February 23, 2026

Steven Posnack
Principal Deputy Assistant Secretary for Technology Policy
Department of Health and Human Services
Assistant Secretary for Technology Policy and the Office of the National Coordinator for Health Information Technology
Attn: Request for Information: HHS Health Sector AI RFI
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Mail Stop: 7033A
330 C Street SW
Washington, DC 20201

Dear Principal Deputy Assistant Secretary Posnack:

We thank you for the opportunity to provide input into the "Request for Information: Accelerating the Adoption and Use of Artificial Intelligence as part of Clinical Care," which seeks to "establish a forward-leaning, industry supportive, and secure approach to accelerate the adoption and use of AI as part of clinical care."

To provide some context for our comments, let us share a little about LeadingAge. Our mission is to be the trusted voice for aging. We represent more than 5,400 nonprofit aging services providers and other mission-driven organizations that touch millions of lives every day. Alongside our members and 36 partners in 41 states, we use advocacy, education, applied research, and community-building to make America a better place to grow old. Our membership encompasses the entire continuum of aging services, including skilled nursing, assisted living, memory care, affordable housing, retirement communities, adult day programs, community-based services, hospice, and home-based care. We bring together the most inventive minds in the field to lead and innovate solutions that support older adults wherever they call home. For more information visit leadingage.org.

We continue to believe that artificial intelligence (AI) demonstrates considerable potential for all of us in health care to work more efficiently. However, AI is only as good as its inputs. To the degree that these mechanisms are used for clinical care decision making, we think it is important to ensure AI does not serve as a barrier to medically necessary services and that policies protect beneficiaries. Specifically, all decisions and data derived from AI tools (including algorithms, machine learning, reports that average a patient's expected experience and needs based upon an average patient, etc.) are required to be reviewed by a qualified health professional prior to denials of care or terminations of care and services. Additionally,

As AI evolves, we are still learning its capacity and possible applications. Therefore, LeadingAge's recommendations are based upon a set of principles for what we see as the responsible, appropriate use of AI that also protects older adults from possible misuse.

AI use in health care should:

- Reduce Administrative Burden and Free Up Clinician Time
- Aide in Clinical Documentation and Information Synthesis
- Support Person-Centered Care Planning
- Expedite (Not Deny) Care and Services
- Improve Care Transitions and Post-Acute Coordination
- Simplify and Inform Beneficiary Decisions Related to their Coverage and Treatment Options
- Enhance CMS Clinical Oversight and Ensure Regulatory Compliance

Governed by these principles, we share our thoughts below about the questions posed in the CMS RFI.

Barriers to Innovation and Adoption

The RFI asks what the biggest barriers are to private sector innovation in AI for health care and its adoption and use in clinical care. From the perspective of LeadingAge, a major barrier to private sector innovation in artificial intelligence (AI) for health care is the limited adoption capacity and readiness across the full continuum of care—particularly within aging services settings such as nursing homes, assisted living, and other long-term services and supports (LTSS) providers. Successful AI innovation and deployment cannot be limited to physicians and hospitals; it must encompass all settings where Medicare beneficiaries receive care. However, implementation strategies often fail to account for the significant variation in digital maturity, infrastructure, and resources across provider types.

Historical Underinvestment in Aging Services Health IT Infrastructure

A foundational barrier is the historical exclusion of most long-term care and aging services providers from federal health IT incentive programs. Under the HITECH Act, the Medicare and Medicaid EHR Incentive Programs ("Meaningful Use") focused primarily on eligible hospitals and eligible professionals. Nursing homes and most LTSS providers were not eligible for these incentives and therefore did not benefit from the substantial federal investments that accelerated electronic health record adoption, interoperability, and digital workflow standardization in acute and ambulatory care.

This legacy underinvestment continues to constrain AI readiness today. Many aging services providers operate with less mature health IT systems, limited interoperability, inconsistent data standards, and fewer digitally enabled workflows. Most AI tools assume modern data architecture, clean and representative datasets, standardized vocabularies, and seamless integration with EHRs and payer systems—conditions that are not consistently present in aging services settings due to this lack of prior federal investment. As a result, private sector developers face a smaller, more fragmented market, which reduces incentives to design AI solutions tailored to the needs of aging services providers.

