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Legislative AI Study Committee Narrows Focus Ahead of Final Meeting

Several changes reflect WHA recommendations; revised drafts expected before December votes

The Legislative Council Study Committee on the Use of Artificial Intelligence (AI) in Health Care met Nov. 12 for a full day of presentations and discussion of preliminary bill drafts developed during earlier meetings. As covered in last week's *The Valued Voice*, WHA submitted a memo to committee members ahead of the meeting with comments, concerns and questions about the drafts.



The Nov. 12, 2026 meeting of the Legislative Council Study Committee on the Use of Artificial Intelligence (AI) in Health Care

The committee, led by Sen. Rachael Cabral-Guevara, is made up of four bipartisan state legislators and 12 expert public members, including four leaders from Wisconsin health systems. While exploring many angles of AI use in health care, the committee has given significant attention to broader issues of consumer data privacy. On that topic, the committee agreed to move forward with a bill draft focused on consumer health data rather than a comprehensive consumer privacy bill, which had also been under consideration. A separate draft that would have made certain secondary uses of sensitive data a felony was tabled.

Importantly, committee members agreed to add an exemption for Health Insurance Portability and Accountability Act (HIPAA)-covered entities and their business associates to the remaining draft. Consistent with WHA's comment letter last week, the change would focus the proposed requirements on health information held by entities outside of HIPAA, such as consumer AI apps and wearable devices, rather than adding another layer of requirements on hospitals and health systems.

The committee is also weighing WHA's suggestions regarding a draft addressing AI use in health insurance coverage decisions. If agreed to, the new draft language seeks to require that the human reviewers of an AI-recommended denial have clinical competency and would clarify that "adverse determination" includes partial denials, not just full denials. This draft is expected to be discussed more fully in December.

On professional licensure, committee members agreed that an AI system should not use a protected professional title or misrepresent that it holds a credential, while Legislative Council attorneys plan to conduct further research for the next meeting on language seeking to prohibit an AI from engaging in a "protected practice." Several members, including health system leaders on the committee, raised concerns that the prohibition could reach FDA-regulated devices and other clinical tools that health care professionals already use safely under existing standards of care.

Regarding a bill draft that would regulate so-called "companion chatbots," the committee agreed to replace language that would have required that chatbots refer self-harm risks to law enforcement with a requirement to refer users to appropriate crisis resources. As part of this, committee members are considering a possible exclusion for tools used under the supervision of a health care provider, relating to a WHA-cited concern about how such requirements may apply to AI tools deployed by providers within a treatment relationship.

Finally, the committee continued work on the proposed AI regulatory sandbox, with the latest revised draft expected to create an independent Office of AI Policy housed within the Department of Safety and Professional Services (rather than within the Department of Agriculture, Trade and Consumer Protection under the first draft). The new office would consult with relevant regulatory boards and draw on a list of approved experts, including those from the University of Wisconsin-Madison. During follow up testimony, Utah's AI sandbox

director, who has been a national leader on the topic, shared that the state's two largest health systems (Intermountain Health and University of Utah Health) recently entered Utah's program.

The committee will meet for its final scheduled meeting on Dec. 2. During that meeting, committee members may take final votes on whether to recommend specific bill drafts for consideration by the legislature. However, if there are major substantive revisions on Dec. 2, the committee may also hold final votes via paper ballot at a later date.

WHA will continue engaging with the study committee as it evaluates potential policy recommendations affecting hospitals, health systems, clinicians and patients.

For more information, contact WHA Policy Counsel Andrew Hanus.

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EDUCATION EVENTS

Dec. 1, 2026
Fall 2026 Annual Survey Training

Dec. 3, 2026
Fall 2026 Annual Survey Training

Jan. 26, 2027
2027 WHA Health Care Leadership Academy