Artificial Intelligence and Health Care: The National Policy Landscape & Activity in New York State

Randi Seigel, Partner, Manatt Health

Jared Augenstein, Senior Managing Director, Manatt Health

February 26, 2026

Agenda

- **Recent Health AI Activity**
- **Federal Policy Landscape**
- **State Policy Landscape**
- **Q & A**

manatt

Recent Health AI Activity

manatt

Continued Improvements in New AI Models

The past year has brought continuous capability improvements across frontier AI models — including dramatic gains on complex tasks, faster and more affordable deployment, and models increasingly tailored to health care.

May 2025

Anthropic released Claude 4 Opus and Sonnet, with "hybrid reasoning" to switch between rapid and complex answers.

Aug 2025

OpenAI launched GPT-5, performing at or above expert levels in math, coding, health, and scentific reasoning.

Nov 2025

Google launched Gemini 3 Pro across Search, Gemini app, and enterprise cloud services.

Jan 2026

OpenAI announced OpenAI for Healthcare and **Anthropic** announced Claude for Healthcare.

More than 5% of ChatGPT messages globally are about healthcare, per reports from Open AI. ChatGPT for Healthcare is intended to support clinical, research, and operational work with models tailored to healthcare settings that have been evaluated by clinicians for accuracy.

Potential Benefits:

- Increased access increased access to real-time health care information for patients, with potential to alleviate burden on providers and fill gaps in health deserts
- Chatbot is tailored to health care context and outputs have been evaluated by clinicians for accuracy

Potential Risks:

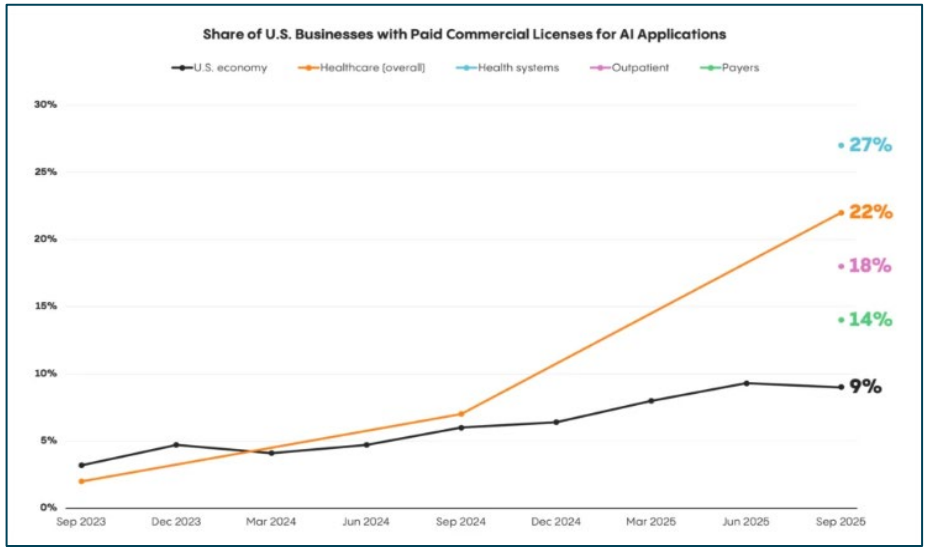
- Despite integrated tools to support HIPAA compliance, **privacy concerns** remain; PHI or other sensitive information may be at risk especially if tools are misused or insufficiently governed
- Chatbot may produce **hallucinations or inaccurate outputs** could result in lower-quality patient care or harm

Source: Open AI. AI as a Healthcare Ally, 2026. Open AI. Introducing OpenAI for Healthcare, January 2026; https://www.fiercehealthcare.com/ai-and-machine-learning/jpm26-anthropic-launches-claude-healthcare-targeting-health-systems-payers.

