the use of AI has been enacted. Instead, federal regulations primarily address AI research and development; the coordination of AI policies within the federal government; and the implications of AI for national security. In comparison, the European Union has broader AI legislation that classifies the uses of AI based on a tiered approach according to levels of risk.

FEDERAL LAWS

To date, Congress has not enacted comprehensive regulations regarding the use of AI. Congress has, however, enacted several bills that address AI, particularly related to the study of the use of AI and coordinating executive branch efforts related to AI.¹⁴

National Artificial Intelligence Initiative Act of 2020

The National Artificial Intelligence Initiative Act of 2020 requires the President of the United States to establish and implement a national AI initiative to ensure continued U.S. leadership in AI research and development; to ensure the United States continues to lead the world in the development and use of trustworthy AI systems; to prepare the workforce for the integration of AI systems across all sectors of the economy and society; and to coordinate ongoing AI research, development, and demonstration activities across various agencies.

This legislation defines AI as the following:

[A] machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual systems. Artificial intelligence systems use machine and human based inputs to—

- (A) perceive real and virtual environments;
- (B) abstract such perceptions into models through analysis in an automated manner; and
- (C) use model inference to formulate options for information or action.

[15 U.S.C. s. 9401 (3).]

Among other provisions, the act establishes a national AI initiative officer position in the federal Office of Science and Technology Policy. That officer is required to establish an interagency committee to coordinate federal programs and activities in support of the AI initiative. The legislation also establishes a National Artificial Intelligence Advisory Committee in the U.S.

¹⁴ Further federal legislation is under consideration. U.S. Senator Warner (D-VA) has introduced a package of bills regarding AI infrastructure; competition and safety; workers; and national security. [Press Release, U.S. Senator Mark R. Warner, [WARNER ROLLS OUT COMPREHENSIVE AI LEGISLATIVE AGENDA FOCUSED ON RESPONSIBLE INNOVATION, WORKERS, AND NATIONAL SECURITY](https://www.warner.senate.gov/record/2026/7/21/record-ai-legislation-agenda) (July 21, 2026).] News reports also state that U.S. Senators Cruz (R-TX) and Blackburn (R-TN) are working on drafts of not-yet-introduced legislation to preempt state AI laws and regulations. [CONGRESS PURSUES AI LEGISLATION ONCE AGAIN: WHAT EMPLOYERS SHOULD KNOW ABOUT COMPETING PROPOSALS ADVANCING THIS WEEK, Fisher & Phillips, LLP (July 23, 2026), <https://www.fisherphillips.com/en/insights/insights/congress-pursues-ai-legislation-what-employers-should-know-about-competing-proposals-advancing>.]

Department of Commerce to advise the President and the National Artificial Intelligence Initiative Office on certain topics related to AI, and includes several provisions related to AI research. [[P.L. 116-283](#), Div. E.]

AI in Government Act of 2020

The AI in Government Act of 2020 created an AI Center of Excellence within the federal General Services Administration and tasks that body with certain duties, such as facilitating the adoption of AI in the federal government and improving cohesion and competency in the adoption and use of AI within the federal government. It also requires the director of the federal Office of Management and Budget (OMB) to issue memoranda to the head of each federal agency that address certain topics, such as recommending approaches to remove barriers for the use of AI in order to promote the innovative application of AI while protecting civil liberties, civil rights, and economic and national security, and identifying best practices for identifying, assessing, and mitigating any discriminatory impact or bias of any protected class from the use of AI. [[P.L. 116-260](#), ss. 101 to 105.]

Advancing American AI Act of 2022

The Advancing American AI Act was passed in December 2022. Among other provisions, it does the following:

- Requires the secretary of the federal Department of Homeland Security to issue policies and procedures related to the acquisition and use of AI, as well as considerations for risks and impacts related to AI-enabled systems.
- Requires the director of OMB to establish a work group to ensure that contracts for the acquisition of AI systems or services align with certain guidance and address issues such as protection of privacy, civil rights, and civil liberties.
- Requires the head of each federal agency to prepare and maintain an inventory of AI use cases, share agency inventories with other agencies, and make those inventories available to the public to the extent practicable.

[[P.L. 117-263](#), subtitle B.]

PRESIDENTIAL EXECUTIVE ORDERS

In October 2023, President Biden released Executive Order 14110, *Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence*. Very generally, provisions in the executive order included the following: requiring developers of certain AI systems to share safety test results with the federal government; requiring the National Institute of Standards and Technology to establish standards related to the safety, security, and trustworthiness of AI systems; requiring the U.S. Department of Commerce to establish standards and best practices for detecting AI-generated content and authenticating official content; and issuing guidance for agencies to responsibly and effectively use AI. [[Exec. Order No. 14110](#), 88 Fed. Reg. 75191 (Nov. 1, 2023).]

