

GOVERNANCE INSIGHTS

The Board's Role in AI Use and Implementation

In just a few years, artificial intelligence has shifted from a tool used in some parts of health care to a tidal wave of change and challenges. While many organizations were experimenting with small pilot projects three years ago, today some form of AI is part of everyday operations in most hospitals and health systems.

Boards are responsible for overseeing organizational strategy and performance, and artificial intelligence (AI) is likely being used in everyday ways that boards may not be aware of or fully understand. The use of AI has big implications for patient care and outcomes, the hospital's workforce, and financial performance.

How Artificial Intelligence is Already Being Used

AI is likely already being used in everyday tasks and programs, such as electronic health records (EHRs) and imaging systems. Employees are also using AI chatbots such as ChatGPT, Gemini or Claude to conduct work on either company or personal devices.

In many organizations, AI is used to varying degrees in clinical care and decision-making, administrative tasks, and finance and reimbursement.

Clinical Care. AI's ability to look at multiple sources of data and use algorithms to identify concerning patterns has far-reaching clinical implications. It can be used to predict clinical deterioration (such as sepsis or respiratory failure), review radiology and pathology results, prioritize when urgent action is needed and prevent hospital readmissions.

For example, AI use in breast cancer screenings, lung cancer

screenings, and stroke detection and triage results has proven to reduce provider workloads and result in quicker turnaround for patients.¹ The ability for systems to automatically mark abnormal scans as urgent can reduce time to treatment and result in better clinical outcomes.

Sepsis prediction is another example. The Cleveland Clinic recently expanded its use of AI sepsis detection software, which analyzes medical data in patient electronic medical records and provides real-time updates if a patient is at risk of developing sepsis.²

Administrative Tasks. One of the most well-known examples of AI assisting with administrative tasks is automatic generation of clinical

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Our Perspective **Leading Through AI: Education, Oversight and the Human Side of Healthcare**

Artificial intelligence (AI) is rapidly changing how healthcare organizations operate, from streamlining administrative work to supporting clinical decisions. Its potential is significant, but so is the responsibility to understand where it adds value, where it falls short and what safeguards are needed. For healthcare trustees and administrators, staying informed is no longer optional. It is an essential part of responsible leadership.

At the South Dakota Association of Healthcare Organizations (SDAHO), we recognize that members are navigating this changing landscape at different stages. Our role is to provide ongoing education and practical resources that help healthcare leaders, board members and staff evaluate emerging technologies thoughtfully, ask informed questions and keep patients at the center of every decision.

Education That Supports Informed Leadership

Throughout 2026, SDAHO has offered learning opportunities exploring both the possibilities and challenges associated with AI:

- **February — *From Paperwork to Patient Care: How AI and Automation Simplify Admissions and Daily Operations*** examined responsible uses of automation to reduce paperwork and administrative burdens in healthcare and post-acute care settings, while supporting—not replacing—staff.
- **March — *Search Trends in Healthcare: Local, SEO and AI Strategies*** explored how AI-powered search is changing the ways patients find providers, services and care information.
- **April — *Smart Staffing: Leader Strategies to Build and Maintain a Reliable Workforce Pipeline*** included discussion of AI tools as part of broader workforce strategies.
- **May — *Responding Effectively to Cybersecurity Incidents*** reinforced the importance of preparedness, coordinated communications and protecting organizational trust amid evolving cyber threats—considerations that are especially relevant as AI adoption grows.
- **August — *Designing the Future of Work with Generative AI Tools*** provided practical, hands-on education to help participants better understand and use generative AI.

SDAHO also included AI-related education at its three in-person events, providing opportunities for administrators, board members and healthcare professionals to learn from experts and discuss practical applications.

Education Must Lead to the Right Questions

Understanding AI does not mean every trustee must become a technology expert. Boards provide strategic oversight; administrators and clinical leaders guide implementation. Together, they should be asking: What problem are we trying to solve? How will we evaluate accuracy and effectiveness? Who reviews AI-generated recommendations? How are patient information, privacy and cybersecurity protected? What training and policies will staff need? And how will we know whether a tool is improving care or creating new risks?

