



June 12, 2026

Where AI Fits in Healthcare: Ethical AI Policy, Practical Strategies and Use Cases

Healthworks



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1

Today's Presenters



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Acknowledgment



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Who We Are



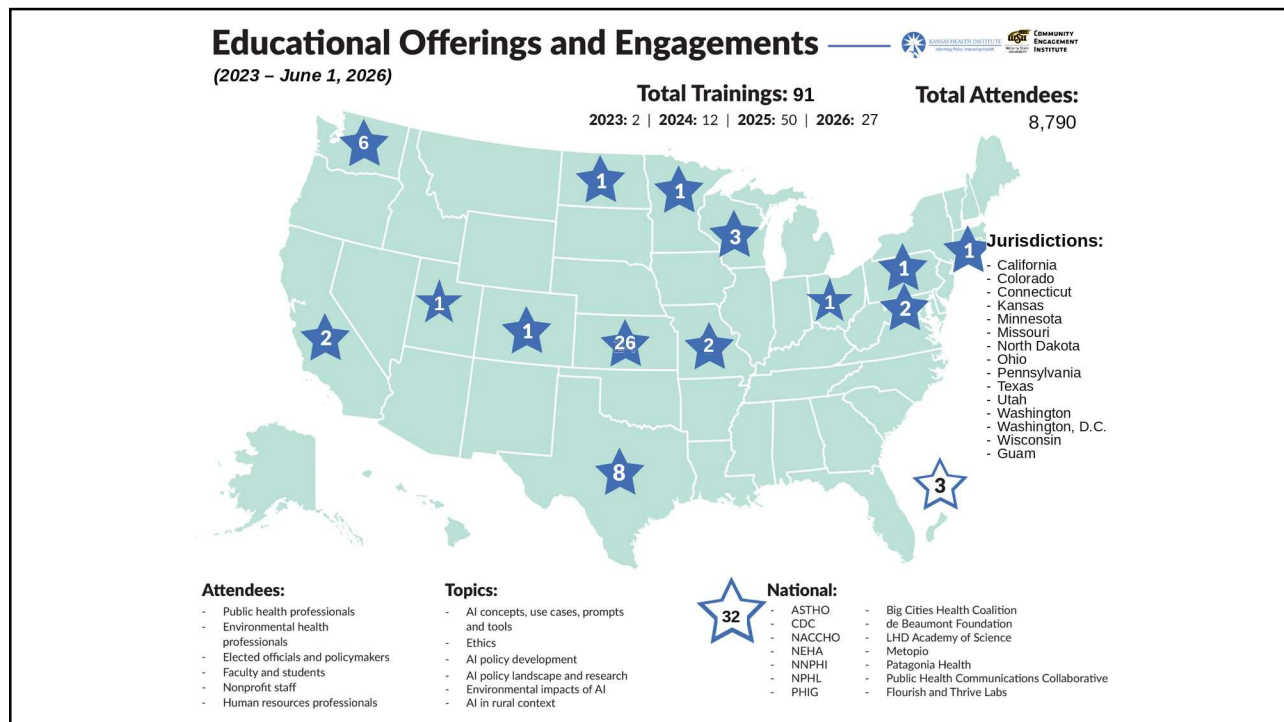
khi.org

Vision: Kansas will become the healthiest place to live through evidence-based and innovative strategies, policies and practices.

Mission: To improve the health of all Kansans by providing nonpartisan information, convening crucial conversations and facilitating learning that leads to meaningful change.

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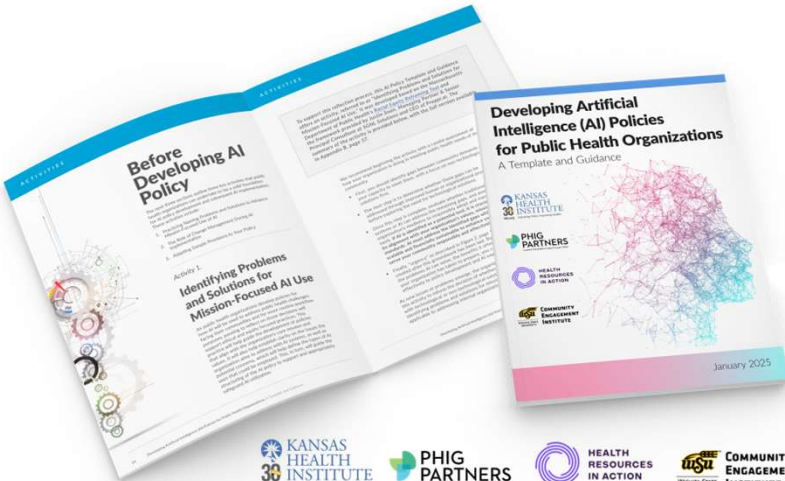
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Resource to Develop Your AI Policy





bit.ly/PublicHealthAIPolicy






6

Program Overview: AI Policy Webinar Series for Kansas Hospitals

Session 1: Building the Foundation

Introduces what organizations need to know before developing an AI policy. The session covers:

- Regulatory momentum
- Key AI concepts and terminology
- Examples of AI use in healthcare settings
- Building your AI policy: sections 1-7
- AI Governance framework

Session 2: Drafting the Policy

Builds on Session 1 by guiding attendees through drafting the core sections of an AI policy. The session covers:

- Building your AI Policy
 - Sections: 8-19
 - Add on modulars
 - Appendices

7

7

Two Resources for Policy Development

Coming in Webinar 2 • June 30



AI Use Policy Template

A modular, board-ready policy template hospitals can adapt to their own context, governance structure, and risk profile.

Deliverable 1



AI Policy Implementation Guide

Step-by-step guidance to operationalize the policy — covering roles, workflows, and implementation sequencing.