Resource constraints compound these challenges. Nonprofit aging services providers often operate with thin margins, limited access to capital, and small IT teams. Evaluating AI tools, managing cybersecurity risk, negotiating HIT vendor contracts, and supporting implementation requires capacity and financial resources that many aging service organizations lack. Workforce shortages and high turnover further reduce tolerance for experimentation, even when AI could meaningfully reduce administrative burden.

Finally, misaligned reimbursement and incentive structures limit adoption. Many AI tools deliver value through workforce efficiency, consistency, and prevention rather than directly reimbursable clinical outcomes. When these benefits are not recognized or rewarded, providers struggle to justify investment, which in turn discourages private sector developers from tailoring AI solutions to aging services environments.

Together, the historical exclusion of long-term care providers from federal health IT incentives, ongoing infrastructure gaps, regulatory uncertainty, and resource constraints limit AI adoption in aging services. These adoption barriers reduce real-world implementation opportunities, slowing feedback loops and constraining private sector innovation in AI for clinical care.

Aging service provider engagement is essential to be successful in leveraging AI tools for Medicare beneficiaries, as they have significant, often daily interactions with the older adults they serve, and therefore capture critical data that could be utilized by AI tools to diagnose and recommend optimal treatments or interventions that improve the individual's outcomes.

Lack of Data Standardization and Interoperability

The lack of standardized data across payers, EHR vendors, and care settings further limits innovation and adoption. Fragmented data standards reduce data volume and usability, which are essential to training, validating, and deploying effective AI tools. Greater alignment around interoperability standards—particularly for Long Term Post-Acute Care (LT-PAC) providers—would create the scale and consistency necessary to incentivize health IT vendors to develop more advanced, interoperable AI solutions for aging services settings.

Regulatory Uncertainty and Absence of Federal Guardrails

Regulatory uncertainty is another significant barrier. Providers and developers lack clear federal standards or guardrails governing AI use in health care broadly, and in clinical decision-making specifically. There is limited guidance on issues such as:

- Bias and representativeness of datasets being used for AI tools
- Clinical accuracy expectations, benchmarks, and validation requirements
- Definitions of common AI terminology and vocabulary
- Accepted and prohibited uses of AI in clinical care
- The role of AI, if any, in medical necessity determinations

- Alignment with evidence-based clinical guidelines and expectations for tool updates
- Beneficiary protections related to data use, transparency, appeals, and human oversight

In highly regulated environments such as nursing homes, this uncertainty increases perceived compliance and legal risk and discourages adoption—even for non-medical device AI tools focused on documentation assistance, analytics, care planning support, or workflow optimization.

Clear federal guardrails are needed to establish that AI tools must comply with existing health care regulatory and legal requirements; that AI cannot independently deny, terminate, or reduce care; and that any AI-informed determinations must be subject to review by a qualified human health care professional. Standards must also ensure that all determinations and denials remain fully appealable by the beneficiary, their family, and/or their treating providers.

Unclear Oversight and Enforcement Roles

Uncertainty regarding which federal entities have oversight responsibility further slows innovation. Clarity is needed on the respective roles of CMS, Office of the National Coordinator (ONC), Food & Drug Administration (FDA), and other agencies in setting standards, overseeing development, and enforcing appropriate use. For example, FDA may be best positioned to oversee AI tools that function as medical devices, while CMS may play a central role in establishing provider-facing requirements related to use, documentation, beneficiary protections, and appeals processes. Without defined roles and coordinated oversight, both providers and developers face increased uncertainty and risk.

Resource Constraints and Workforce Challenges

Resource limitations compound these challenges. Many aging services providers—particularly nonprofit organizations—operate on thin margins, have limited access to capital, and maintain small IT and compliance teams. Evaluating AI tools, negotiating vendor contracts, managing cybersecurity risk, training staff, and supporting implementation requires time and expertise that many organizations lack. Workforce shortages and high staff turnover further reduce tolerance for experimentation, even when AI tools could meaningfully reduce administrative burden and improve consistency of care.

