ARTIFICIAL INTELLIGENCE

2026 ISSUE BRIEF

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

BACKGROUND

AI is generally characterized as technology capable of simulating human thought and performing real-world tasks. Different organizations and government bodies use context-specific definitions that are colloquially referred to as AI. Predictive AI may use algorithms to analyze large amounts of data to make predictions, while generative AI is trained on large datasets to create new content. Machine learning can analyze large datasets to identify patterns and generate insights for decision-making; natural language processing enables computers to understand and manipulate human language. All told, AI technology can take many forms.

USE OF AI IN HEALTHCARE

Medical groups utilize AI technology in numerous facets of healthcare. AI-enabled tools can reduce administrative burden for medical practices and improve patient care. They can do everything from helping revenue cycle management by improving medical coding to providing predictive analyses of performance areas and assisting in patient communications and marketing efforts. New technologies have the potential to augment clinical decision-making, streamline operations, and reduce administrative costs. Unfortunately, while AI offers many opportunities for positive change, there have been notable examples of the technology being used to a detrimental effect. Medical group practices have raised concerns that certain AI tools may be used to exacerbate administrative burdens, such as mass, rapid denials of prior authorization requests, large language models that produce "hallucinations" or inaccurate answers, and more. AI could offer significant benefits to medical groups, but it's important to understand the risks and put safeguards in place before more widespread adoption.

RECENT ADMINISTRATIVE DEVELOPMENTS

Administrations have gone back and forth on issuing guidance on the use of AI in various sectors, including healthcare. The Administration released the **American's AI Action Plan** in July 2025 that includes recommended policy actions for healthcare. Also in December 2025, HHS released its **Artificial Intelligence Strategy**, which presents the agency's vision for accelerating AI innovation across health care and its internal workforce operations. Within HHS, the Assistant Secretary for Technology Policy (ASTP)/Office of the National Coordinator for Health Information Technology (ONC) issued a **request for information** late December 2025 on the use of AI in healthcare to inform what HHS can do to accelerate the adoption and use of AI as part of clinical care. ASTP/ONC additionally issued a **proposed regulation** late December 2025, which, if finalized, would impact federal health IT certification-based transparency requirements for certain AI tools in clinical settings. Other federal agencies have signaled their intent to issue federal regulations on AI.

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CONGRESSIONAL ATTENTION

To better understand the technology, Congress has held numerous forums on AI, such as closed-door briefings and hearings, and several AI-focused bills have been introduced. As an example, *Senator Ted Cruz's (R-TX)* Strengthening Artificial Intelligence Normalization and Diffusion By Oversight and eXperimentation, or **SANDBOX Act**, is designed to create a regulatory "sandbox," a policy endorsed by President Trump's AI Action Plan, that gives AI developers space to test and launch new AI technologies separate from federal rules. In other examples, AI is part of health legislation on topics such as access to care and prior authorization. The **Improving Senior's Timely Access to Care Act 2025**, supported by MGMA, would call for an analysis of how determinations made solely through automation and AI affect patient access and disparities. Prominent executives from AI companies have testified on AI oversight, while healthcare leaders have addressed both chambers on the benefits and challenges of AI programs. There is ongoing Congressional interest in federal preemption or in moratoriums on state AI laws that are consistent with the Administration's priorities. Earlier, the Senate Committee on Health, Education, Labor, and Pensions (HELP) Ranking Member Bill Cassidy issued a white paper on AI's use in healthcare and called for public feedback on the regulation and development of AI. The white paper reviewed policy areas that may require updated laws and rules, while also examining the potential of AI to help develop new medicines, reduce healthcare providers' workload, and more.

ADVOCACY PRIORITIES

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

MGMA GOVERNMENT AFFAIRS
1717 PennsylvaniaAve.,Suite600, Washington,DC20006
202.293.3450 | govaff@mgma.com
www.mgma.com/advocacy
@MGMA | #MGMAAdvocacy