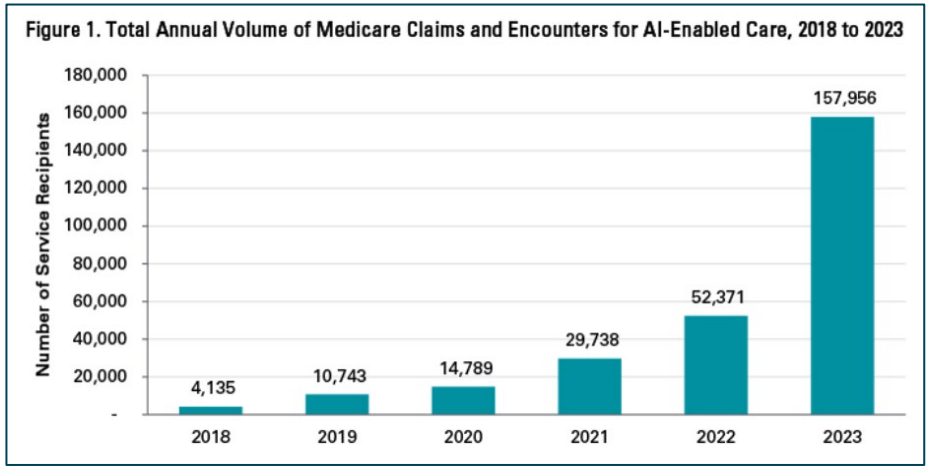
manatt

Rapid Increases in Use of Clinical and Administrative AI Tools in Health Care

Health care providers and institutions are rapidly investing in and adopting clinical and administrative AI tools.



A recent study by Menlo Ventures found that in 2025, **22% of health care businesses have implemented domain-specific AI tools**. That's a 10x increase over 2023 and **more than twice the rate (2.2x) of the broader U.S. economy.**



A Manatt Health analysis found that **the number of Medicare beneficiaries receiving AI-enabled care on an annual basis increased by nearly 4000%** since CMS began covering AI related CPT codes (2018-2023).*

Major Health Care Stakeholders are Adopting AI Tools Across the Health Care Continuum:

Documentation: Kaiser Permanente deployed Abridge's ambient documentation solution across 40 hospitals and over 600 medical offices.

Clinical Use Cases: Mayo Clinic is investing more than $1 billion in AI over the coming years across more than 200 projects, including administrative automation, diagnostics, and patient care.

Patient Support and Screening: Grow Therapy, a digital mental health platform, is developing an AI care companion to provide 24/7 support and provide continuous measurement through voice/language analysis to replace static assessment tools.

How Providers are Using AI in Clinical Practice

The American Medical Association's (AMA) annual augmented intelligence survey shows physicians increasingly adopting AI tools and feeling increasingly optimistic about the use of AI in clinical practice.