Deliverable 2

8

8

Building Your AI Policy: First Webinar

1 Purpose

Why this policy exists and what it governs

2 Scope

Departments, roles, and systems covered

3 Applicability

Who must follow this policy

4 Policy Alignment

Connections to existing hospital policies

5 Guiding Principles

Core values for responsible AI use

6 Key Definitions

Shared vocabulary across the organization

7 Governance

Oversight roles, committees, and accountability

9

9

Building Your AI Policy: Second Webinar

8 Acceptable & Prohibited Use

9 Documentation & Notetaking

10 Risk & Security Framework

11 Clinical Competency

12 Training Requirements

13 Misuse of AI

14 Vendor Obligations

15 Responsible Use & Transparency

16 AI Tool Acquisition

17 Incident Response

18 Patient Rights & Disclosure

19 Policy Review & Approval

Add-on Modules — select those that match your AI tools

MOD A
Ambient Documentation

MOD B
Diagnostic & Radiology AI

MOD C
Predictive Alerts & CDS

MOD D
Revenue Cycle AI

MOD E
Generative AI & Productivity

Appendices — living documents, update without full policy revision

APP A
Governance Roles & Contacts

APP B
AI Use Register

APP C
Patient Disclosure Scripts

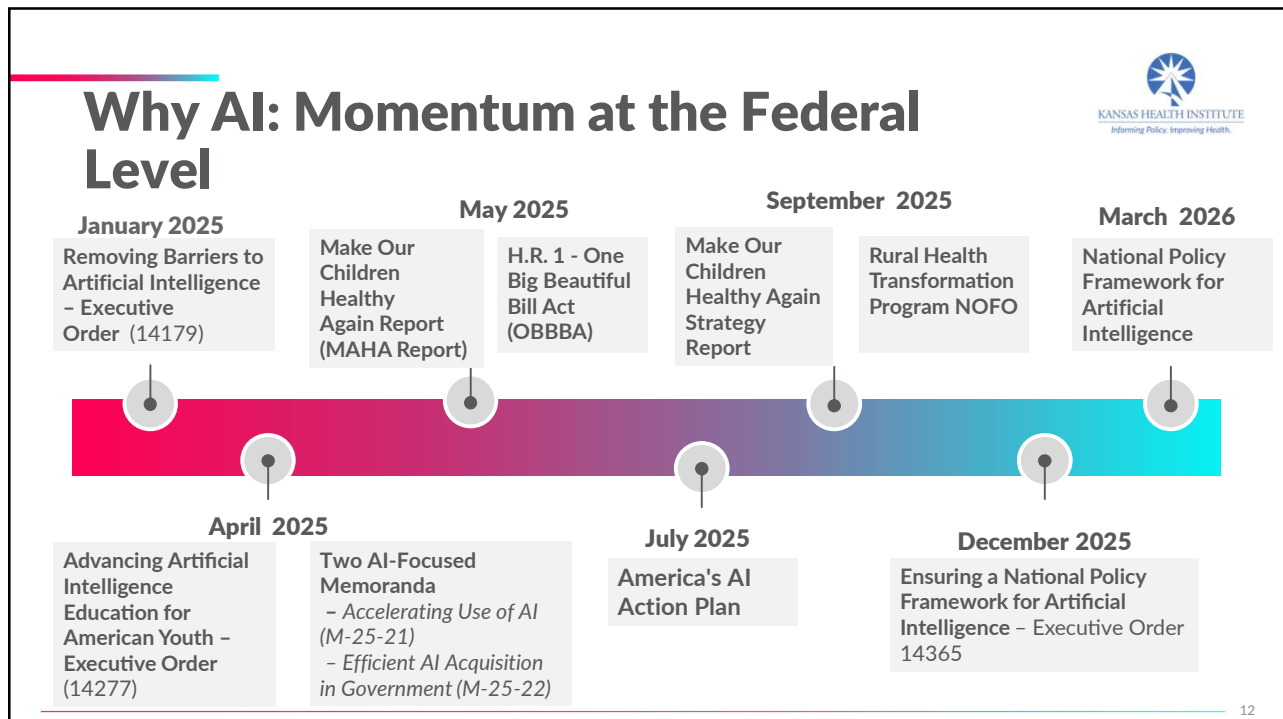
APP D
Regulatory References

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11



12

Progression of AI Legislation Across United States

2024

- 480 Bills
- 56 Jurisdictions
 - 50 States
 - 5 Territories
 - District of Columbia

2025

- 1,262 Bills
- 53 Jurisdictions
 - 50 States
 - 2 Territories
 - District of Columbia

2026

- 1,219 Bills
- 48 Jurisdictions
 - 45 States
 - 2 Territories
 - District of Columbia

Source: [NCSL AI Legislation Database](#)

13

13

AI Healthcare Legislation: Key Topics

Utilization Review & Prior Authorization

States are restricting AI-only claim denials and downcoding. Human clinical review of adverse determinations is now a legal requirement in multiple enacted laws.

Clinical Decision-Making Oversight

No clinical decision may be based solely on AI output. Licensed professionals must retain meaningful oversight of any AI-generated clinical recommendation.

Disclosure & Transparency

Patients and providers must be informed when AI plays a role in clinical notes, coverage decisions, and health communications. Consent workflows are required

Mental Health & AI Chatbots

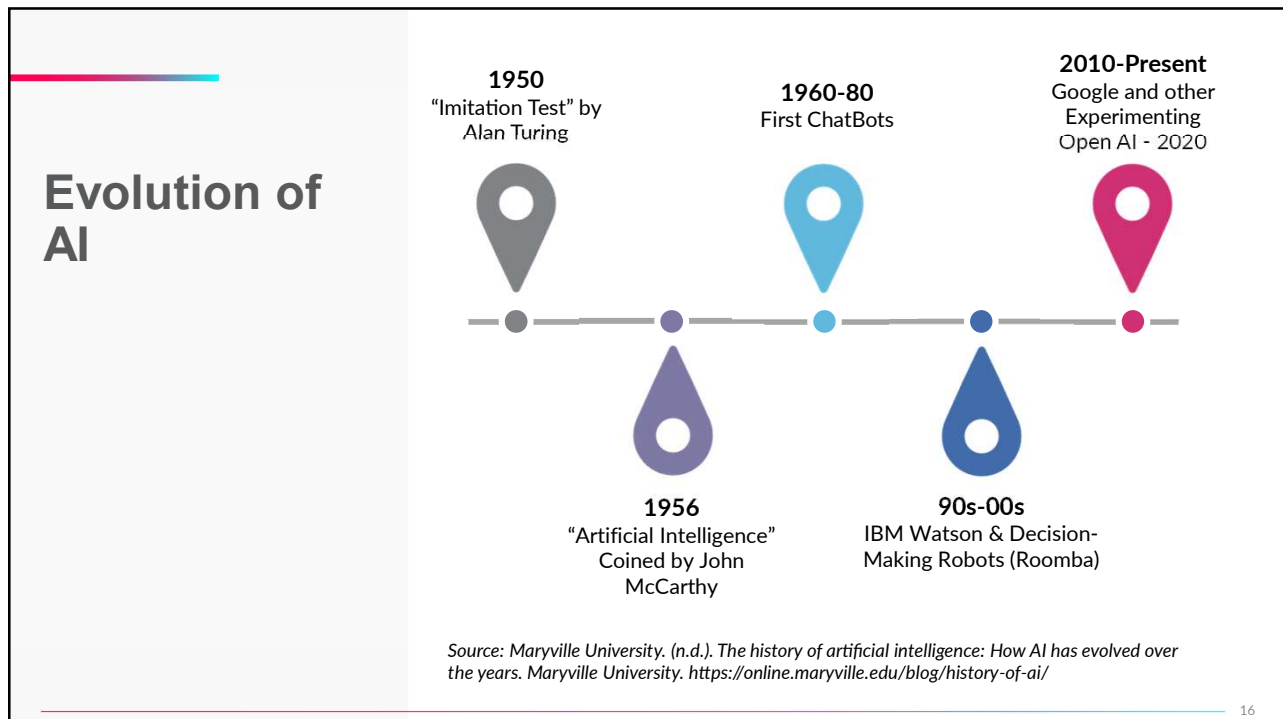
AI cannot conduct psychotherapy without a licensed professional present in real time. Crisis detection protocols and anti-impersonation safeguards become mandated

14

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What is AI All About?