Misaligned reimbursement and incentive structures also inhibit adoption. Many AI tools deliver value through efficiency, prevention, and workforce support rather than directly reimbursable clinical services. When these benefits are not recognized or rewarded, providers struggle to justify investment, which in turn discourages private sector developers from entering or remaining in the aging services market.

Need for Inclusive Implementation and Provider Support

Aging services provider engagement is essential to successful AI innovation for Medicare beneficiaries. These providers have frequent—often daily—interactions with older adults and capture critical longitudinal data that could be leveraged by AI tools to support diagnosis, care planning, and

interventions that improve outcomes. Excluding these settings from AI strategies limits real-world testing, feedback loops, and scalability, ultimately constraining private sector innovation.

Recommendations to Reduce Barriers

To address these barriers and enable responsible AI innovation and adoption, LeadingAge recommends:

- Establishing federal standards and guardrails for AI use in health care, particularly for clinical decision support, that address bias, data adequacy, transparency, human oversight, beneficiary protections, and appeal rights.
- Clarifying federal oversight roles across CMS, ONC, FDA, and other agencies to support consistent development, deployment, and enforcement.
- Updating provider regulations—including licensure requirements and conditions of participation—to explicitly permit appropriate AI use, reinforce that human clinical judgment supersedes AI outputs, and ensure patient-centered decision-making is retained.
- Providing targeted financial support or add-on payments for LT-PAC and aging services providers to invest in health IT infrastructure, interoperability, and AI-enabled tools.
- Phasing in compliance with interoperability and data standards (e.g., FHIR-based requirements) for aging services providers to reflect current readiness levels.
- Supporting provider education and training, including CMS-led technical assistance or convenings focused on emerging technologies, benefits, and responsible deployment.

Together, historical underinvestment, infrastructure gaps, regulatory uncertainty, resource constraints, and misaligned incentives significantly limit AI adoption in aging services. Addressing these barriers is critical to ensuring that private sector AI innovation reaches all care settings and equitably benefits Medicare beneficiaries.

Regulatory, payment policy or programmatic design Incentives to encourage effective use of AI in clinical care.

LeadingAge encourages HHS to prioritize regulatory and programmatic changes that address the foundational readiness gap facing nursing homes and other aging services providers. As recent reporting has shown, nursing homes lag significantly behind other health care settings in AI adoption, largely due to underinvestment in digital infrastructure, limited interoperability, and uncertainty about how existing regulations apply to emerging technologies. While ONC health IT certification requirements have helped advance digital readiness in other health care segments, those requirements are largely not applicable to aging services settings, leaving many providers without a clear pathway to adopt certified, interoperable technology. HHS should consider creating a new certification or qualification program tailored to long-

term care and senior living, paired with upfront financial support, to help providers adopt technologies that are designed to support safe and effective AI use.

Payment policy must also better align with how AI delivers value in aging services. Many AI tools generate benefits through reduced administrative burden, improved workforce efficiency, and earlier identification of clinical and operational risk rather than directly reimbursable clinical services. Without financial incentives that recognize these gains, providers struggle to justify investment, and private-sector developers have limited incentive to tailor solutions for long-term care and senior living settings. HHS should prioritize demonstration programs and payment models that provide financial incentives to organizations that adopt certified or qualified technology, reward measurable workforce and care coordination improvements, and offset implementation costs. Targeted financial incentives, coupled with programmatic support and technical assistance, will be essential to accelerating responsible AI adoption in nursing homes and other aging services settings.

Liability, Privacy, and Accountability Challenges in Deploying Non-Medical AI Tools

In our view, non-medical device AI presents distinct legal and implementation challenges for aging services providers, particularly around accountability, liability, contracting, and operational governance. Tools such as documentation assistance, predictive analytics, workflow optimization, and care planning support are increasingly used in clinical environments but often fall outside traditional regulatory categories. Providers are frequently unclear about where responsibility lies when AI supports decision-making but does not replace clinical judgment. This uncertainty is compounded by vendor contracts that may shift risk disproportionately to providers, especially nonprofit organizations with limited legal and technical resources.