2 in 3

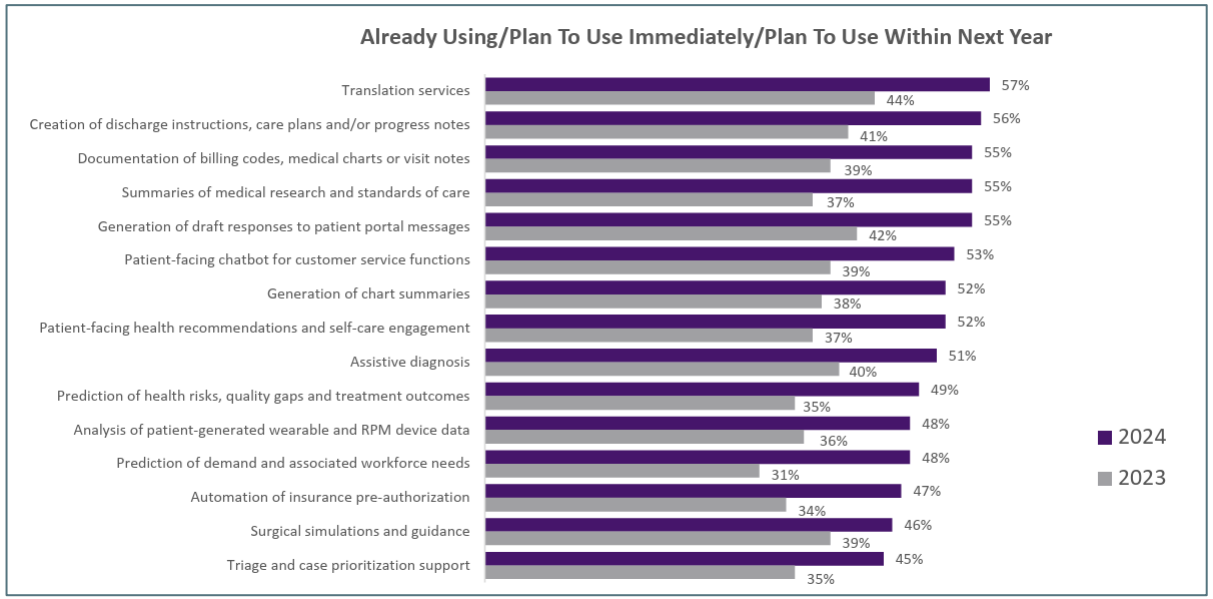
physicians are using AI in clinical practice (66%), a significant jump from only 38% using AI in 2023.

68%

of physicians see AI as definitely or somewhat advantageous for patient care.

Administrative Burden

was cited by responding physicians the top area of opportunity for AI in 2024 (57%) as well as in 2023 (56%).



Physicians identified the following priorities for AI tools development and adoption:

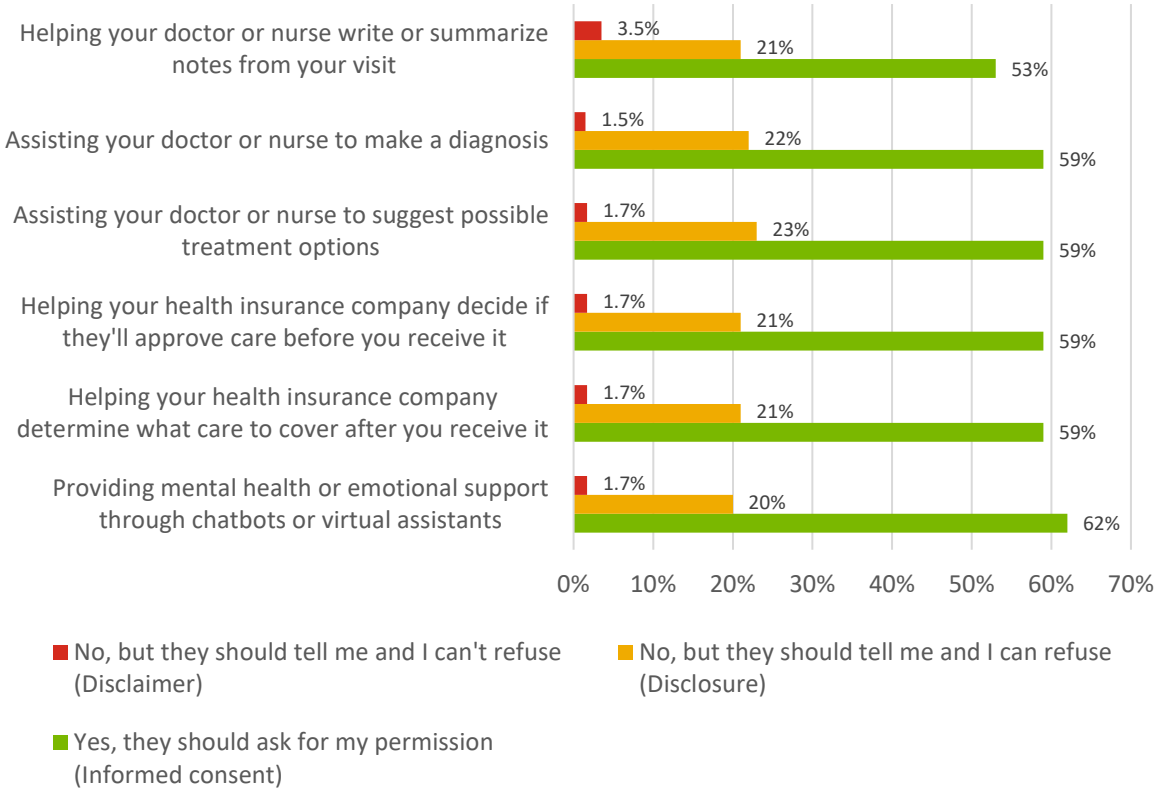
- Feedback on AI tool design
- Data privacy assurances
- EHR integration