Artificial Intelligence: It is the science and engineering of making machines that can simulate human intelligence to perform complex tasks.

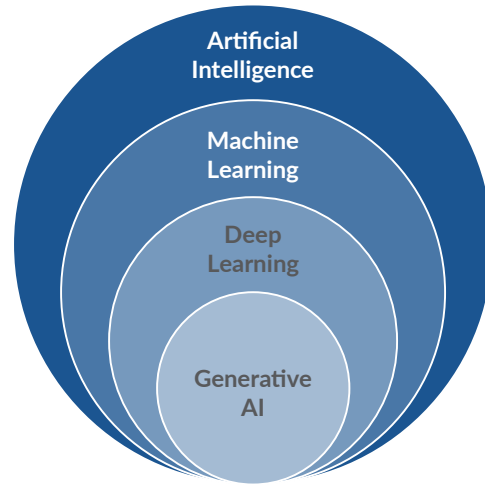
Techniques

Machine Learning: A way for computers to learn from data and improve over time.

Deep Learning: A type of neural network with many layers, used for more complex tasks.

Application

Generative AI: AI that creates new content, like text, images, or sound.



17

17

What to Know About Generative AI

Generative AI is software that creates new content — text, images, summaries, or code — in response to a prompt. It learns patterns from large amounts of existing data and generates responses that are plausible, not guaranteed to be correct.



It generates from scratch

Generative AI produces new text based on patterns. It does not look up facts or access real-time information unless specifically connected to a search tool. Outputs can be wrong, outdated, or fabricated.



It does not know your context

A free AI tool has no knowledge of your hospital, your patients, your EHR, or your policies unless you tell it. What you type in becomes its only context — and in free tools, may be used to train future models.



It is a tool — not a clinician

Generative AI can draft, summarize, translate, and suggest. It cannot diagnose, prescribe, or be accountable. A human must always review AI-generated content before it affects patient care.

18

18

The Role of Prompt Engineering

- **Role:** Specify your role. "Act as a rural hospital administrator at a critical access hospital facing ongoing staff shortages and high turnover. Draft a 90-day workforce retention action plan that addresses the root causes of staff attrition, identifies low-cost retention strategies appropriate for a resource-constrained rural hospital, and outline concrete steps for improving staff engagement and reducing vacancy rates. The plan should be realistic for a small leadership team to implement, written in plain language, and formatted as a one-page summary with prioritized action items.
- **Input:** Describe the information or resources.
- **Steps:** Ask for detailed steps.
- **Expectation:** Describe the desired result.

Source: Brainstorming structures inspired by AI-generated insights (ChatGPT, OpenAI).

19

19

Is Ambient AI a Form of Generative AI?

What ambient AI tools do

- 1 Listen to patient-provider conversations
- 2 Convert speech to text
- 3 Generate draft clinical notes, summaries, diagnoses, and action items
- 4 Present output for clinician review and approval

Examples: Microsoft Dragon Copilot · Abridge · Suki

Three technologies inside ambient AI

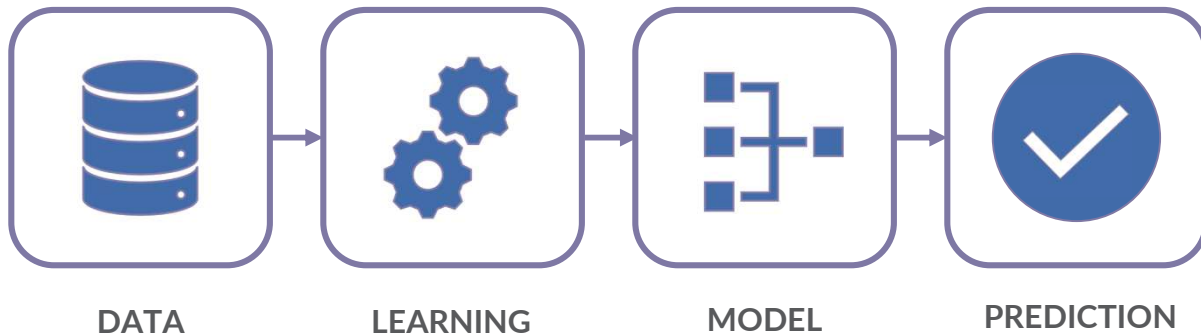
- 1 **Speech recognition**
Transcribes audio from the conversation into text. A well-established technology — not generative.
- 2 **Natural language processing**
Understands the meaning, context, and structure of the conversation. Interprets — does not generate.
- 3 **Generative AI ← the key layer**
Creates new content — clinical notes, summaries, diagnoses — from the conversation. This triggers governance policy requirements.

Because ambient AI generates new content, it falls under generative AI governance — and requires clinician review before documentation enters the medical record.

20

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How Does AI Work?



21

21

What Can Hospitals Use Generative AI For?

Clinical support	Administrative & operations	Quality & compliance
● Draft patient education materials for review ● Summarize clinical literature or guidelines ● Support ambient documentation (with BAA) ● Translate patient communications (with BAA) ● Generate first drafts of clinical protocols	● Draft policies, procedures, and job descriptions ● Summarize meeting notes or staff communications ● Support prior authorization letter drafting (with BAA) ● Create staff training outlines and materials ● Assist with grant writing or reporting	● Summarize regulatory updates or guidance ● Draft audit preparation checklists ● Synthesize quality improvement data narratives ● Support accreditation documentation drafting ● Help identify gaps in existing policies

In all cases: AI output is a draft. A qualified staff member must review before any content is used or shared.

22

22

What's the Difference: Free vs. Paid AI Tools?

Paying for a tool does not make it HIPAA-compliant. The tier and IT Security review are what matter.