This was partially rescinded in January 2025, by President Trump, in Executive Order 14148, *Initial Rescissions of Harmful Executive Orders and Actions*, and was replaced by a general AI action plan and a number of other orders. [[Exec. Order No. 14148](#), 90 Fed. Reg. 8237 (Jan. 20, 2025); Nora Wells, Cong. Rsch. Serv., IF13135, [Artificial Intelligence \(AI\) in Health Care: Recent Federal Activity](#) 3 (Dec. 17, 2025).]

In particular, in December 2025, President Trump released Executive Order 14365, *Ensuring a National Policy Framework for Artificial Intelligence*. The executive order states that it is the policy of the United States to sustain and enhance the United States’s global AI dominance through a minimally burdensome national policy framework for AI. The executive order also requires the establishment of an AI litigation task force to challenge onerous state laws inconsistent with that policy. [[Exec. Order No. 14365, 90 Fed. Reg. 58499 \(Dec. 11, 2025\)](#).]

In June 2026, President Trump issued an order relating to the security of critical infrastructure, including rural hospitals. The order also creates a benchmarking process for “covered frontier” AI models. [[Exec. Order No. 14409, 91 Fed. Reg. 34565 \(June 2, 2026\)](#).]

FEDERAL REGULATIONS

U.S. Food and Drug Administration

The U.S. Food and Drug Administration (FDA) regulates AI-enabled software systems that are used for medical care. If the software performs a medical function independently of the hardware on which it operates, the FDA regulates the system as “software as a medical device” or “SaMD.” If the software is embedded or controls the device and is dependent on the device to perform its intended purpose, the FDA regulates the system as “software in a medical device” or “SiMD.”

The FDA requires all such devices to be approved before a device may be marketed. The approval process varies for low- to moderate-risk devices with no predicates (FDA-approved existing devices of the same type), which require “De Novo classification” review; moderate- to high-risk devices with predicates that require premarket clearance or “510(k)” review; and high-risk medical devices that require more stringent premarket approval.

FDA guidance on AI-enabled devices began in January 2021 with its [Artificial Intelligence/Machine Learning\(AI/ML\)-Based Software as a Medical Device \(SaMD\) Action Plan](#), also referred to as the *AI/ML SaMD Action Plan*, followed by a number of additional guidance documents. [FDA, [Artificial Intelligence in Software as a Medical Device](#) (Mar. 25, 2025); Kev Coleman, [Healthcare AI Regulation: Guidelines for Maintaining Public Safety and Innovation](#), Paragon Health Institute (Dec. 2024).]

U.S. Federal Trade Commission

The U.S. Federal Trade Commission (FTC) does not currently regulate AI, but has issued a draft policy statement entitled *Policy Statement Concerning the Suppression of Accuracy in Artificial Intelligence Systems*. The draft policy statement relies on its authority to protect consumers from unfair methods of competition and unfair or deceptive acts or practices in or affecting commerce. [[15 U.S.C. s. 45 \(a\) \(1\)](#).] The draft policy statement addresses perceived actions by AI companies to steer the outputs of AI systems towards unexpected objectives, away from a consumer’s objective, in a manner that is likely to deceive consumers in violation of the Federal Trade Commission Act. The draft policy statement closes for comments July 31, 2026. [[91 Fed. Reg. 41638](#) (July 7, 2026).]

U.S. Department of Health and Human Services

The U.S. Department of Health and Human Services (HHS) has published an [Artificial Intelligence \(AI\) Strategy](#), with the goal of creating a template for the utilization of AI in health care. The strategy describes a “framework to establish robust HHS-wide AI infrastructure, accelerate AI innovation, and promote and ensure AI security throughout the health care and

human services sector while respecting the privacy of Americans' identifiable information and complying with applicable law on the privacy and security of such information." The strategy outlines five pillars for the agency's efforts, including strengthening governance and risk management, and designing infrastructure and platforms within HHS, among other efforts. [HHS, *Artificial Intelligence (AI) Strategy* (Sept. 30, 2025).]

EUROPEAN UNION

The European Union recently adopted the Artificial Intelligence Act, which utilizes a risk-based approach to AI regulation. It classifies AI systems in four categories based on the level of risk presented, from minimal risk to unacceptable risk, with requirements dependent on the AI system's classification. For example, high-risk AI systems must satisfy certain requirements, such as establishing a risk management system that identifies and analyzes potential risks to health, safety, or fundamental rights; estimates and evaluates those risks; and adopts measures to manage those risks.

The Artificial Intelligence Act defines an AI system in a manner similar to the OECD. Specifically, the Artificial Intelligence Act defines an AI system as a machine-based system designed to operate with varying levels of autonomy, that may exhibit adaptiveness after deployment and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. [[Commission Regulation 2024/1689](#), arts. 3, s. (1), and 8 to 17, O.J.(EU); European Commission, [AI Act](#) (last visited July 28, 2026).]

PART IV: LEGISLATION THAT REGULATES THE USE OF AI IN HEALTH CARE IN OTHER STATES

State laws regulating AI in health care fall into three categories: (1) laws regulating AI used in the provision of health care generally; (2) laws regulating AI used specifically in the provision of mental health care, including laws regulating AI companion chatbots; and (3) laws regulating the use of AI by health insurance providers.¹⁵

This part provides recent examples of state regulations relating to the use of AI in health care, which may provide some comparisons for the study committee's considerations.

