

# **ARTIFICIAL INTELLIGENCE TASK FORCE**

## **Minutes of the 3rd Meeting of the 2024 Interim**

**September 10, 2024**

### **Call to Order and Roll Call**

The third 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. He explained that narrow AI is where a machine is designed to perform a single task extremely well, even better than humans. With generative AI (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.

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 from Senator Thomas, Mr. Bumgardner said AI could operate as a short-term tool to generate and distill diagnoses that could then be verified and traced by humans.

In response to questions from Senator Meredith, Mr. Bumgardner stated there is guidance on who has responsibility of assessing data and determining bias. Mr. Bumgardner said it would depend on the AI application of data used where the medical liability would develop. He added 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 perplexing 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 appropriate funds.

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, genomics 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, said Elevance is leveraging AI to enhance the healthcare experience for members. Elevance has built out an AI governance model that is based on the National Institute of Standards and Technology model that focuses on privacy, data usage, and represents Elevance's core values and principles.

Elevance is using AI in prior authorizations 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 three-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 and to help find access to care.

Overall, there are a lot of opportunities with AI and Elevance is 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 amounts of information.

In response to a question from Representative Lewis, Ms. McLaughlin stated because the technology is so new, Elevance does not know what impact AI may have on healthcare costs and insurance premiums. Mr. Rodriguez added that overall, the strategy around AI is to create end-to-end efficiencies, which should translate into reduced costs and improved outcomes.

In response to a question from Senator Thomas, Mr. Rodriguez said 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 reiterated that claims not automatically approved through AI are reviewed by clinical staff. 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. Their goal is to think big and start slow while tracking other states, peers, and executive orders issued on AI. CHFS believes in promoting responsible AI use with human oversight 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.

Ms. Harp discussed CHFS's AI strategy and usage guidelines, which will exclude sensitive, confidential, or any other information that COT does not authorize. 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 said the governance board has yet to establish members, but will include CHFS and COT. Ms. Harp said they are considering using AI as a follow-up tool to see if patients are doing what they are asked to do, but no specific use cases have been implemented 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. 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**

With no further business to come before the task force, the meeting adjourned at 12:30 PM.