Feature	Free consumer tools	Paid personal subscription	Enterprise / IT-reviewed tools
HIPAA / BAA	✗ No BAA available	⚠ No BAA — personal account	✓ BAA available or built-in
PHI permitted?	✗ Never	✗ Never — no BAA	✓ Yes, with active BAA
Data used to train AI	⚠ May train future models	⚠ Varies — check terms of service	✓ Data not used for training
Org-level controls & audit logs	✗ None and maybe prohibited	✗ None and maybe prohibited	✓ Admin controls, SSO, audit logs
IT Security reviewed?	✗ No	✗ Typically not	✓ Required before deployment
Examples:	ChatGPT (free), Google Gemini (free), Claude.ai (free)	ChatGPT Plus, Copilot (personal), Claude Pro	ChatGPT Enterprise, Microsoft Copilot M365, Nuance DAX

23

What Never Goes Into AI Without Verified Security

- ✗ **Patient names, dates of birth, MRNs, or any identifying information**
Even de-identified data carries re-identification risk in consumer AI tools
- ✗ **Protected Health Information (PHI) of any kind**
Clinical notes, diagnoses, lab results, medications, imaging descriptions — all PHI
- ✗ **Peer review discussions, HR matters, or personnel information**
These carry separate legal protections beyond HIPAA
- ✗ **Confidential hospital financial or legal data**
Contracts, litigation matters, unreleased financial reports
- ✗ **Login credentials, system access details, or security information**
Never use AI to store, generate, or manage passwords or system access

The simple test

Before entering anything into an AI tool, ask:

- Could this identify a patient?
- Is this information I would share publicly?
- Does this tool have a BAA with our hospital?
- Has IT Security approved this tool?

If you can't answer YES to all four — don't enter it.

24

24

How to Approach AI Vendor Evaluation

1

Assemble Your Team

Include clinical informatics, legal/compliance, frontline clinical staff, and IT security. AI evaluation is not a solo procurement task.

Tip: Include at least one nurse or physician who will use the tool.

2

Define the Problem First

Clearly state what clinical or operational problem you are solving before you talk to any vendor. Vendors should respond to your problem — not sell you one.

Tip: Write a one-sentence problem statement before the first vendor call.

3

Request Structured Evidence

Ask every vendor the same questions across all 6 domains (see slides 2–4). Require documentation — not just sales presentations — for validation, safety, and fairness data.

Tip: Use a scoring rubric. ≥ 8 = Strong | 5–7 = Pilot first | < 5 = Do NOT deploy.

4

Run a Controlled Pilot

Before full deployment, run a time-limited silent-mode pilot in your own setting. Measure real-world alert rates, workflow burden, and subgroup performance.

Tip: Months 1–3 controlled pilot → Months 4–9 expanded → Month 10+ full deployment.

5

Require Contract Protections

Contracts must include performance guarantees, fairness requirements, a signed BAA, ongoing monitoring obligations, and clear termination and data-exit rights.

Tip: Insist on the right to audit performance data post-deployment.

Tegomoh, B. (n.d.). Appendix H – Vendor AI evaluation toolkit. In The Public Health AI Handbook. <https://publichealthaihandbook.com/appendices/vendor-evaluation.html>

25

25

Evaluating AI Vendors: A 6-Domain Hospital Framework

1

Technical Validation

Ask the vendor:

- Was the model validated externally — not just internally?
- How many independent validation sites?
- Have results been published in peer-reviewed journals?
- How does performance vary by patient subgroups?

Red flag:

Internal validation only, no peer-reviewed publications, or vendor-funded studies only

2

Clinical Safety

Ask the vendor:

- Has the model been tested for safety, not just accuracy?
- What failure modes have been identified?
- Has deployment improved patient outcomes (mortality, readmissions)?
- What is the alert rate and false alarm rate?

Red flag:

False positive rate $> 20\%$, no patient outcome data, or no failure mode analysis

3

Fairness & Equity

Ask the vendor:

- Tested for racial, ethnic, and socioeconomic bias?
- What are the demographics of training data?
- Were fairness audits conducted by independent researchers?
- Will this deployment narrow or widen health disparities?

Red flag:

"We don't use race, so it's fair" — fairness must be tested, not assumed

Tegomoh, B. (n.d.). Appendix H – Vendor AI evaluation toolkit. In The Public Health AI Handbook. <https://publichealthaihandbook.com/appendices/vendor-evaluation.html>

26

26

Evaluating AI Vendors: A 6-Domain Hospital Framework Cont.

4 Privacy & Security

Ask the vendor:

- Will the vendor sign a Business Associate Agreement (BAA)?
- Where is patient data stored? Who can access it?
- Is the vendor SOC 2 Type II or HITRUST certified?
- Will data be used for the vendor's own R&D or sold to third parties?

Red flag:

Refuses to sign BAA, vague about data storage, or no security certification

5 Workflow Integration

Ask the vendor:

- Has the tool been tested with frontline nurses and physicians?
- Does the AI surface inside the EHR, or require a separate login?
- What training and ongoing support are provided for staff?
- Can alert thresholds be adjusted for our patient population?

Red flag:

"Plug and play" with no user research; requires separate login outside the EHR

6 Business Viability

Ask the vendor:

- How financially stable is the company? What is its funding status?
- Can you provide references from comparable hospital settings?
- What is the total cost of ownership (licensing, training, maintenance)?
- What is the data exit plan if the vendor is acquired or shuts down?

Red flag:

No reference clients, no clear product roadmap, or unclear data exit terms

Tegomoh, B. (n.d.). Appendix H – Vendor AI Evaluation Toolkit. In *The Public Health AI Handbook*. <https://publichealthaihandbook.com/appendices/vendor-evaluation.html>

29

27

Ethical Considerations About AI

Hallucinations and reliability

Bias and equity implications

Data privacy and security risks

Environmental impact

Risk of losing staff expertise

Rural invisibility in AI systems

Limited AI governance infrastructure

Lack of community co-design and input

28

28



3 – AI Use Cases in Hospitals



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29

01 Reducing Claim Denials with Predictive AI

How Community Medical Centers reduced denials and reclaimed staff time

Community Medical Centers • Fresno, CA

All examples of AI tools presented are for illustrative purposes only. We do not endorse, recommend, or promote any specific products, platforms, or vendors.

17

30

Reducing Claim Denials with Predictive AI

Community Medical Centers

Fresno, CA

Need

Rising claim denials threatening financial stability and care access

- Rising denial rates driven by complex payer policies
- Staff turnover left billing teams unable to keep pace with coverage changes
- Denial volume exceeded what overtime alone could address

Solution

Experian Health AI Advantage

- Reviews claims before submission and flags high-risk claims
- Uses historical payer data and adjudication patterns to predict denials
- Automatically detects shifts in payer behavior and alerts staff

Integrates directly into existing EHR workflows

Results

Fewer denials, faster intervention

- Denial rates reduced through proactive intervention before submission
- Staff shifted from denial rework to care coordination
- Tool continuously learns, improving accuracy over time
- Workflow integration drove adoption

Source: Healthcare IT News (2024), "AI-Based System Reduces Claims Denials for Community Medical Centers of Fresno. Available at: <https://www.healthcareitnews.com/news/ai-based-system-reduces-claims-denials-community-medical-centers-fresno>