PROVISION OF CARE

Disclosure of AI Use by Practitioners

Colorado, Louisiana, and Texas all require health care providers to disclose when they are using AI.

Colorado law requires a health care provider to provide patients with a general notice of the provider's use of "advanced technologies," including any automated decision-making technology.¹⁶ [[2026 Colorado Senate Bill 26-189](#).]

Under **Louisiana's** legislation, if a health care provider wishes to record any part of an appointment or treatment for the purpose of the appointment, or treatment being transcribed by AI, the provider must first verbally disclose to the patient the use of the recording device, software, or service. Patient consent to the recording is not explicitly required. [[2026 Louisiana House Bill No. 475](#).]

In **Texas**, if a health care provider uses AI in relation to a health care service or treatment, the provider must disclose that use to the patient before or at the time of the use of AI, except in case of emergency. [Tex. Bus. & Com. Code Ann. s. [552.051 \(f\)](#).] Under Texas law, a health care provider must also disclose to patients if the provider uses AI for diagnostic purposes, including for recommendations on a diagnosis or course of treatment based on the patient's medical record. [Tex. Health & Safety Code Ann. s. [183.005](#).]

¹⁵ This overview of state regulations is based primarily on information compiled by the National Conference of State Legislatures (NCSL), relating to state regulation of AI in health care. [NCSL, [Artificial Intelligence Legislation Database](#) (July 1, 2026).] It is meant to provide a general survey of recent state regulations related to AI in health care, but is not exhaustive.

¹⁶ Colorado law does not define "advanced technologies." However, under Colorado law, "automated decision-making technology" means a technology that processes personal data and uses computation to generate output, including predictions, recommendations, classifications, rankings, scores, or other information that is used to make, guide, or assist a decision, judgment, or determination concerning an individual. The term does not include any of the following technologies: (a) anti-malware; (b) anti-virus; (c) calculators; (d) databases; (e) data storage; (f) firewalls; (g) internet domain registration; (h) internet website loading; (i) networking; (j) spam- and robocall-filtering; (k) spell-checking; (l) spreadsheets that require human analysis and do not use machine learning, foundation models, or large language models; (m) web caching; or (n) web hosting. Furthermore, the term does not include a tool used by an individual solely to summarize, organize, translate, draft, route, or present information for human review of administrative processing, or technology that communicates with consumers in natural language or by other means readily understood by an average consumer for the purpose of providing the consumer with information, making referrals or recommendations, answering questions, or generating other content, if: (a) the technology is not contracted, advertised, marketed, configured, or intended by a person to be used in a consequential decision; and (b) the technology is subject to an acceptable use policy that prohibits generated content to be used in a consequential decision. [Colo. Rev. Stat. s. 6-1-1701 (2).]

AI Use of Titles and Credentials

California, Delaware, and Oregon place various limitations on an AI system utilizing certain credentials or claiming to be a licensed health care provider.¹⁷

California law prohibits an AI system or similar technology from indicating or implying that the care, advice, reports, or assessments it offers are being provided by a licensed, human health care provider. [Cal. Bus. & Prof. Code [ch. 15.5](#).]

Under **Delaware** law, a nonhuman entity cannot be licensed as a nurse and cannot use any of the following titles: advanced practice registered nurse (APRN), certified registered nurse anesthetist (CRNA), clinical nurse specialist (CNS), certified nurse practitioner (CNP), certified nurse midwife (CNM), nurse, registered nurse (RN), licensed practical nurse (LPN), or doctor. [Del. Code Ann. [tit. 24, s. 1920](#).]

Oregon law similarly prohibits a nonhuman entity from using any of the following titles: APRN, CRNA, CNS, LPN, RN, nurse practitioner (NP), certified medication aide (CMA), or certified nursing assistant (CNA). [Or. Rev. Stat. s. [678.027](#).]

MENTAL HEALTH

Recently, many states have enacted legislation specifically regulating the use of AI in the provision of mental health care. These laws tend to only permit a mental health provider to use AI for administrative or supplementary support and prohibit the use of AI for treatment or clinical decision making. Various states have also enacted legislation regulating companion chatbots; these laws tend to require suicide prevention protocols and additional safeguards for companion chatbots used by minors.

Use of AI in the Provision of Mental Health Care

Colorado allows mental health providers to utilize AI to assist in providing administrative support or supplementary support if the provider maintains responsibility for reviewing any of the AI's outputs. "Administrative support" means tasks that do not involve therapeutic communication and that are performed to assist a provider in providing psychotherapy services, including the following: managing appointment scheduling and reminders, processing billing and insurance claims, and drafting general communications related to therapy logistics that do not include therapeutic advice. "Supplementary support" means tasks performed to assist a mental health provider in providing psychotherapy services that do not involve therapeutic communication and that are not considered administrative support, including all of the following:

- Preparing and maintaining client records, including therapy notes.
- Analyzing data to track client progress or identify trends, subject to review by a mental health provider.
- Identifying and organizing internal and external resources or referrals for client use.
- Collecting mental health or wellness information, including symptom frequency tracking; mood rating scales; intake questionnaires and responses; medication adherence logging; sleep and activity tracking; and use of similar, structured data collection tools.