HHS can play an important role by establishing clear, principle-based guidance for the responsible use of non-medical device AI in clinical care. This guidance should clarify expectations related to human oversight, accountability, transparency, and documentation, while avoiding prescriptive requirements that could stifle innovation or exclude smaller providers. HHS can also help by promoting model contractual terms, implementation best practices, and shared governance frameworks that support safe deployment in real-world care settings. By focusing on clarity and consistency rather than new layers of regulation, HHS can reduce adoption risk for aging services providers while enabling responsible innovation across the sector.

Other Potential Opportunities for AI in Clinical Care

The following offer some additional detail where we see opportunities for AI in clinical care—particularly when AI is used to support clinicians, strengthen care delivery, and improve beneficiary experience, rather than to ration care or replace professional judgment.

1. **Support Clinical Decision Making and Reduce Administrative Burden**

   AI has the potential to transform clinical care by automating routine administrative tasks and providing valuable decision support to clinicians. When deployed thoughtfully, AI tools can

handle time-consuming duties such as charting, documentation, workflow optimization, and care planning, enabling clinicians to focus more on direct patient care and professional judgment. Additionally, AI can synthesize and summarize complex clinical information across records, surface relevant insights, and highlight risks and trends, especially for patients with multiple chronic conditions or frequent care transitions. These functions not only reduce paperwork and streamline processes but also provide clinicians with advisory support that supplements, rather than replaces, their expertise.

- Automate documentation, charting, and workflow processes to reduce paperwork
- Synthesize and summarize complex clinical information for clinicians
- Support interdisciplinary care planning and coordination
- Facilitate smoother care transitions across hospital, post-acute, and community settings
- Surface relevant information and identify risks or trends for complex patients

The most effective use of AI in clinical settings is to support clinicians and care teams, reduce non-clinical workload, and improve coordination**.** AI could operate alongside clinicians, informing their decisions and helping them understand the full clinical picture, but must not substitute for clinical judgment or make independent care decisions. All AI-derived insights should remain subject to qualified health professional review, ensuring that care remains individualized and grounded in professional expertise, particularly in high-stakes environments such as post-acute and long-term care. By leveraging AI as a supportive tool, the healthcare workforce can address shortages, boost efficiency, and enhance patient care without compromising the essential human element of clinical decision making.

2. Expedite (Not Deny) Prior Authorization and Coverage Decisions

In this same vein, AI could also be used to streamline utilization management and coverage decisions by managed care plans expediting prior authorizations and concurrent reviews. More specifically, AI could be used to identify and extract required documentation in an EHR that supports a prior authorization request. In addition, CMS could use AI to ensure Medicare Advantage plans are complying with Medicare regulations when making coverage decisions. MA plans, in turn, could use AI to surface relevant clinical criteria that apply to a specific coverage determination request. Taking these steps could not only expedite approvals of care but also ensure regulatory compliance and accountability and ensure beneficiaries/patients have equal access to medically necessary care.

However, we strongly recommend that AI be prohibited from being used to deny, reduce, or terminate medically necessary care or to override individualized clinical assessments—particularly in Medicare Advantage.

AI can reduce delays in care by accelerating administrative processes when it supports approvals and respects clinician judgment.

3. Support Person-Centered Care Planning

LeadingAge sees potential for AI to support care planning and interdisciplinary coordination, including identifying trends, risks, and care needs over time—so long as outputs are advisory and individualized, not based on population averages or rigid algorithms. AI can help care teams anticipate needs, coordinate services, and tailor care plans for residents and patients with complex, evolving conditions.

4. Improving Care Transitions and Post-Acute Coordination

LeadingAge supports AI tools that help improve care transitions, particularly from hospitals to post-acute settings such as skilled nursing, home health, PACE, and other long-term services and supports. This includes identifying care needs, anticipating service requirements, and improving information flow across settings.

AI can reduce avoidable readmissions, delays, and disruptions in care by improving coordination across the continuum.

5. Beneficiary-Facing Decision Support in Clinical Contexts

LeadingAge has publicly supported the concept of CMS-operated, neutral, beneficiary-facing AI decision-support tools that help individuals understand their care options, including Medicare Advantage plan selection, post-acute access, and service availability. While not making clinical decisions, these tools support informed, person-centered choices that affect downstream care.