18

02

Ambient AI Scribing

How Sanford Health reduced documentation burden and clinician burnout

Sanford Health • Sioux Falls, SD

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20

Ambient AI Scribing

Sanford Health

Sioux Falls, SD
Upper Midwest

Need

Documentation burden impacted burnout

- Every patient hour equals roughly two hours of documentation
- EHR demands pushed charting into after-hours "pajama time"
- Burnout increased as administrative burden outpaced clinical capacity
- Rural staffing shortages left little room to absorb the workload

Solution

Ambient AI captures encounters and creates notes

- Deployed ambient AI scribing to 250+ physicians
- Integrates directly into the EHR
- AI handles documentation in the background during the visit
- Clinicians maintain eye contact and focus on the patient, not the keyboard

Results

Clinicians reclaimed time and stayed present with patients

- Significant reduction in after-hours charting and cognitive load
- Physicians report more natural conversations with patients
- Human connection strengthened — especially in virtual care settings

Source: American Hospital Association (2026). Trailblazers: Homeward Health.
Available at https://www.aha.org/system/files/media/file/2026/01/Trailblazers_Homeward_Health.pdf

21

33

“Jane” Agentic Outreach

How Sanford Health automated scheduling to close rural access gaps

Sanford Health • Sioux Falls, SD

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21

34

“Jane” Agentic Outreach

Sanford Health

Sioux Falls, SD
Upper Midwest

Need

Rural access barriers created care gaps

- Patients in rural areas often traveled 100+ miles for specialty follow-up care that was difficult to coordinate
- Missed appointments and delayed follow-up increased clinical risk and care gaps

Solution

“Jane” — an agentic AI tool that automates outreach and scheduling

- Jane automatically initiates outreach, manages scheduling coordination, and reduces missed connections
- Staff are freed to focus on higher-complexity patient interactions — Jane augments the team, it doesn't replace it

Results

Patients reached services

- Appointment connect rates rose from 40% to 56%, significantly reducing care gaps from missed follow-up
- More than 12,000 patients accessed mental health services for the first time through AI-supported virtual care.

Source: American Hospital Association (2026). Trailblazers: Homeward Health.
Available at https://www.aha.org/system/files/media/file/2026/01/Trailblazers_Homeward_Health.pdf

22

35

Predictive Analytics & CKD Care

How Sanford Health identified high-risk patients earlier across a rural population

Sanford Health • Sioux Falls, SD

All examples of AI tools presented are for illustrative purposes only. We do not endorse, recommend, or promote any specific products, platforms, or vendors.

22

36

Predictive Analytics & CKD Care

Sanford Health

Sioux Falls, SD
Upper Midwest

Need

Chronic kidney disease often identified too late

- Limited nephrology access increases risk of late-stage CKD diagnosis in rural populations
- Nephrotoxic medication exposure without early flagging leads to preventable kidney damage
- Sanford needed earlier CKD risk stratification

Solution

AI-powered CKD risk stratification model

- CKD predictive model identifies high-risk patients earlier in disease trajectory
- Co-led by operations and a practicing clinician to fit real clinical workflow

Results

Earlier identification of high-risk patients

- Earlier identification prompts timely diagnostic testing and reduces nephrotoxic medication exposure
- Dyad leadership drove higher clinician adoption than traditional IT-led deployments

Source: American Hospital Association (2026). Trailblazers: Homeward Health.
Available at https://www.aha.org/system/files/media/file/2026/01/Trailblazers_Homeward_Health.pdf

23

37

AI-Enabled Revenue Recovery

How Marcus Day Memorial Hospital recovered \$4M and reduced charity care by 60% using Medicaid eligibility AI

Marcus Day Memorial Hospital • Montana

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26

38

AI-Enabled Revenue Recovery

Marcus Day Memorial Hospital

Rural Critical Access Hospital
Montana

Need	Reducing revenue and increasing charity care - Medicaid expansion created a need for enrollment coordination - Low-income patients eligible for coverage went unenrolled without systematic outreach - Rising charity care costs threatened the hospital's financial sustainability
Solution	Firstsource AI-powered Medicaid patient-centric enrollment - AI rapidly identified patients eligible for Montana's Medicaid expansion - Managed enrollment workflows and provided financial advocacy support - Enabled staff to handle 1,000+ accounts
Results	Revenue recovery and reduction in charity care 1,000+ patient accounts enrolled in Medicaid under Montana's expansion waiver 60% reduction in charity care and \$4M in recovered revenue - Eased financial burden for patients while restoring financial flexibility for MDMH

Source: Firstsource (2024), *Rural Critical Access Hospital Reduces Charity Care by 60% and Improves Patient Outcomes*. Available at: <https://www.firstsource.com/insights/case-studies/rural-critical-access-hospital-reduces-charity-care-by-60-and-improves-patient-outcomes>

27

AI-Powered Language Access

How Augusta Health recorded 11,000 translations in 3 months and scaled from 5 to 43 devices using Pocketalk AI translation

Augusta Health • Virginia

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27

AI-Powered Language Access

Augusta Health
Regional Hospital
Virginia, USA

Need

Language barriers delaying care and increasing risk

- LEP patients had limited access to qualified interpreters across care settings — from the ED to patient transport
- Telephone interpretation was slow, costly, and unavailable at every touchpoint
- Gaps in interpreter access created clinical risk and staff stress

Solution

Pocketalk — first HIPAA-compliant AI handheld translation device

- Deployed across 92+ languages with no formal training required
- No patient data stored by default, supporting privacy and compliance
- Works in any care setting

Results

Scaled from 5 to 43 devices after overwhelming demand

- 11,000+ translations recorded in the first 3 months — far exceeding projections
- Staff reported faster, less stressful consultations
- Now embedded across clinical and non-clinical settings, improving equitable access throughout the patient journey

Sources: Healthcare IT Today (2025) · pocketalk.com

27

41

4 – AI Governance

42

What Is AI Governance?

A framework of policies, structures, and controls that ensures AI systems are developed, deployed, and monitored safely and accountably.

Based on the Coalition for Health AI (CHAI) AI Governance Framework | governance.chai.org/introduction

43

43

Where AI Risk Comes From

Not the model alone

- Workflow integration failures
- Unclear tool ownership
- Weak procurement processes
- Shadow AI tools in use

Governance gaps

- Inadequate staff training
- Insufficient data controls
- Unmonitored vendor updates
- No incident escalation path

Wrong assumption

- Existing IT governance does NOT automatically cover AI-specific risks
- Every organization needs a dedicated AI governance layer

Based on the Coalition for Health AI (CHAI) AI Governance Framework | governance.chai.org/introduction

44

44

The 8 Components of AI Governance

AI governance is a cross-functional control system – not a single function.



45

45

Organizational AI Policy

01

Define the rules before AI defines the organization

What it is

A formal, leadership-approved document that sets the scope of AI governance, defines what counts as AI, and assigns a policy owner.

