ARTIFICIAL INTELLIGENCE (AI) POLICY LANDSCAPE

AN OVERVIEW OF FEDERAL STRATEGY AND IMPLEMENTATION

April 2026

APPLIED POLICY®

improving lives

COORDINATED FEDERAL AI STRATEGY

The 2026 AI landscape shows a coordinated progression from national policy direction to specific tactics within the HHS governance and implementation strategy and CMS payment, oversight, and digital infrastructure tools.

National AI Framework	The March 20, 2026 National Policy Framework for Artificial Intelligence sets legislative priorities for a unified national AI framework, providing the Administration's roadmap for addressing pressing AI policy issues.
US Department of Health & Human Services (HHS) AI Strategy	HHS released its AI Strategy in December 2025, positioning AI as an enterprise-wide modernization tool across health and human services, with emphasis on governance, risk management, workforce enablement, and mission-focused implementation.
Centers for Medicare & Medicaid Services (CMS)	CMS is already moving from policy to execution through the Health Technology Ecosystem launch, the ACCESS model, WISeR, interoperability/prior authorization implementation requirements, and ongoing fraud/waste/abuse proactive detection efforts.

Source: Federal AI policy materials, April 2026

WHITE HOUSE: NATIONAL AI POLICY FRAMEWORK

National Blueprint for AI Policy

- Establishes federal leadership and direction
- Promotes U.S. AI competitiveness, regulatory consistency, innovation at scale

Seven Key Priorities

1. Child Protection & Parental Empowerment
2. Community & National Security Safeguards
3. Intellectual Property Protection
4. Free Speech & Anti-Censorship Principles
5. Innovation & US Global Competitiveness
6. Workforce Development & Economic Transition
7. Federal Preemption of State AI Laws

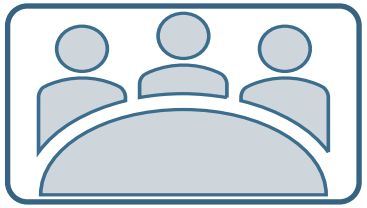
*Emphasizes reduced regulatory fragmentation, strong federal support for AI investment, and **sets expectation for rapid adoption across sectors***

APPLIED POLICY®

Source: Federal AI policy materials, April 2026

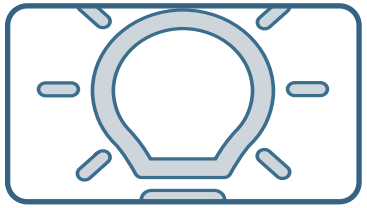
HHS AI STRATEGY

HHS's 2025 AI Strategy emphasizes governance and risk management for public trust, modernizing the workforce, improving mission delivery, and building the internal capabilities needed to adopt AI at scale. HHS also maintains an AI use case inventory and issued a compliance plan tied to OMB requirements.



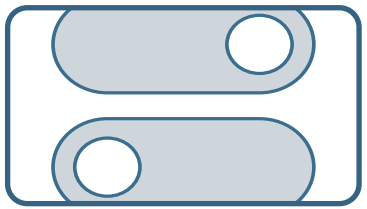
System-Wide AI Adoption Across HHS

- Cross-agency strategy (CMS, ONC, NIH, FDA, CDC)



Core Priorities

- Improve efficiency and service delivery
- Reduce administrative burden
- Strengthen data-driven decision-making
- Maintain trust (governance, transparency, risk management)



Policy Levers

- **Regulation:** Risk-based oversight, patient safety, privacy
- **Payment:** Align reimbursement with high-value AI use
- **R&D/ Implementation:** Scale effective tools into practice

APPLIED POLICY®

Source: Federal AI policy materials, April 2026

CMS AI STRATEGY IS GUIDED BY INTERNAL AI PLAYBOOK

CMS is deploying AI as a foundational capability across administration, oversight, and care delivery

Operational Efficiency

- **AI applied to core administrative and oversight functions**
  - Claims, enrollment, appeals
  - Program integrity and oversight
  - Administrative workflow automation