These questions matter because AI can produce incomplete, inaccurate or biased information. Even promising tools require careful evaluation, appropriate human review and ongoing monitoring.

SDAHO will continue to offer educational opportunities and resources to help members navigate AI as technology evolves. We encourage trustees and healthcare leaders to participate, share what they learn with their organizations and remain actively engaged in discussions about responsible use. The goal is not to adopt AI for its own sake. It is to make informed decisions that protect patients and staff while strengthening the care our communities depend on.

Explore SDAHO educational opportunities: <https://members.sdaho.org/events/>

Upcoming Education

- November 5 - Connecting the Dots: Community Resources, 211, 988 & Medicaid Work Requirements
- November 10 - Home Health Hot Topic: If It Wasn't Documented, It Wasn't Done: Common Documentation Issues Impacting Home Health Agencies
- November 11 - Ethical and Practical Considerations with Diminished Capacity Patients
- November 17 - EMTALA 2026
- November 19 - Reading Between the Lines: Recognizing Disengagement Before the Employee Leaves

To learn more about SDAHO's educational offerings, visit <https://members.sdaho.org/events/>

Do you have ideas for future issues of *The Trustee Quarterly*?

Our goal is to provide you with the information and knowledge you need to lead your hospitals forward in today's rapidly changing environment. Tell us what you think, and what you'd like to see in future issues of *The Trustee Quarterly*.

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SDAHO Enterprises was developed to pursue valued services and increase non-dues revenue. Overall goals and objectives of providing revenue to supplement SDAHO strategies and providing support and benefit to members.

Generative vs. Agentic AI

Generative AI is passive. It is the technology that most health care organizations are currently using, and it is based on large language models (LLMs). ChatGPT, Gemini and Claude are examples of LLMs. This kind of AI gathers all the data and information and makes recommendations. What it provides can be highly valuable, but it requires a human to take action.

Agentic AI takes action and completes tasks on its own, without human intervention. For example, a system may gather data from a patient chart and submit a prior authorization automatically.

Boards must understand the difference and the risks associated with each type of technology as they wade into next steps and decision-making.

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notes during patient encounters. One report found that physicians spend 83% less time writing notes thanks to these AI tools.³

According to the American Medical Association, more than 80% of physicians report using AI, and more than 75% say it improves their ability to care for patients.⁴ The American Hospital Association (AHA) reports similar trends, with more than 67% of nurses using AI for patient documentation and an increasing number of nurses

reporting positive impacts of AI on patient care.⁵

In addition to medical scribing and drafting clinical notes, some examples of AI use in administrative tasks include:

- Predicting patient flows and staffing requirements
- Tracking when infrastructure needs to be repaired or updated
- Syncing various patient documentation sources into a single EHR
- Appointment scheduling and patient intake
- Predicting potential no-show appointments and customizing reminders and scheduling for open appointments

Finances. AI can assist with financial and operational decisions like revenue management, and in areas specific to health care such as improving coding accuracy, claims processing, identification of underpayments and prior authorizations.

At the same time, AI is also used by insurers to review records and evaluate claims, creating a

different dynamic between providers and insurers as claims are evaluated and paid.

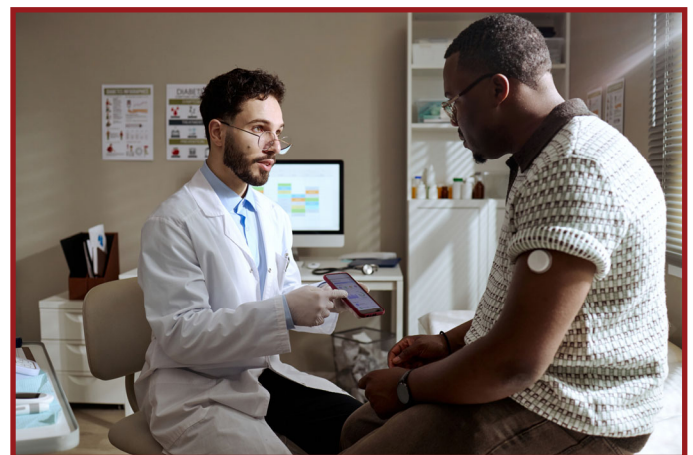
Implementation Can Be Bumpy and Skepticism Remains