What it includes

- Define key concepts in the AI Policy (e.g., definition of AI, applicability, allowed use, prohibited use)
- Identified a governance structure
- Establishes a risk-based framework
- Addresses key ethical issues (e.g., data privacy, data security, bias mitigation)
- Assigns a policy owner and update process

Why it matters

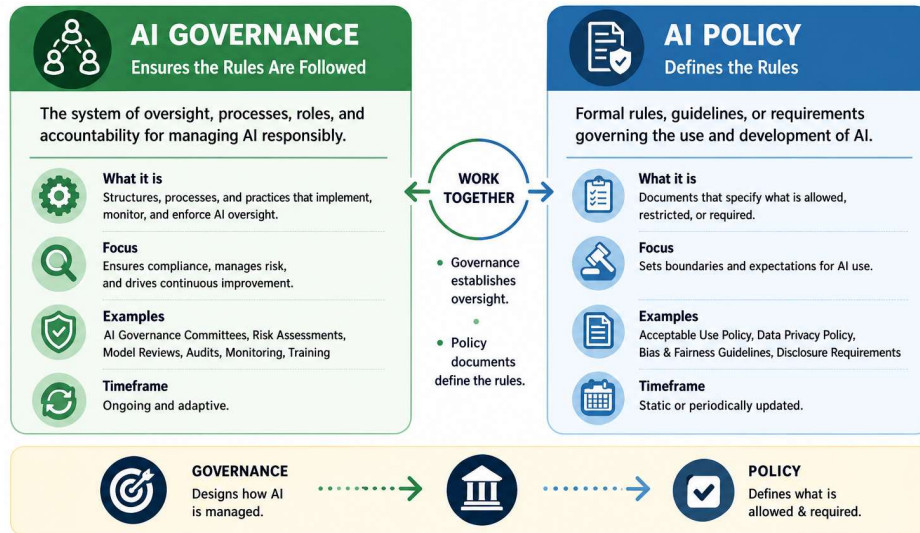
Many organizations are already using AI without ever defining what AI is, who approves it, or who updates the rules when the technology changes. A policy without an owner becomes stale; a policy without scope becomes a loophole.

Source: Coalition for Health AI (CHAI) | governance.chai.org/introduction

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46

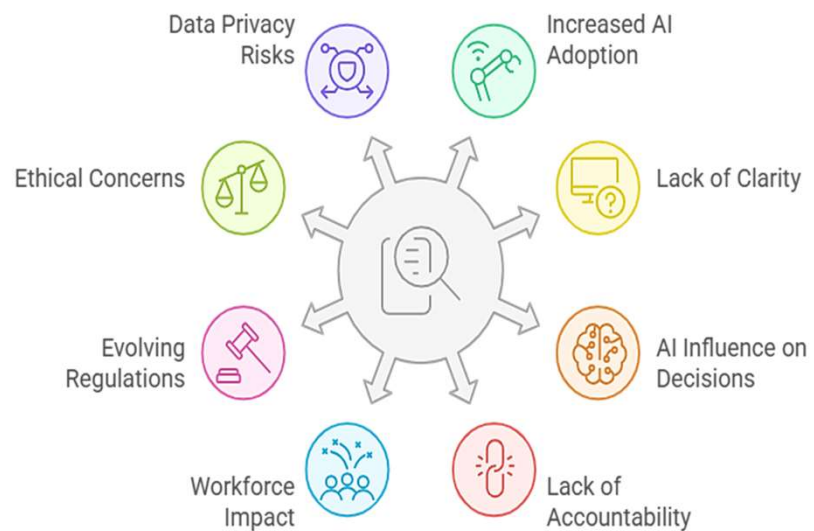
Responsible AI Requires Governance, Not Just Policy



47

47

How does your hospital know if it needs an AI policy or if the current one isn't working?



Note: Image generated by Napkin.ai, 2026

48

48

Laying the Groundwork Before Developing AI Policy

- 1 Establish an AI working group
- 2 Clarify purpose, organizational rationale and potential use cases for AI
- 3 Review relevant laws, policies and standards
- 4 Assess AI literacy and organizational readiness
- 5 Examine governance and risk management capacity

49

49

AI Workgroup for Policy Development Process

Secure cross-functional membership

Establish scope, roles, meeting cadence and identify required materials

Draft and refine policy between meetings (5-10)

Document decisions and action items

50

50

Two Resources for Policy Development

Coming in Webinar 2 • June 30



AI Use Policy Template

A modular, board-ready policy template hospitals can adapt to their own context, governance structure, and risk profile.

Deliverable 1



AI Policy Implementation Guide

Step-by-step guidance to operationalize the policy — covering roles, workflows, and implementation sequencing.

Deliverable 2

51

51

Building Your AI Policy: Sections 1-7

1

Purpose

Why this policy exists and what it governs

2

Scope

Departments, roles, and systems covered

3

Applicability

Who must follow this policy

4

Policy Alignment

Connections to existing hospital policies

5

Guiding Principles

Core values for responsible AI use

6

Key Definitions

Shared vocabulary across the organization

7

Governance

Oversight roles, committees, and accountability

52

52

Sec. 1: Purpose

Section 1 — Purpose

Describe why your hospital is adopting an AI policy and what outcomes it is intended to support.

This policy establishes requirements and standards for the responsible and ethical use of artificial intelligence (AI) within _____ (the "Hospital or System"). It provides a framework ensuring AI is implemented in ways that:

Check all that apply:

- ☐ Enhance patient safety and quality of care
- ☐ Support clinical decision-making without replacing clinicians judgment
- ☐ Protect patient privacy and comply with HIPAA
- ☐ Build and maintain patient and community trust
- ☐ Support workforce efficiency and reduce administrative burden
- ☐ Advance health equity and reduces disparate care
- ☐ Other: _____

...while upholding the following principles:

- ☐ Human oversight and clinical accountability
- ☐ Transparency to patients, staff and regulators
- ☐ Data privacy and security
- ☐ Bias awareness and equity
- ☐ Regulatory compliance (HIPAA, Joint Commission, CMS)
- ☐ Other: _____

1

The purpose section, including the policy purpose statement, establishes the intent and authority of the AI policy, clarifies why it exists and sets the overarching direction.

53

53

Section 2: Scope

Section 2 — Scope

Check all AI technologies this policy governs. Include embedded EHR AI features even if not marketed as standalone AI tools.

This policy covers the following AI technologies used within the Hospital:

- ☐ Clinical Decision Support (CDS) tools and AI-assisted diagnostics
- ☐ AI-assisted clinical documentation (ambient listening, NLP scribe tools, auto-coding)
- ☐ Radiology / pathology AI (image analysis, flagging, triage)
- ☐ Predictive analytics (sepsis prediction, readmission risk, deterioration alerts)
- ☐ Generative AI (tools producing text, summaries, images, or code — e.g., ChatGPT, Copilot)
- ☐ Revenue cycle AI (coding assistance, prior authorization, claims review)
- ☐ Patient engagement / scheduling AI (chatbots, patient portals)
- ☐ Operational AI (staffing models, supply chain, capacity prediction)
- ☐ AI embedded in EHR or vendor platforms (e.g., Epic, Oracle Health [formerly Cerner] AI modules)
- ☐ Other: _____

2

The Scope section defines what AI technologies this policy governs. AI is increasingly embedded in tools hospitals already use.