Our aging services providers have observed the challenges older adults face in annually evaluating how they receive their Medicare benefits (e.g. traditional Medicare, Medicare Advantage, Medigap, Accountable Care Organizations, etc.). We believe there may be an opportunity to include an AI tool that goes beyond just evaluating MA plan options but instead encompasses the full array of options for receiving their Medicare benefits. Such a tool could ask a series of questions (prompts) where the beneficiary could list their current providers, their geography, their medications, what services or treatments they are currently receiving and what factors are most important in how they receive their Medicare benefits (e.g. total potential out of pocket costs based upon their current health needs, would they be willing to trade lower costs if they had to obtain prior authorization for services or be limited to a smaller list of providers from whom they could receive their care). The tool could generate a comparison chart that looks at predicted monthly and total out of pocket costs including medical and prescription drug costs, services covered (e.g. list supplemental benefits) and if not covered, average cost to obtain the comparable service (e.g. dental), identify if any of their providers would not be covered under the option.

AI also could generate plain-language explanations for patients to better understand a diagnosis and care options, help identify resources they may want to explore (e.g. palliative care), and

understand the impacts a diagnosis may have on their quality of life and health trajectory. It could also assist them in generating questions they may wish to ask their health care professional.

6. Supporting CMS Clinical Oversight and Compliance

LeadingAge supports CMS using AI to review Medicare Advantage plan compliance with Medicare coverage rules, internal plan criteria, and utilization management practices—especially to ensure that clinical standards are followed and beneficiaries receive required services.

We believe AI can strengthen clinical oversight and enforcement without increasing burden on providers and potentially use CMS oversight resources more cost effectively while preserving appropriate access to medically necessary care. AI tools could be used by CMS to review MA plan coverage determinations through the lens of compliance with the myriad Medicare service coverage regulations with which plans must comply. Such an analysis could determine the appropriateness of MA plan internal coverage criteria and their application, identify prior authorization denial frequency, trends and appropriateness, and test the accuracy of MA plan AI tools used in coverage determinations. Additionally, there may be opportunities to use AI to analyze network adequacy not only for compliance with time & distance standards but also to identify errors in provider directories, assess provider capacity to accept patients, and assess the quality of the network providers.

From LeadingAge's perspective, AI holds meaningful promise in clinical care when it is:

- Supportive, not determinative
- Person-centered, not average-based
- Transparent, explainable, and appealable
- Focused on efficiency, access, and quality—not cost avoidance

Nonetheless, even with all of these possibilities for AI use in healthcare, we remain concerned about its potential for misuse without appropriate guardrails.

AI guardrails must be established that are appropriate for the health care sector.

1. **AI tools should be tested, validated, and transparent. F**ederal regulations should be established to ensure when AI is used in clinical care that the data being used is robust and relevant to the task for which it is being used. AI outputs should be proven to be accurate 95% of the time or more, with a minimal error rate. We need greater transparency into the inputs being used by AI tools to ensure bias is removed, data is valid and outputs are error free.

2. **Human review must be part of the workflow.** Qualified health care professionals must be part of the workflow in reviewing AI-influenced decisions. Human oversight should not be viewed as a barrier to AI adoption—it is essential to preventing harm, reducing appeals, and sustaining

trust in AI-enabled clinical workflows and decisions.

3. **AI-influenced decisions must also be appealable** and those that use AI tools must be accountable. Beneficiaries/patients, their families or representatives and provider should be informed of their right to appeal and how to appeal and AI-influenced decision by the entity using the AI tool. Those who develop and/or deploy AI tools must be accountable for AI outputs and errors. This means they must inform impacted individuals of their right of appeal, how to appeal and must be provided a reason for a denial that is accompanied by information about what data led to the denial and other transparency about the AI tools being used. This information is essential for effective appeals and understanding.

LeadingAge shares the Administration's enthusiasm about the potential uses of AI but also believe for AI adoption to be embraced we must also ensure that our policies related to its use contain the necessary guardrails to prevent its fraudulent use and prevent harm to the older adult population we serve. We appreciate this opportunity to share the perspective of aging services provider to help inform future AI policies related to clinical care. Please let us know if you have any questions or wish to discuss any of these issues further.

Sincerely,

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