ARTIFICIAL INTELLIGENCE TASK FORCE

Minutes of the 3rd Meeting of the 2024 Interim

September 10, 2024

Call to Order and Roll Call
The 3rd meeting of the Artificial Intelligence Task Force was held on September 10, 2024, at 11:00 AM in Room 171 of the Capitol Annex. Senator Amanda Mays Bledsoe, Chair, called the meeting to order, and the secretary called the roll.

Present were:
Members: Representative Josh Bray Co-Chair; Senator Amanda Mays Bledsoe Co-Chair; Senators Stephen Meredith, Brandon Smith, and Reginald Thomas; Representatives John Blanton, Derek Lewis, and Suzanne Miles.

Guests: Cody Bumgardner, Director, Center for Applied AI, University of Kentucky; Hope McLaughlin, Senior Director of Government Relations and Anthony Rodriguez, Director, AI Strategy & Planning, Elevance Health; Jennifer Harp, Executive Director, Office of Application Technology Services, Cabinet for Health & Family Services; and Ruth Day, Chief Information Officer, Commonwealth Office of Technology.

LRC Staff: Daniel Carter, Alaina Spence, and Angela Rhodes.

Approval of Minutes
Representative Lewis moved that the minutes of the August 13, 2024, meeting be approved. Representative Blanton seconded, and the minutes were approved without objection.

Use of AI in the Healthcare System
Cody Bumgardner, Director, Center for Applied AI, University of Kentucky (UK), began his presentation discussing the artificial intelligence (AI) UK is currently using and the spectrum of AI abilities. In narrow AI versus generative AI (GenAI), the narrow AI is where the machine's ability to perform a single task extremely well, even better than humans. With GenAI, the machines can be made to think and function as a human mind. There are 950 FDA-authorized medical devices that use AI.

Mr. Bumgardner discussed several AI uses, such as, predicting extubation readiness in preterm infants, assessing trauma with sonography, and hospital operations, including

transfers from other hospitals and prediction of emergency department arrivals on a given day.

With strategic planning in healthcare, UK has created a system using AI to determine optimized estimates for CMS rankings, determine system specific issues, and provided tools to recalculate score on demand.

Public health overdose forecasting uses covariates to greatly improve forecast accuracy. He noted there are differences across model performance based on race that cannot be accounted for in dataset distribution.

Mr. Bumgardner discussed generative models, including foundational models. Foundational models include text, imaging, timeseries (EKG, eICU), genomics, and more and can observe large volumes of data and provide numeric characterizations of inputs. He expressed the importance of ensuring foundational models in medicine represent the people of Kentucky.

Today, AI assistants and agents can be used for patients to interpret questions, provide curated information, and distill responses. For providers, it can be used to summarize information, locate information, and act as a research agent. Also, it can assist in structured survey responses and robotic assistants.

Mr. Bumgardner discussed AI in other states and considerations for patients of Kentucky.

In response to a question from Senator Mays Bledsoe, Mr. Bumgardner stated research studies have found that patients are more engaged with the AI assistant surveys and evaluations when they are more tailored to their health.

In response to a question form Senator Thomas, Mr. Bumgardner stated that AI could operate as a short-term tool to generate, and distill down, diagnoses that could then be verified and traced down by humans.

In response to questions from Senator Meredith, Mr. Bumgardner stated there is guidance on who has responsibility of assessing data and determining if there is bias. In response to a follow-up, Mr. Bumgardner stated it would depend on the AI application of data used where the medical liability would ascend. In response to another question, Mr. Bumgardner stated the ownership of the data is complicated and he does not have an answer, but the responsibility of data should be within their own systems.

Senator Smith commented that AI will be as intelligent as the data inserted and believes that AI could assist in uncovering perplex illnesses. He also has concerns on federal oversight.

In response to a question from Senator Thomas, Mr. Bumgardner stated AI technology is useful and recommends the General Assembly to appropriate funds toward it.

In response to a question from Representative Bray, Mr. Bumgardner stated AI technology has improved patient care with personal assistant engagements. In response to a follow-up, Mr. Bumgardner stated AI can help augment physician shortages in radiology, geonomics reports, limiting the number of images a breast radiologist reads, and more.

Use of AI by Elevance Health DBA Anthem, Inc.
Hope McLaughlin, Senior Director of Government Relations, Elevance Health (Elevance), presented that Elevance, also known as Anthem Blue Cross & Blue Shield, has been serving Kentucky since 1938 and has about 1700 employees.

Anthony Rodriguez, Director, AI Strategy & Planning, Elevance, began his presentation stating that Elevance is leveraging AI to enhance the healthcare experience for members and focus on their health and wellbeing. Elevance has built out an AI governance model that is based in the National Institute of Standards and Technology that focuses on privacy, data usage, and represents Elevance's core values and principles.