Note: In the provided list select all technology types that should fall within scope. Note that the purpose is to identify categories, not list specific tools and systems.

54

54

Section 3: Applicability

Section 3 — Applicability

3.1 Departments and Care Areas

This policy applies to (check all that apply):

- ☐ All clinical departments using AI tools in patient care or documentation
- ☐ Revenue cycle, coding, and billing departments
- ☐ Radiology, laboratory, and diagnostic services
- ☐ IT / health informatics departments procuring or managing AI systems
- ☐ Quality, compliance, and patient safety offices
- ☐ Administration and operations
- ☐ Other: _____

3.2 Workforce Coverage

As you decide which workforce groups to include, consider who may use, access, support, oversee, procure, configure, manage, or otherwise interact with AI systems as part of their role.

This policy applies to all of the following individuals ("Covered Persons"):

- ☐ Physicians, Advanced Practice Providers (APPs) and all licensed clinical staff
- ☐ Nurses and nursing assistants
- ☐ Administrative and clerical staff
- ☐ IT and informatics staff
- ☐ Students, residents, fellows and trainees
- ☐ Contractors, consultants, and agency / travel staff
- ☐ Volunteers
- ☐ All of the above — referred to as "Covered Persons" throughout this policy

3.3 Vendors and Third Parties

Vendors, including EHR vendors, AI software providers, and cloud service providers are governed through procurement requirements, contract terms, Business Associate Agreements (BAAs), and vendor risk assessments. Third-party obligations are detailed in Section 14.

3

Check all departments and care areas to which this policy should apply.

Consider including employees, contractors, consultants, volunteers, interns, fellows, trainees, and other individuals or organizations performing work for or on behalf of the hospital who may use AI tools or interact with AI-generated outputs as part of their responsibilities.

55

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Section 4: Alignment with Existing Policies

Section 4 — Alignment with Existing Policies and Regulations

Check all applicable regulations and internal policies. Note internal policy numbers in Appendix D.

This policy shall be interpreted and enforced in alignment with the following. Where requirements conflict, the stricter standard applies. Each policy listed above should be reviewed to confirm it addresses AI use. Many standard policies predate AI adoption and may not include provisions for AI-generated content, automated decision-making, or AI vendor data practices.

- ☐ HIPAA Privacy and Security Rules (45 CFR Parts 160 and 164)
- ☐ The Joint Commission standards (Leadership, Information Management, Patient Safety)
- ☐ CMS Conditions of Participation (42 C.F.R. Part 482)
- ☐ Kansas Hospital Licensure regulations (K.A.R. 28-34)
- ☐ Hospital Information Security Policy
- ☐ Electronic Health Record (EHR) Governance Policy
- ☐ Medical Staff Bylaws (for clinical AI use)
- ☐ Records Retention and Destruction Policy
- ☐ Procurement / Vendor Management Policy
- ☐ Other: _____

4

This section anchors your AI policy within the existing regulatory and policy framework governing your hospital.

56

56

Section 5: Guiding Principles

Section 5 — Guiding Principles

Select all principles the Hospital adopts. At minimum, select Patient Safety First, Human Oversight, Data Privacy, and HIPAA Compliance.

The Hospital is committed to the following principles guiding AI use:

- ☐ Human Oversight and Clinical Accountability: Clinicians retain full accountability for all AI-informed decisions. AI does not replace clinical judgment.
- ☐ Patient Safety First: AI shall not be deployed in clinical settings without validation, monitoring, and clear escalation protocols.
- ☐ Transparency: Patients will be informed when AI significantly influences their care. Staff will understand the tools they use.
- ☐ Bias Awareness and Mitigation: The Hospital will proactively identify, assess, and address potential AI bias across race, ethnicity, age, gender, language, socioeconomic status, geography, and rurality to help promote equitable outcomes and reduce the risk of unintended disparities.
- ☐ Data Privacy and HIPAA Compliance: PHI will never be entered into AI tools without a valid BAA reviewed by the Privacy Officer.
- ☐ Data Security: AI systems and data will be protected per the Hospital's Information Security Policy and NIST standards.
- ☐ Explainability: The Hospital will prioritize AI systems that provide understandable, interpretable, or reviewable outputs to support informed clinical, operational and oversight decisions.
- ☐ Workforce Sustainability: AI will enhance, not eliminate, clinical and operational roles.
- ☐ Equity and Accessibility: AI tools will be assessed for equitable performance and will comply with ADA requirements.
- ☐ Other: _____

The guiding principles communicate the values shaping how your hospital uses AI.

5

Select the principles that genuinely reflect your hospital's mission and organizational commitments

57

57

Section 6: Key Definitions

Section 6 — Key Definitions

These definitions apply throughout the policy. Add hospital-specific terms in the blank rows at the bottom.

Term	Definition
Artificial Intelligence (AI)	Computer-based systems that perform tasks typically requiring human intelligence, including clinical reasoning, pattern recognition, language understanding, and predictive modeling.
Clinical Decision Support (CDS)	AI or algorithmic tools providing clinicians with patient-specific evidence-based information, alerts, or recommendations at the point of care.
Generative AI (GenAI)	AI that creates new content — text, images, audio, code — in response to user prompts (e.g., Microsoft Copilot, ChatGPT).
Protected Health Information (PHI)	Individually identifiable health information held or transmitted by the Hospital in any form, as defined under HIPAA (45 C.F.R. § 160.103).
Business Associate Agreement (BAA)	A HIPAA-required written contract between the Hospital and any vendor that creates, receives, maintains, or transmits PHI on the Hospital's behalf.
Human-in-the-Loop (HITL)	A requirement ensuring a qualified human reviews and approves AI-generated outputs before they influence a patient care decision or official action.
AI Use Register	The Hospital's centralized inventory of approved AI tools documenting tier, security level, BAA status, and oversight owner. Maintained in Appendix B.
Procured AI Tool	An AI platform formally acquired by the Hospital through an approved procurement process with completed security, privacy, and BAA reviews.
Publicly Accessible AI Tool	Commercially available AI not procured by the Hospital (e.g., individual Claude, free-tier tools). PHI and confidential data must never be entered.
Risk Tier	A classification — Tier A (High Risk), Tier B (Moderate Risk), or Tier C (Low Risk) — assigned to each AI use case. See Section 10.
[Add term]	[Add definition]
[Add term]	[Add definition]

