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. Definitions of AI vary across organizations and government bodies, depending on context. 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 detrimental effect. Medical group practices have raised concerns that certain AI tools may exacerbate administrative burdens, such as mass, rapid denials of prior authorization requests, and that large language models can produce "hallucinations" or inaccurate answers. AI could offer significant benefits to medical groups, but it's important to understand the risks and have safeguards to protect practices as adoption grows.

RECENT ADMINISTRATIVE DEVELOPMENTS

Administrations have gone back and forth on issuing guidance on the use of AI in various sectors, including healthcare. In September 2026, the Administration issued the Executive Order Inaugurating the Era of Super Intelligence, and in July 2025 released **America's AI Action Plan**, which includes recommended policy actions for healthcare. In December 2025, HHS released its **Artificial Intelligence Strategy**, which presents the agency's vision for accelerating AI innovation across healthcare and its internal workforce operations. Within HHS, the Office of the National Coordinator for Health Information Technology (ONC) issued a **request for information** in 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. 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. The Centers for Medicare & Medicaid Services' WISeR Model uses AI-enabled prior authorization for select services in traditional Medicare in six states. MGMA has opposed the model, warning that it will increase administrative burden and delay patient care. 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. MGMA supports legislation to preserve clinician judgment, ensure qualified clinicians (not AI) are responsible for coverage denials, and increase transparency about when AI is used in coverage decisions, including the Doctors Not AI Act and the Protecting Patients from Automated Denials Act. The **Improving Seniors' Timely Access to Care Act of 2025**, also supported by MGMA, calls for an analysis of how determinations made 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 of Congress on the benefits and challenges of AI programs. There is ongoing congressional interest, consistent with the Administration's priorities, in federal preemption of, or moratoriums on, state AI laws.

ADVOCACY PRIORITIES

- **Encourage proper transparency and disclosures** from AI developers to ensure medical groups can easily understand the use and function of AI products and have the information they need for their own governance activities
- **Establish AI policies** that adequately balance the promise of AI technological capabilities with 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 determinations, 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 and safeguards to protect practices and 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** for AI tools developed outside the practice

With a membership of more than 70,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 medical groups in which more than 350,000 physicians practice. These groups range from small private practices in rural areas to large regional and national health systems and cover the full spectrum of physician specialties and organizational forms.

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