AMA's most recent Augmented Intelligence survey captured input from over 1,000 physicians, collected from August 2023 – November 2024. Summary here and press release here.

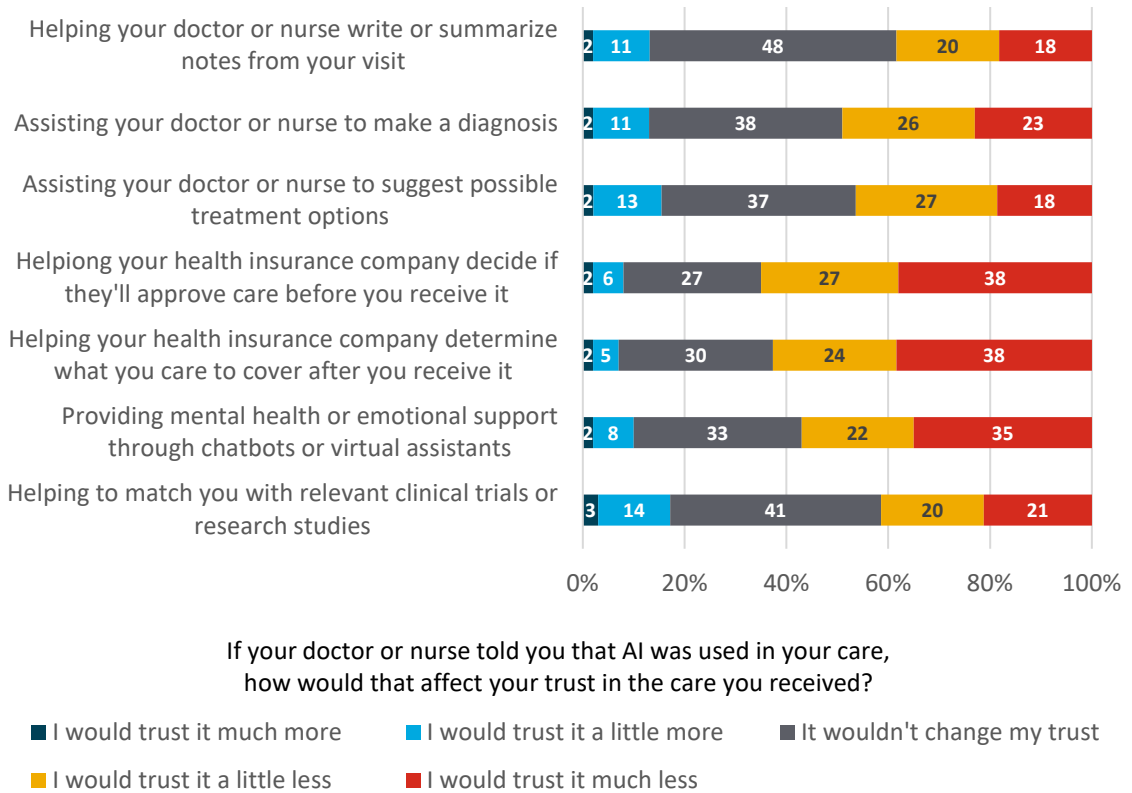
manatt

How Patients Feel About Providers Using AI When Delivering Their Healthcare

Informed Consent and Disclosure Preferences



Trust Following Disclosure



CHAI Patient Survey Report, January 2026.

manatt

How Industry Leaders Feel About AI Adoption in Health Care

In November 2025, Peterson Health Technology Institute convened senior health care and technology leaders, academics, investment firms, and federal agencies to explore what is needed to scale AI for autonomous health care delivery, considering two use cases: autonomous prescribing for hypertension management and mental health chatbots.