Elevance is using AI in prior authorizations. AI is used to automate and improve the speed of approvals throughout processing and to allow clinical staff to focus on more complex cases. AI is not used to deny any requests for prior authorizations. AI also supports their call centers to help answer common inquiries. Large language models (LLMs) are used to quickly review members' plan documents and answer common questions related to the member. AI is also used to predict why members are reaching out, which is on track to reduce up to 3-million-member calls using AI prompts to resolve problems before the member contacts them.

Mr. Rodriguez stated, specific to Medicaid, Elevance is working on launching proactive member engagement programs, which will include reminders to schedule preventative visits, such as, flu shots and to help find access to care.

Overall, there are a lot of opportunities with AI and Elevance is currently looking at how to leverage GenAI and LLMs for knowledge management, managing large document

sets, policy comparisons, and contract comparisons to better manage the vast amount of information.

In response to a question from Representative Lewis, Ms. McLaughlin stated, at this time of infancy, Elevance does not have any cost outcomes the impact of AI may have on healthcare costs and insurance premiums. Mr. Rodriguez added that overall, the strategy around AI is to create those end-to-end efficiencies, which should translate into reduced costs and improved outcomes.

In response to a question from Senator Thomas, Mr. Rodriguez stated that claims that are not automatically approved through AI are reviewed by clinical staff. Elevance manages biases by performing thorough evaluations and all AI solutions are monitored.

In response to questions from Representative Bray, Mr. Rodriguez stated claims that are not automatically approved through AI are reviewed by clinical staff. In response to a follow-up, Mr. Rodriguez stated he believes there is a long-term solution to optimize all aspects of prior authorizations, including data management, synthesizing the information needed to process a prior authorization, and decisioning and support for decisioning. Ms. McLaughlin added that, across the country, 70 percent of prior authorizations are approved instantaneously and 95 percent of those are approved within 24 hours.

In response to a question from Senator Thomas, Ms. McLaughlin stated she does not know how other companies use AI, but Elevance does not and has not used AI to deny prior authorizations.

In response to a question from Senator Meredith, Ms. McLaughlin stated Elevance has worked to help increase patient accessibility to healthcare as well as help physicians review data. Mr. Rodriguez added that Elevance is looking for opportunities to use AI, not in any decisioning, but to shorten the time it takes to make a decision while ensuring high confidence and accuracy in what is produced to support those decisions.

Use of AI by the Cabinet for Health & Family Services

Jennifer Harp, Executive Director, Office of Application Technology Services, Cabinet for Health & Family Services (CHFS), began with CHFS strategy and vision for AI and GenAI. CHFS believes that the rapid advancement of AI, especially GenAI, has the potential to transform CHFS business processes and ultimately improve efficiency. With new and challenging considerations for implementation, their goal is to think big and start slow on the right foot while tracking other states, peers, and executive orders issued on AI. CHFS believes in promoting responsible AI with humans in the loop and is working on

creating comprehensive AI governance that includes AI policy, standards, and tools along with framework and guidelines. Ms. Harp stated that CHFS will continue engaging with the Commonwealth Office of Technology (COT) and other stakeholders including security, privacy and business groups to firm up their approach.

Ms. Harp discussed their guiding principle of policy, which includes, privacy, fairness and bias detection, explainability and transparency, safety and security, validity and reliability, and accountability. CHFS has drafted policy with responsible AI framework as a guiding principle, has engaged with CHFS stakeholders, COT, and vendor partners, and are monitoring AI activities in other states and federal partners.

Lastly, Ms. Harp discussed CHFS's AI strategy and usage guidelines, which will exclude sensitive or confidential information at this time or anything that COT does not authorize use of. AI usage today includes Optical Character Recognition within CHFS's Pharmacy Benefits Manager, chatbot, recommendation engine, and customer insights within CHFS's Integrated Eligibility and Enrollment System. CHFS's future use cases will include policy engine, training assistant, case insights, and real-time document processing via kynect benefits.

Ruth Day, Chief Information Officer, COT, stated COT was present for support and to show the importance of working together to share use cases in different applications for other agencies. She added that Ms. Harp will be chairing a governance board for AI.

In response to questions from Senator Mays Bledsoe, Ms. Harp stated that the governance board has yet to establish members, but will include CHFS and COT. In response to a follow-up, Ms. Harp stated that with using AI as a follow-up tool to see if patients are doing what they are asked to do, CHFS have had conversations, but no specific use cases at this time.

In response to a question from Representative Miles, Ms. Harp stated CHFS has reminders for various services across CHFS and have found improvement in responsiveness to those. Ms. Day added the focus with AI is to try to lower the administrative burden to be more interactive with citizens.

In response to questions from Senator Meredith regarding future workforce demands, Ms. Day stated the focus is not to reduce labor, but to leverage and make that labor more productive. In response to a follow-up question, Ms. Harp stated CHFS will primarily need funding and support from the General Assembly.

Senator Mays Bledsoe commented the General Assembly wants to be a good partner in developing AI policy for CHFS and be mindful of application and tools that will lead to better outcomes for Kentuckians.

Next Scheduled Meeting - Tuesday, October 8, 2024

Adjournment