¹⁷ A Florida man has filed a lawsuit against OpenAI, accusing its ChatGPT Health service of negligence and the unauthorized practice of medicine when it provided inaccurate medical guidance. [Molly Gamble, [Man sues OpenAI for unlicensed practice of medicine](#), Becker's Hospital Review, July 22, 2026.]

Colorado law prohibits a mental health provider from allowing an AI system to interact with clients in any form of therapeutic communication without synchronous, real-time interaction between the provider, the AI system, and the client. Additionally, a mental health provider is prohibited from allowing an AI system to generate therapeutic recommendations or treatment plans without the provider's review and approval.

Finally, in Colorado, a mental health provider may use an AI system to record or transcribe a client's therapeutic session only if the client has received advanced written notice that the provider will be using AI, including notice of the specific purpose for which the AI will be used, and the client consents in writing to the use. [[2026 Colorado House Bill 26-1195](#).]

Illinois and **Maine** similarly allow mental health providers to utilize AI to assist in providing administrative support or supplementary support if the provider maintains responsibility for reviewing any of the AI's interactions, outputs, and data. Illinois and Maine's definitions of "administrative support" and "supplementary support" are identical to Colorado's except that their definitions of "supplementary support" do not explicitly include collecting mental health or wellness information, including symptom frequency tracking; mood rating scales; intake questionnaires and responses; medication adherence logging; sleep and activity tracking; and use of similar, structured data collection tools. In Illinois and Maine, a provider may only use AI to assist in providing supplementary support in therapy, where the client's therapeutic session is recorded or transcribed, if the client is informed in writing that the provider will be using AI, including the specific purpose of the tool or system that will be used, and the client consents in writing to the use of AI during the session.

Both laws prohibit a mental health provider from allowing AI to do any of the following: (1) make independent therapeutic decisions; (2) directly interact with clients in any form of therapeutic communication; or (3) generate therapeutic recommendations or treatment plans without review and approval by the provider. Illinois law also prohibits a mental health provider from allowing AI to detect emotions or mental states. [[2025 Illinois House Bill 1806](#); [2025 Maine House Bill 1397](#).]

Finally, under Illinois law, no person or entity is allowed to provide, advertise or otherwise offer therapy services to the public, including through the use of internet-based AI, unless the therapy services are conducted by a licensed mental health provider. [[2025 Illinois House Bill 1806](#).]

Nevada prohibits a mental health provider from using AI to provide mental and behavioral health care directly to a patient. However, Nevada law allows a mental health provider to use AI to perform administrative support for the provider, including all of the following: scheduling appointments; managing records; billing patients and managing records relating to billing; analyzing data for operational purposes; and organizing, tracking and managing files or notes relating to an individual session with a patient. A provider must independently review the accuracy of any report, data, or other information compiled, summarized, analyzed or generated by an AI system. [Nev. Rev. Stat. Ann. s. [629.610](#).]

Tennessee prohibits any person who develops or deploys an AI system from advertising or representing to the public that the system is a mental health provider or is able to act as a mental health provider. [Tenn. Code Ann. s. [33-1-205](#).]

Regulation of Companion Chatbots

Many states have passed legislation to regulate companion chatbots (sometimes alternatively referred to as conversational AI services, AI companions, and mental health chatbots). These states' frameworks for regulating companion chatbots share many common features.

First, most states that have passed companion chatbot legislation require the chatbot to disclose to all users that the chatbot is AI and is not human. [Cal. Bus. & Prof. Code s. [22602 \(a\)](#); [2026 Colorado House Bill 26-1263](#); [2026 Connecticut Substitute Senate Bill 5](#); Ga. Code Ann. s. [39-5-6 \(b\) \(1\)](#); Idaho Code Ann. s. [48-2203 \(1\)](#); Neb. Rev. Stat. s. [86-1804](#); [2026 Oregon Senate Bill 1546](#); Utah Code Ann. s. [13-72a-203](#); Wash. Rev. Code s. [19.440.030](#).] Connecticut also expressly prohibits a chatbot from claiming that it is human. [[2026 Connecticut Substitute Senate Bill 5](#).]

Additionally, most of the states that have regulated companion chatbots require each companion chatbot platform to have a suicide and self-harm prevention protocol that prevents the chatbot from producing suicidal ideation, suicide, or self-harm content to users. As part of this protocol, most states require a chatbot to refer a user to crisis service providers (i.e., suicide hotlines) if the user expresses suicidal ideation or a desire to self-harm. [Cal. Bus. & Prof. Code s. [22602 \(b\) \(2025\)](#); [2026 Colorado House Bill 26-1263](#); [2026 Connecticut Substitute Senate Bill 5](#); ; Ga. Code Ann. s. [39-5-6 \(f\)](#) ; Idaho Code Ann. s. [48-2203 \(2\)](#); [2025 Iowa Senate File 2417](#); Neb. Rev. Stat. s. [86-1805](#); [2026 Or. Laws, ch. 85](#); Wash. Rev. Code s. [19.440.050](#).]