Like the adoption of other technologies, expanding the use of AI is not always smooth. A new system may work well in theory, but when new scenarios occur that are outside the original testing scope, implementation can get bumpy. For example, an AI tool might not seamlessly integrate with the

electronic health record, causing information to be missed or manually re-entered. Or, automated patient intake could misinterpret a complex patient request and create an administrative mess for someone to untangle.

These bumps result in wasted resources as workarounds are

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created, and highlight the need for robust testing so that users are confident errors and kinks are worked out.

Skepticism. Patients and providers both have concerns about the use of AI when it comes to personal health care.

- Patients are understandably frustrated when they can't speak with a human provider
- Patients lack trust about how algorithms are determined and if bias is reinforcing historical disparities in the health care system
- Providers have concerns about reliability, wasted work, and silent errors that go unnoticed

Lack of Trust in the United States.

The U.S. reports the lowest level of trust in the government to regulate AI (31%) compared to any other country measured.³

When asked about the potential impact of AI on medical care, 84 percent of AI experts believe that AI will have a positive impact. In contrast, only 44 percent of U.S. adults anticipate a positive impact.³

Building Confidence. Hospital leaders must address concerns about lack of trust. Implementation should include careful validation, provider involvement, ongoing monitoring, and a leadership team dedicated to making changes when necessary to maintain quality and patient safety as a top priority.

Potential AI Applications: Readiness and Impact

Easier to Implement and Quick Impact

- Appointment scheduling (24/7 access to scheduling, automated confirmations and reminders)
- Patient self check-in and registration
- Determination of patient eligibility and estimated costs
- Facilities management, such as predictive maintenance, decreasing energy costs and using risk scores to optimize choices
- Supply chain management
- Facility security, using incident data to identify risks and increase safety
- Capacity planning to improve patient flow, reduce length of stay, and increase bed capacity
- Diagnostic decisions, such as flagging urgent cases identified in radiology
- Operating room management, including predicting surgical case duration and cancellation and optimizing post-anesthesia care
- Patient risk assessments to identify care gaps, social determinants of health
- Patient engagement, using virtual assistants to answer basic patient questions and help relieve provider workload

More Complex to Implement, Impact Takes Time

- Automated medical scribe technology that records physician-patient interactions and drafts notes that the clinician reviews and makes adjustments to
- Denial prevention and prior authorization
- Medical coding based on medical notes and clinical documentation improvement to streamline documentation for prior authorizations, denials and appeal letters
- Cybersecurity, including accelerating threat detection and expediting responses
- Detecting and preventing medication errors
- Personalized treatment plans based on risks, or using larger data sets to forecast multiple health-related results
- Reducing medical errors using a framework to guide clinical decision making

For more information, see the American Hospital Association's latest Market Insights Report: *Building and Implementing an Artificial Intelligence Action Plan for Health Care* at www.aha.org/center/emerging-issues/market-insights/ai.

Case Examples: Artificial Intelligence in Hospitals

North Country Hospital—AI Governance Committee

North Country Hospital, a critical access hospital in Vermont, established an AI governance committee when it was considering implementing an ambient listening scribe platform in 2025. The committee provides a strategic lens for AI decisions and develops recommendations that provide a framework for analyzing AI tools without stifling the innovation necessary for the hospital to adapt. The committee starts with an AI Solution Request Form, focusing on evidence-based questions such as “What problem are we solving? What data are we exposing? Who is accountable? What benefit do we expect? What risks are we accepting?” *Learn more at <https://trustees.aha.org/ai-governance-no-longer-optional>.*