Care Delivery Transformation

- **Tech-enabled care models**
  - Clinician-led (AI-supported care)
  - Tech-led (software-driven, clinician-supervised)
  - Value-based and model integration (API-driven data exchange and interoperability requirements)

APPLIED POLICY®

Source: Federal AI policy materials, April 2026

EXAMPLES OF CMS AI OPERATIONALIZATION

Digital infrastructure: Health Tech Ecosystem

- CMS launched the first wave of Health Tech Ecosystem tools on April 9, 2026.
- CMS said more than **700 organizations** pledged support, with tools from **50+ companies** available or launching soon.
- Focus areas include digital intake, data sharing, patient-facing apps, and infrastructure to support a more seamless digital experience.

Oversight / utilization management: WISeR

- WISeR tests enhanced technologies, including AI and machine learning, to help review a targeted set of services vulnerable to inappropriate use, patient harm, fraud, waste, or abuse.
- CMS emphasizes that clinicians still review non-affirmed requests; AI supports rather than fully replaces medical review.
- Examples of targeted services include skin substitutes, knee arthroscopy for knee osteoarthritis, and electrical nerve stimulation.

Payment innovation: ACCESS Model

- ACCESS tests outcome-aligned payment for technology-supported care in Original Medicare.
- The model focuses on chronic conditions including high blood pressure, diabetes, chronic musculoskeletal pain, and depression.
- Creates a payment structure that can support technology-enabled and potentially AI-supported care if it improves outcomes rather than simply adding billable activity.

Source: Federal AI policy materials, April 2026

AI UTILITY IN DETECTING FRAUD, WASTE, AND ABUSE (FWA): A CORE CMS PRIORITY

CMS is shifting from "Pay and Chase" to "Stop and Catch" model in fraud prevention

Fraud Defense Operations Center (FDOC) – "Fraud War Room"

- Cross-agency coordination (CMS, OIG, HHS, law enforcement, clinicians, data teams) that uses real-time data analytics and AI-driven pattern detection
- **$2.1B+ in improper payments prevented ; 350+ providers/suppliers targeted**

AI-Enabled Detection and Intervention Tools

- Fraud Prevention System (FPS) uses predictive analytics and AI to flag suspicious claims in real time
- Flagged providers referred for investigation
- Increasing use of prepayment edits to automatically deny high-risk claims

Advanced Analytics Capabilities

- Pattern matching against known fraud schemes
- Heat mapping and geographic anomaly detection
- Network analysis linking new providers to known bad actors
- Enhanced monitoring for high-risk enrollments

Real-World Impact Examples

- **$249M prevented** through early detection and case coordination (FDOC)
  - **Skin substitutes:** Payment changes **~99% drop in suspicious claims** (no access issues)
  - **Catheter fraud:** ~90% reduction in improper payments
  - **Hospice oversight (CA):** 177 new hospices: 60% revoked, 35% under corrective action
  - **Provider enrollment screening:** New applicants flagged and monitored based on similarity to known fraud profiles

Source: Federal AI policy materials, April 2026

KEY IMPLICATIONS FOR PAYMENT MODELS AND CARE REDESIGN

AI is becoming foundational to scalable care redesign

Future models are expected to incorporate data-driven decision-making, predictive analytics, and technology-enabled care delivery.

Payment is shifting toward outcomes supported by technology

Models are increasingly designed to reward improved outcomes and efficiency—not just service volume or tool adoption.

Administrative burden reduction is a priority use case

Models that streamline documentation, intake, prior authorization, and care coordination align closely with federal priorities.

Governance and trust are now core design elements

Transparency, human oversight, and risk management are becoming expected components of any technology-enabled model.

Interoperability and data access are prerequisites

Successful models will depend on structured data exchange, APIs, and integrated workflows to support scalable innovation.

AI is tightening oversight and accountability

Assume increased real-time monitoring, prepayment controls tied to risk, and greater scrutiny of outliers and rapid growth patterns

Source: Federal AI policy materials, April 2026

APPLIED POLICY®

improving lives