Next, most states' companion chatbot legislation contains additional requirements when the chatbot is interacting with users who are minors. For example, when a companion chatbot is interacting with a user who is a minor, several states require the chatbot to remind the user at least every three hours that the chatbot is not a human and suggest that the user take a break. [Cal. Bus. & Prof. Code s. [22602 \(c\) \(2\)](#); Idaho Code Ann. s. [2204 \(1\) \(b\)](#); [2025 Iowa Senate File 2417](#); Neb. Rev. Stat. s. [86-1803 \(1\)](#); [2026 Or. Laws, ch. 85](#); Wash. Rev. Code s. [19.440.040 \(2\)](#) (requires this reminder and suggestion every hour).] Also, some states require companion chatbot platforms to have programmed parental control tools. [[2026 Connecticut Public Act 26-15](#); Ga. Code Ann. s. [39-5-6 \(i\)](#); Idaho Code Ann. s. [48-2204 \(5\)](#); [2025 Iowa Senate File 2417](#); Neb. Rev. Stat. s. [86-1803 \(5\)](#).]

Additionally, numerous states prohibit companion chatbots from acting in the following ways with users who are minors:

- Engaging in sexual, romantic, or emotionally dependent interactions or conduct. [Cal. Bus. & Prof. Code s. [22602 \(c\) \(3\)](#); Ga. Code Ann. s. [39-5-6 \(d\)](#); Idaho Code Ann. s. [48-2204 \(3\) and \(4\)](#); [2025 Iowa Senate File 2417](#); Neb. Rev. Stat. s. [86-1803 \(3\) and \(4\)](#); [2026 Or. Laws, ch. 85](#); Wash. Rev. Code s. [19.440.040 \(1\) \(b\) and \(c\)](#).]
- Encouraging the user to engage in self-harm, suicidal ideation, physical violence, disordered eating, or the unlawful consumption of alcohol or drugs. [[2026 Connecticut Public Act 26-15](#); Ga. Code Ann. s. [39-5-6 \(d\) \(9\)](#) (self-harm only).]
- Manipulating the user into extending their interaction with the chatbot. [[2026 Connecticut Public Act 26-15](#); Ga. Code Ann. s. [39-5-6 \(d\) \(8\)](#); [2026 Or. Laws, ch. 85](#); Wash. Rev. Code s. [19.440.040 \(1\) \(c\)](#).]
- Encouraging the user to keep secrets from a parent, guardian, teacher, counselor, or other trusted adult. [Ga. Code Ann. s. [39-5-6 \(d\) \(6\)](#); Wash. Rev. Code s. [19.440.040 \(1\) \(c\) \(vi\)](#).]
- Encouraging social isolation or exclusive reliance on the chatbot for emotional support. [Ga. Code Ann. s. [39-5-6 \(d\) \(7\)](#); Wash. Rev. Code s. [19.440.040 \(1\) \(c\) \(v\)](#).]

- Discouraging breaks or suggesting frequent return is necessary. [Ga. Code Ann. s. [39-5-6 \(e\) \(3\)](#); Wash. Rev. Code s. [19.440.040 \(1\) \(c\) \(vii\)](#).]
- Soliciting gifts, premium purchases, or expenditures framed as necessary to maintain the relationship. [Ga. Code Ann. s. [39-5-6 \(e\) \(4\)](#); Wash. Rev. Code s. [19.440.040 \(1\) \(c\) \(viii\)](#).]
- Providing variable or unpredictable rewards intended to increase engagement. [Ga. Code Ann. s. [39-5-6 \(e\) \(5\)](#); [2025 Iowa Senate File 2417](#); Neb. Rev. Stat. s. [86-1803 \(2\)](#); [2026 Or. Laws, ch. 85](#).]
- Claiming that the chatbot is human or sentient. [Ga. Code Ann. s. [39-5-6 \(c\)](#); Idaho Code Ann. s. [2204 \(4\) \(a\)](#); [2025 Iowa Senate File 2417](#); Neb. Rev. Stat. s. [86-1803 \(4\) \(a\)](#).]

Finally, several states' companion chatbot legislation expressly prohibits a chatbot from providing mental health care or representing that it is authorized to provide mental health services. [[2026 Colorado House Bill 26-1263](#); Ga. Code Ann. s. [39-5-6 \(h\)](#); Idaho Code Ann. s. [48-2203 \(3\)](#); [2025 Iowa Senate File 2417](#); Neb. Rev. Stat. s. [86-1806](#).]