Adventist Healthcare—Using AI for Triage Decisions

Maryland’s Adventist HealthCare uses AI to support triage decisions in the emergency department, analyzing patient symptoms with other data to better inform caregivers and ensure patients receive the right care at the right time. It has reduced emergency wait times, sped up admittance and discharge decisions, and reduced the number of days patients may spend in the hospital. *See this case example and more like it at www.aha.org/type/stories.*

Providence—The Guardrail Group

Washington-based Providence, a 51-hospital system with more than 1,000 clinics in seven states, has established the “guardrail group” that determines how an AI-related pilot or project moves through the organization. Some examples include in-basket management, documentation support and self-service navigation for patients. *See this case example and more like it at www.aha.org/center/emerging-issues/market-insights/ai.*

Cybersecurity Concerns Will Increase

The FBI has identified health care and public health as the top industry targeted for cyberthreats. The cost for each health care data breach is estimated at more than \$7 million, and health care organizations face the longest “recovery” time when compared to other industries.⁷

Experts predict cyberattacks will grow as health care organizations increasingly adopt AI. Organizational vulnerability increases with technology use because there are more opportunities to attack. Unfortunately, as AI gets smarter

for health care organizations, it also gets smarter for attackers. That means attacks can come from customized tactics and deepfakes that are hard to identify.

Next Steps for Board Consideration

While every organization is in a different stage of AI implementation, ignoring AI is not an option. Every board should be discussing AI and have a vision for its use. Hospitals that avoid implementing AI will still end up

using it, but they will miss out on the benefit of planning and implementing the technology based on local needs and culture.

As boards consider next steps, it is important to remember that the

Ignoring AI is not an option. Every board should be discussing AI and have a vision for its use.

board’s primary responsibilities have not changed. The board is responsible for strategic thinking and oversight, not selecting a specific vendor or determining the logistics of AI implementation. Keeping that in mind, below are some starting points to consider:^{8,9}

Start with identifying a problem you want to address. Would your organization benefit from clinical or administrative implementation? What is a specific challenge you want to address at your hospital or health system, and how specifically could AI help solve that problem?

Involve clinicians from the start. Physicians and other providers must be involved in defining the problem and shaping the solution before the technology is selected and implementation begins.

Identify metrics for how success will be measured, such as reduced documentation time, reduced sepsis cases, time between cancer screenings and follow-up or faster patient scheduling.

Define who “owns” AI. Determine who is responsible for AI implementation, oversight and measurement both on the leadership team and on the board. Some boards may create a board committee, subcommittee or task force dedicated specifically to AI. Continual oversight will be needed.

Find ways to fund AI. While many organizations report a positive



Questions for Boards

- ✓ How is AI already being used in our hospital or health system?
- ✓ Does our board understand the current and future potential for AI, and agree that ignoring AI is not a viable option?
- ✓ What are existing employee and staff perceptions of AI?
- ✓ What is an appropriate level of AI investment now at our organization, considering our culture, community and financial constraints?
- ✓ How can the board instill confidence in AI for staff, patients and the broader community?
- ✓ What specific problem do we want to solve with AI and how can we measure success?
- ✓ How are we managing risk associated with AI?
- ✓ As AI grows at our organization, what will governance and oversight look like?

return on investment in the long run, how will your organization fund the initial investment? Can the cost be shared with technology providers that are offering solutions?

Identify potential risks and safeguards, and have people in place to manage the risk. Every new use of AI should involve a risk assessment, from potential bias in decision-making to patient consent to cybersecurity concerns.

Get regular feedback from the people using the technology, allowing for changes in course when necessary.

Sources and More Information

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BOARDROOM BASICS

Bringing the Community Voice to the Table: The Role of Community Advisory Councils

A Community Advisory Council is a structured, ongoing mechanism that allows hospitals and health systems to listen to, learn from and engage with community stakeholders.

Hospitals and health systems increasingly need reliable ways to hear directly from the communities they serve—not only during periodic community health needs assessments, but on an ongoing basis. A community advisory council (CAC) or community advisory board (CAB) can provide a standing forum for dialogue about community priorities, needs, perspectives and challenges.

