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STATEMENT
of the
Federation of American Hospitals
to the
United States Senate
Committee on Finance

Re: "Artificial Intelligence and Health Care: Promises and Pitfalls"
February 8, 2024

The Federation of American Hospitals (FAH) submits the following Statement for the Record in response to the Senate Finance Committee's (Committee's) full committee hearing "Artificial Intelligence: Promises and Pitfalls." Hospitals are on the front lines of utilizing technology and innovation to improve patient experience, care, and outcomes. We appreciate the Committee's efforts to understand the use of algorithms and artificial intelligence (AI) systems in health care.

The FAH is the national representative of more than 1,000 tax-paying community hospitals and health systems throughout the United States. FAH members provide patients and communities with access to high-quality, affordable care in both urban and rural areas across 46 states, plus Washington, DC, and Puerto Rico. Our members include teaching, acute, inpatient rehabilitation, behavioral health, and long-term care hospitals and provide a wide range of inpatient, ambulatory, post-acute, emergency, children's, and cancer services.

Hospitals are consistently at the forefront of innovation and technology. Our members have seen firsthand the potential AI has to unlock efficiency and improve delivery through management and orchestration of patient care. Hospitals utilize AI for a wide range of activities including enhancing clinical documentation, streamlining nurse handoff processes, and optimizing staffing, scheduling, and improving care delivery.

Care delivery, in particular acute care, is a complex matrix of activities that requires coordination and engagement between numerous stakeholders (e.g., nurses, physicians, pharmacists, technicians, patients, and family members). AI is capable of understanding this complexity and orchestrating care delivery by identifying the next best action to take at any step in the process, ensuring precious time and resources are deployed in the most efficient and effective manner. For example, regarding bed management, AI could unlock bottlenecks in a hospital through understanding the interdependencies of moving patients within a hospital (e.g., from the emergency room to an inpatient unit). It could select the correct next action (which

patient moves next and where) that balances the needs of the patients, bandwidth and proficiency of the staff, and geography of the care teams assuming responsibility. Optimizing these decisions can unlock significant capacity in hospitals on a daily basis and improve patient experience.

Policymakers should encourage the use of generative AI specifically designed to simplify access, consumption, and readability of health care data. For example, a voice assistant for clinicians to extract specific information from large patient history can encourage evidence-based decisions and reduce clinical errors. Generative AI tools can contextually summarize, sequence, and modularize data better than static digital systems.

We urge Congress, regulators, developers of AI tools, and users of AI tools to collaborate on appropriate frameworks to maximize the safety and efficacy of AI within the health care sector. We note that a layered approach would be most appropriate, and legislative and regulatory policy should distinguish between whether a health care system or organization is developing their own platform and tools for internal use, creating a commercial product, or contracting with an outside vendor for internal use of a commercial product. It also should differentiate between AI uses to augment human decision making versus a situation where the output of algorithms is patient facing or directing patient care.

Further, guardrails should address topics such as transparency, ethical use, and oversight. The developers of commercial products that embed AI tools should make measures available that address issues such as how a model works, the data used to train it, appropriate and inappropriate uses of the tool, and results of any testing that have been done to assess bias to ensure that AI's use in care models decreases disparities and does not exacerbate them. Guardrails also should address ethical use, i.e., when it is necessary to have "a human in the loop," as well as the oversight of AI tools that are in use to ensure that they are functioning appropriately. The most effective way to regulate AI is to focus on the processes by which AI is developed, rather than on the individual algorithms themselves. When companies and organizations are developing AI products using a trusted process and framework, they have more ability to innovate new products and versions while mitigating risk. By focusing on the processes by which AI is developed, we can ensure that AI is developed in a manner that is safe and ethical.

Finally, Congress also should give thoughtful consideration to the topic of liability, which is a new and challenging aspect of AI. While health care providers bear responsibility for the care they provide, the developers of commercial AI products must also be accountable if safety, bias, or other harms are caused by a flaw in the AI tool itself.

We look forward to working with the Committee on these critical issues. If you have any questions or would like to discuss these comments further, please do not hesitate to contact me or a member of my staff at (202) 624-1534.

Sincerely,