INSURANCE

Utilization Review Safeguards

Alabama, Colorado, Maryland,¹⁸ and **Washington**¹⁹ all require a health insurer that uses AI for utilization review to base determinations on information specific to each insurance plan enrollee. In each of these states, a health insurer must ensure that its use of AI complies with all of the following:

- The AI does not rely on a group dataset to make determinations.
- The AI is fairly and equitably applied.
- The AI does not unlawfully discriminate against an individual.
- The insurer periodically reviews its use of AI and the AI's outcomes for accuracy and reliability.
- Patient data is used in compliance with HIPAA.

[Ala. Code s. [27-1-17.2](#); [2026 Colorado House Bill 26-1139](#); Md. Code Ann., Ins. s. [15-10A-06](#), and Wash. Rev. Code ss. [41.05.845](#) and [48.43.830](#).]

Under **Alabama** law, if a health insurer uses AI to make determinations of medical necessity on requests for prior authorization, such determinations must be based on information specific to the insurance plan enrollee. The health insurer must disclose its use of AI and ensure the privacy of patient data. The insurer must also ensure that its use of AI and the outcomes the AI generates are periodically reviewed for accuracy and reliability. Finally, the health insurer must

¹⁸ Maryland also requires that an AI system is open to inspection for audit or compliance reviews by the Maryland Commissioner of Insurance. Additionally, any criteria or guidelines for using an AI system must comply with state law. Maryland law also prohibits an AI system from denying, delaying, or modifying health care services. Finally, under Maryland law, a health insurer must ensure that an AI system does not directly or indirectly cause harm to an enrollee.

¹⁹ Washington also requires that the AI's criteria and guidelines comply with state law and that an insurer's policies and procedures for using AI are open to audit by the Washington Office of the Insurance Commissioner.

annually certify to Alabama’s Department of Insurance that its use of AI complies with all of the following:

- The AI does not rely on a group dataset to make determinations.
- The AI is fairly and equitably applied, including in accordance with any applicable regulations and guidance issued by HHS.
- The AI does not discriminate, directly or indirectly, against any subscriber group or enrollee in violation of state or federal law.

Human-in-the-Loop Requirements

Many states require certain health insurance-related decisions to be made by a qualified human being, even if that person is aided by AI. In other words, many states require a human-in-the-loop on certain insurance decisions.

Arizona law does not directly address the use of AI by health insurers. Rather, under Arizona law, before a health insurer may deny a prior authorization or a claim on the basis of medical necessity, the medical director must individually review the denial. The medical director must exercise independent medical judgment and may not rely solely on recommendations from any other source. [Ariz. Rev. Stat. Ann. ss. [20-3103](#) and [20-3407](#).]

Under **Colorado** law, an insurer is prohibited from denying coverage based in whole or in part on medical necessity solely on the output of an AI system without human review and approval of the denial. The human review must be completed by a competent licensed health care provider. [[2026 Colorado House Bill 26-1139](#).]

Similarly, **Georgia** law allows the use of AI in utilization review, but prohibits an insurer from issuing an adverse determination to a patient until a qualified natural person conducts a utilization review in which a clinical peer participates. [[2025 Georgia Senate Bill 444](#).]

Indiana prohibits an insurer from using an automated process, system, or tool, including AI, as the sole basis to “downcode” a claim based on medical necessity without an employee or contractor of the insurer reviewing the covered individual’s medical record. “Downcode” means the unilateral alteration by an insurer of either of the following: (1) payment for an evaluation and management service code or other service code; or (2) level of evaluation and management service code or other service code submitted on a claim that results in a lower payment. Additionally, a health care provider is prohibited from using an automated process, system, or tool, including AI, to submit a health benefits claim without the review of a provider or other person involved in the development of the claim. [Ind. Code Ann. s. [27-1-52-9](#).]

Indiana also requires that an insurer ensure that all adverse determinations based on medical necessity are made by a clinical peer. Appeals must also be reviewed and decided by a clinical peer. [Ind. Code Ann. s. [27-1-37.5-20](#).]

Maryland law provides that an AI system cannot replace the role of a health care provider in the determination process for all adverse decisions regarding coverage of a health care service. [Md. Code Ann., Ins. s. [15-10B-05.1. \(c\) \(4\)](#).]

Nebraska requires that any adverse determination for prior authorization be made by a physician or clinical peer of the requesting health care provider. All appeals of adverse determinations for preauthorization must be reviewed by a physician. An AI-based algorithm is prohibited from being the sole basis of an insurer’s decision to deny, delay, or modify health care services based, in whole or in part, on medical necessity. [Neb. Rev. Stat. Ann. ss. [44-5435](#), [44-5436](#), and [44-5443](#).]

Texas prohibits a utilization review agent from using an automated decision system, including an algorithm incorporating an AI system, to make an adverse determination. [Tex. Ins. Code Ann. s. [4201.156](#).]