A community advisory council is advisory and is not part of the hospital's formal governance structure.

strengthening understanding of the hospital's mission, services and community health initiatives. A CAC can inform leadership on issues where lived experience and local perspective can improve understanding and decision-making. The value of a CAC is not that it adds another layer of governance. Its value is that it creates a disciplined connection between hospital leadership and a diverse cross-section of community stakeholders.

It is Advisory Only. A community advisory council is advisory and is not part of the hospital's formal governance structure. While it provides valuable community perspectives and helps build trust and partnerships, the council does not hold decision-making power and is not fiduciary.

Potential Scope of an Advisory Council

The precise scope for a CAC should reflect the hospital's goals for the council and the community at large. Typical areas of focus may include:

- Community health needs and priorities, including social drivers of health.
- Access to care and barriers experienced.
- Community benefit priorities, implementation strategies and major community health initiatives.
- Community perceptions of the hospital, its services and its role in the region.
- Opportunities for partnerships with public health, social service, education, faith, civic and community-based organizations.
- Feedback on emerging issues and selected major initiatives, service changes or outreach strategies that have significant community impact.

How it Works

Community advisory councils provide a structured, ongoing mechanism for hospital leadership to listen to, learn from and engage community stakeholders.

Advisory Councils Are a Bridge.

An effective CAC should serve as a bridge between the hospital and the communities it serves, offering insight into community needs, priorities and perceptions while



Focus on Areas the Council Can Impact.

The council should be asked to advise on issues where community perspective can genuinely influence understanding, priorities or action. Asking for input after decisions are effectively complete can undermine credibility and trust.

Terminology Matters. The name of the council or advisory board should reinforce the distinction that the group is outside of the formal governance structure. The charter, orientation and communications to the group must also consistently

describe the group as advisory. This helps avoid unintended expectations among members, hospital leaders or the broader community about decision-making authority.

Seek a mix of community voices rather than relying primarily on prominent civic leaders.

3. Build Representative Membership. Seek a mix of community voices rather than relying primarily on prominent civic leaders. Membership may include patients and caregivers, public health, social services, education, faith communities, business, advocacy groups, community-based organizations and residents with lived experience.

4. Create a Direct Leadership Connection. Determine who receives the council's advice. In many models, the connection is to the CEO and senior leadership, with

selected communication to a governing board committee when appropriate.

5. Establish Meaningful Operating Practices. Set expectations for member terms, meeting frequency, leadership, orientation, attendance, confidentiality when applicable, staff support and the process for developing agendas.

6. Close the Feedback Loop. Create a consistent method for documenting recommendations, identifying what leadership will consider or act upon, and reporting back to members.

7. Review Effectiveness Periodically. Evaluate whether the council is representative, whether its advice reaches decision-makers,

Questions for Boards

- ✓ What do we most want to learn from the community on an ongoing basis?
- ✓ What topics should routinely come before the council, and what topics should remain outside its scope?
- ✓ Whose voices are most important to include—and which voices are least likely to be heard through our existing channels?
- ✓ Who within the organization should receive and respond to council recommendations?
- ✓ How will the governing board stay appropriately informed without turning the council into a governing body?
- ✓ How will we demonstrate to council members that their time and advice are valued and considered?

Designing an Impactful Advisory Council

1. Clarify Purpose and Boundaries.

Define what the council is expected to contribute—and what it is not. The charter should explicitly state that the council is advisory and has no fiduciary, legal or delegated governance authority.

2. Clear Scope. The charter should define what the CAC may advise on, what is outside the scope, and how recommendations are escalated within the organization.

whether members believe their participation is meaningful and whether the hospital is learning from the process.

8. Board Oversight Remains Intact. The hospital governance board, or designated board committee, should receive periodic summaries of CAC activities, but the CAC should not function as a parallel governing body.

Content for this article was contributed by Barbara Lorschbach, President, governWell.