6

Shared vocabulary reduces errors. When every staff member means the same thing by 'Procured AI Tool' or 'Human-in-the-Loop,' the likelihood of inadvertent misuse decreases

58

58

Section 7: Governance

Governance Function	Assigned Role / Title	Assigned Designee's Role/Title
Overall AI policy authority and final approval	[e.g., CEO / President]	
Day-to-day AI policy coordination	[e.g., Chief Compliance Officer]	
Clinical AI oversight and patient safety	[e.g., Chief Medical Officer]	
Nursing / care workflow AI oversight	[e.g., Chief Nursing Officer]	
Technical review and cybersecurity	[e.g., IT Director / CISO]	
Risk classification of AI tools	[e.g., Compliance / IT]	
Procurement and vendor management	[e.g., Supply Chain / Procurement]	
HIPAA and privacy compliance	[e.g., Privacy Officer]	
Workforce training oversight	[e.g., HR / Education]	
Public and patient communications on AI	[e.g., Marketing / PR]	
Ethics Hotline (anonymous reporting)	[e.g., Third-party service]	

7

Backups for every critical governance function in Appendix A.

Appendix A can be updated when staff change — no full policy revision needed.

Section 7.2 defines enforcement: counseling, retraining, access suspension, up to termination.

59

59

5 – AI Governance Structure Cont.



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60

Organizational Structure

02

Accountability needs a home — and a routing system

What it is

A governance architecture that assigns critical roles, creates an AI governance committee, establishes intake and monitoring processes, and defines escalation protocols.

What it includes

- Establish AI Governance Committee with defined authority
- Critical roles assigned: clinical, IT, compliance, legal, ethics
- Risk-tiered intake: low-risk gets faster paths, high-risk gets stronger safeguards
- Escalation pathways with named recipients and timelines
- Authority to suspend tools and incident registers

Why it matters

AI governance fails when escalation is a vague aspiration rather than a documented pathway. Governance must be a routing system — not a slow committee that blocks everything.

Source: Coalition for Health AI (CHAI) | governance.chai.org/introduction

61

61

Organizational Resources

03

Govern the ecosystem, not just the tool

What it is

Budget, staffing, and technical infrastructure allocated specifically to AI oversight — treating AI as an ecosystem, not a standalone product.

What it includes

- AI inventory / registry of all internal and third-party AI systems
- Cybersecurity infrastructure and monitoring tools
- Human expertise for risk assessment and incident response
- Documentation of datasets, APIs, compute, and model cards
- Tools to monitor model performance and detect drift

Why it matters

An AI system is only as governable as the infrastructure around it. If an organization cannot identify which datasets were used or monitor for drift, it does not truly govern the system.

Source: Coalition for Health AI (CHAI) | governance.chai.org/introduction

62

62

Responsible AI Lifecycle Management 04

Governance doesn't end at go-live

Why is it

Tracking an AI system from initial vetting through active deployment, monitoring, and eventual retirement — focused on intended use, not just model capability.

What it includes

- Documented intended use, owner, and approval pathway for every AI tool
- Covers all ingestion modalities: built, procured, embedded, shadow AI
- Ongoing monitoring of model performance and use cases
- Monitoring plan and retirement or suspension process

Why it matters

A model may be acceptable for one context and dangerous in another. Lifecycle management ensures that governance does not end at go-live — it continues as the tool, workflow, and environment evolve.

Source: Coalition for Health AI (CHAI) | governance.chai.org/introduction

63

63

Risk and Impact Assessment 05

Risk lives in context — not in the model name

What it is

Structured pre- and post-deployment evaluations that assess risk at the level of the specific use case, not the underlying model, with documented mitigations.

What it includes

- Pre-deployment risk categorization
- Deeper review for higher-risk tools
- Impact assessment across potential harms, biases, and benefits
- Cumulative risk awareness: multiple tools can stack institutional harm
- Agentic risk domains: irreversibility, agent handoffs, stop conditions

Why it matters

The same general-purpose model may be low-risk for scheduling and high-risk for clinical decision support. Risk must be assessed by use case, workflow, and population — not just vendor assurance.

Source: Coalition for Health AI (CHAI) | governance.chai.org/introduction

64

64

Responsible Data Management

06

Existing data policies predate generative AI

Why it matters

AI-specific data governance covering provenance, de-identification, bias evaluation, contractual limits, and the full range of modern AI data risks.

What it includes

- Data acquisition register: origin, rights, intended use, retention
- Contractual limits on re-identification, training, fine-tuning, return of data
- De-identified data treated as still risky (linkage, inference, secondary use)
- Recurring data quality assessments and bias evaluation
- Standardized data preparation and vendor audit rights

Why it matters

Most existing data policies cover privacy, security, and retention — but not model training, embeddings, inference logs, fine-tuning, prompt capture, or output reuse. AI requires a new layer of data governance.

Source: Coalition for Health AI (CHAI) | governance.chai.org/introduction

65

65

Third Party Management

07

The vendor controls the model; the institution owns the consequences

What it is

A vendor governance framework covering disclosure requirements, contractual obligations, ongoing monitoring, and an enforcement ladder for when tools change after deployment.

What it includes

- Disclosure of known limitations, training data posture, bias testing
- Contract terms: data-use restrictions, audit rights, update notifications
- Re-review triggered by material changes to model, use case, or regulation
- Enforcement ladder: notice and cure → remediation → suspension → termination
- Subprocessors, output ownership, liability allocation, deletion obligations

Why it matters

Many organizations approve AI tools but have no leverage when vendors update the model, change training data, or alter performance. Contracts that are strong before deployment often become weak after.

Source: Coalition for Health AI (CHAI) | governance.chai.org/introduction

66

66

Education, Training and Feedback

08

People are part of the control system

What it is

Role-based training required before access to higher-risk AI, combined with structured feedback loops, incident reporting, and visible communication of follow-up actions.

What it includes

- Role-based training proportionate to risk and user responsibility
- Training required before access to Tier A / high-risk AI tools
- Patient/user disclosure where appropriate
- Documented incident reporting and near-miss tracking
- Closed feedback loop: what was done, what changed, what's next

Why it matters

Many AI failures are not purely technical. They arise because users over-trust outputs, use tools outside scope, fail to notice drift, or report issues but never hear back. Training and feedback are safety infrastructure.

Source: Coalition for Health AI (CHAI) | governance.chai.org/introduction

67

67

Program Overview: AI Policy Webinar Series for Kansas Hospitals

Session 1: Building the Foundation

Introduces what organizations need to know before developing an AI policy. The session covers:

- Key AI concepts and terminology
- Examples of AI use in healthcare settings
- AI Governance framework
- AI Policy Sections 1-7

Session 2: Drafting the Policy

Builds on Session 1 by guiding attendees through drafting the core sections of an AI policy. The session covers:

- AI Policy Sections
 - 8-19
 - Add on modulars
 - Appendices

68

68

Resources

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69