Finally, **Utah** requires an insurer to ensure that an adverse preauthorization determination regarding clinical or medical necessity is made by an individual who meets all of the following criteria:

- Is knowledgeable about the medical condition or disease of the enrollee for whom the authorization is requested or consults with a specialist, who is knowledgeable about the medical condition or disease of the enrollee, regarding the enrollee's authorization request before making the determination.
- Exercises independent medical judgement.
- Does not rely solely on recommendations from any other source.

[Utah Code Ann. s. [31A-22-650](#).]

Disclosure of AI Use by Insurers

Alabama requires health insurers to disclose if they use AI in utilization review. [Ala. Code s. [27-1-17.2](#).]

Colorado requires a health insurer to make a written disclosure to the Colorado Division of Insurance, Department of Human Services, or Department of Health Care Policy and Financing. The disclosure must include all of the following information:

- The utilization review functions for which the insurer will use an AI system.
- The points in the utilization review process when an AI system is used.
- The human oversight process, including the qualifications of a reviewer and whether a human must approve an adverse determination.
- The process for maintaining audit information sufficient to comply with state law.

[[2026 Colorado House Bill 26-1139](#).]

Indiana requires a health insurer to disclose when AI is used to either make an adverse determination on a prior authorization request or downcode a claim. [Ind. Code Ann. s. [27-1-52-9](#).]

Maryland requires health insurers to submit a quarterly report to the Maryland Commissioner of Insurance. A health insurer must include in this report the number of adverse decisions issued by the insurer, whether the adverse decision involved a prior authorization or step therapy protocol, the type of service at issue in the adverse decisions, and whether an AI, algorithm, or other software tool was used in making the adverse decision. [Md. Code Ann., Ins. s. [15-10A-06](#).]

Nebraska and **Utah** require a health insurer to disclose if AI-based algorithms are used or will be used in the utilization review process to all of the following parties or places: the state, each in-network provider, each enrollee, and on the health insurer's website. [Neb. Rev. Stat. Ann. s. [44-5443](#) and Utah Code Ann. s. [31A-22-650](#).]

Similar to Maryland, **Washington** requires health insurers to submit an annual report to the Washington Commissioner of Insurance that includes the percentage of denials that were aided by AI. [Wash. Rev. Code s. [48.43.0161](#).]

PART V: DATA HIGHLIGHTS

This part briefly highlights the rates of AI adoption by health care providers, hospitals, and insurers, as well as the types of AI usage by those entities, and notes certain factors of AI industry market delivery.

RATES OF AI ADOPTION

Health Care Providers

In response to a 2026 survey by the American Medical Association (AMA), 81 percent of physicians reported using AI tools in their medical practice. More than three-quarters of physicians believe that AI improves the ability to care for patients, an increase from 65 percent in 2023, according to an article reporting on the survey.²⁰ [Kevin B. O'Reilly, [More than 80% of physicians use AI professionally: AMA survey](#), AMA (Mar. 12, 2026); AMA, Center for Digital Health and AI, [2026 Physician Survey on Augmented Intelligence](#) (Mar. 2026).]

Hospitals

Data from 2024, analyzed by the Office of the National Coordinator of Health Information Technology (ONC) in HHS, shows that 71 percent of hospitals report using predictive AI integrated in the hospital's EHR. [Wei Chang, et al., Data Brief No. 80, [Hospital Trends in the Use, Evaluation, and Governance of Predictive AI, 2023-2024](#) (Sept. 2025).]

The 2024 ONC data also shows that small, rural, independent, government-owned, and critical access hospitals lag in their adoption of predictive AI, with 96 percent of large hospitals reporting adoption, 59 percent of small hospitals reporting adoption, and 37 percent of independent hospitals reporting adoption.

Furthermore, according to the 2024 ONC data, as part of hospitals' adoption of predictive AI, 82 percent evaluate their predictive AI for accuracy, 74 percent evaluate for bias, and 79 percent conduct post-implementation evaluation or monitoring. Sixty-six percent of hospitals use a specific committee or task force for the evaluations and 60 percent use division or department leaders. Information technology staff are responsible for evaluations in 41 percent of hospitals. Altogether, 74 percent of hospitals use multiple entities for the evaluations.

Health Insurers

According to a 2025 report from the National Association of Insurance Commissioners (NAIC), 84 percent of health insurers report using AI. The report also states that approximately 92 percent of health insurers have AI governance principles in place that model NAIC AI principles that focus on accountability, transparency, security, and privacy, but that further analysis, regulatory frameworks, and industry practices may be needed to ensure that AI is used responsibly and ethically by health insurers.²¹ [[NAIC Survey Reveals Majority of Health](#)

²⁰ In *More than 80% of physicians use AI professionally: AMA survey*, O'Reilly notes that for proper adoption of AI, 86 percent of physicians emphasized the importance of patient data privacy and 88 percent emphasized the need for robust safety and efficacy validation. Physicians also identified clear liability frameworks as an essential regulatory action to build physician trust and increase adoption of AI tools. Physicians reported a desire to be consulted and directly involved in decisions about AI adoption, and for shared ownership of AI-adoption decisions.

²¹ As noted on page 7, OCI issued a bulletin on March 18, 2025, advising insurers of the model NAIC principles and OCI's expectations regarding the use of artificial intelligence systems in insurance.

[Insurers Embrace AI](#), NAIC (May 20, 2025); Kris DeFrain, et al., [Health Insurance Artificial Intelligence/Machine Learning Survey Results](#), NAIC Staff Report (May 19, 2025).]

TYPES OF AI USAGE IN HEALTH CARE

Health Care Providers

The 2026 AMA survey reports that physicians' greatest expected advantages of the use of AI are in diagnostic accuracy and work efficiency. Thirty-nine percent of physicians surveyed most frequently cited using AI to summarize medical research and obtain updates on standards of care.

Other top reported uses of AI by physicians in the 2026 AMA survey include the following: creation of discharge instructions, care plans, and progress notes (30 percent); documentation of billing codes, medical charts, or visit notes (28 percent); and generation of chart summaries (28 percent). Less than 20 percent of physicians reported using AI for generation of draft responses to patient portal messages, translation services, and assistive diagnoses.

Hospitals

The 2024 ONC data shows that hospitals' predictive AI is primarily used for readmission risk prediction (92 percent), informing care for high-risk outpatients (87 percent), scheduling (67 percent), and billing (61 percent). About 45 percent of hospitals surveyed reported the use of predictive AI to recommend treatments.

In a 2024 survey of nonprofit health care organizations, all organizations surveyed reported the adoption of Ambient Notes (a generative AI tool) for clinical documentation, with 53 percent reporting a high degree of success in using AI for clinical documentation. AI was at least partially deployed by 90 percent of the organizations for imaging and radiology, although success with the use of AI for diagnostics was limited. Forty-eight percent of organizations reported full deployment of AI use for the early detection of sepsis; 38 percent of the organizations reported high success in sepsis detection and other clinical stratification use cases. [Eric G. Poon, et al., [Adoption of artificial intelligence in healthcare: survey of health system priorities, successes, and challenges](#), Journal of the American Medical Informatics Association 35 (July 2025).]

Health Insurers

The 2025 NAIC report states that health insurers are currently using or exploring the use of AI primarily for the following purposes:

- Utilization management practices (71 percent).
- Disease management programs (61 percent).
- Prior authorization for approval processes (68 percent).
- Claims fraud detection (50 percent).
- Medical provider fraud detection (51 percent).

According to the 2025 NAIC report, 12 percent of health insurers use AI for denying prior authorizations and 14 percent of health insurers use AI to infer sensitive data, such as race or other data values.

AI INDUSTRY MARKET

Hospitals

The 2024 ONC data shows that 80 percent of hospitals use predictive AI sourced from the hospital's EHR developer, while also using some forms of third-party and self-developed AI.

Epic Systems Corporation's EHR is used in approximately 44 percent of U.S. hospitals. Other primary EHR vendors used in hospitals are Oracle Health, also known as Cerner (approximately 19 percent), and Medical Information Technology, Inc., also known as MEDITECH (approximately 11 percent). [Maggy Bobek, [Most common hospital EHR systems by market share](#), Definitive Healthcare (Apr. 1, 2026).]

The 2024 survey of nonprofit health care organizations notes certain barriers to adoption of AI, including immature tools (77 percent), financial concerns (47 percent), and regulatory uncertainty (40 percent).

Health Insurers

The 2025 NAIC report states that 55 percent of health insurers use third-party components in their AI systems; 15 percent rely only on third-party AI solutions; 13 percent use a combination of internal and third-party data and AI components; and 10 percent develop AI solutions internally.

A policy brief from Stanford University's Institute for Human-Centered Artificial Intelligence (HAI) notes that AI has the potential to improve insurance processes, but raises concerns related to having a human-in-the-loop; user's limited understanding of AI; lack of transparency; underperformance; unintended consequences; and uneven governance practices. [Michelle Mello, et al., Policy Brief, [Toward Responsible AI in Health Insurance Decision-Making](#), HAI Policy and Society (Feb. 10, 2026).]

Other Technology Companies

Other key companies that operate in the AI health care market include Amazon, Microsoft, IBM, Google, NVIDIA, Intel, ITRex Group, GE HealthCare, Medtronic, Oracle, Medidata, Merck, Siemens, and IQVIA. [Healthcare IT Research Team, [Artificial Intelligence In Healthcare Market \(2026 - 2033\)](#), Grand View Research (June 2026); Bhushan Pawar, FBI100534, [Artificial Intelligence \(AI\) in Healthcare Market Size, Share & Industry Analysis, By Platform \(Solutions and Services\), By Application \(Robot-Assisted Surgery, Virtual Nursing Assistant, Administrative Workflow Assistance, Clinical Trials, Diagnostics, and Others\), By End-user \(Hospitals & Clinics, Pharmaceutical & Biotechnology Companies, Contract Research Organization \(CRO\), and Others\), and Regional Forecasts, 2026-2034](#), Fortune Business Insights (July 13, 2026).]