Key Findings:

- **Evidence standards should compare AI to current standards of care and scale with clinical risk.** Requirements must be rigorous enough to build trust, yet practical enough to avoid stalling innovation, and compare to the care patients receive today (not idealized care).
- **Performance benchmarks should be based on clinical outcomes, and safety standards should adapt as the evidence grows.** Metrics must be focused on specific, measurable, and meaningful clinical outcomes.
- **New technologies may be initially tested in lower-risk populations but should scale quickly to high-risk populations to maximize impact.** The greatest opportunities for benefits are from reaching the highest need patients; this may require higher evidence expectations and carry greater clinical risk.
- **Widespread adoption will depend on building clinician confidence, gaining clarity about legal liability, and aligning payment models.** Even highly effective clinical AI faces adoption resistance due to culture/norms, liability concerns, and misaligned incentives.

Peterson Health Technology Institute, Clinical AI: Evidence and Policy Requirements for Scaling Adoption, February 2026. Available here.

Recent Policy Shifts

States and the federal government are increasingly focused on policy solutions to enable deployment of AI tools while balancing patient safety and accountability.

Wasteful and Inappropriate SErvice REduction (WiSER) Model

Under the **Wasteful and Inappropriate SErvice REduction (WiSER) model**, announced in July 2025, CMS will partner with technology companies to provide use AI to "improv[e] and expedit[e]" prior authorization process compared to Original Medicare's existing processes to reduce fraud for several services/products.

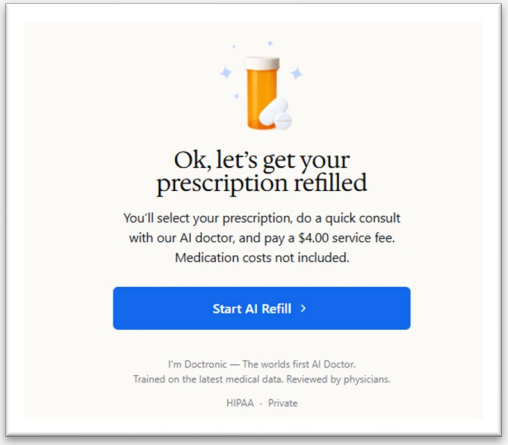
Advancing Chronic Care with Effective, Scalable Solutions (ACCESS) Model + Technology Enabled Meaningful Patient Outcomes (TEMPO) Pilot

The **Advancing Chronic Care with Effective, Scalable Solutions (ACCESS) model**, announced in December 2025, incorporates Outcome-Aligned Payments (OAPs) to Medicare Part B reimbursement for chronic condition management, with additional payments for hitting specified outcome measures across the enrolled population.

In connection with the ACCESS Model, the Food and Drug Administration (FDA) published a regulatory notice announcing the T**echnology Enabled Meaningful Patient Outcomes (TEMPO) Pilot,** intended to expand access to innovative digital health devices while safeguarding patient safety. Manufacturers of digital health devices that do not yet have FDA authorization may apply to participate and request FDA exercise enforcement discretion.

Utah's Regulatory Mitigation Program + Doctronic

- Utah's Office of Artificial Intelligence Policy (OAIP) has entered into three regulatory relief agreements related to health care.
- OAIP's most notable agreement is with Doctronic, a digital health company that authorizes prescription renewals for roughly 200 commonly-prescribed medications.



manatt

Federal Policy Landscape

manatt

Federal Interest in Limiting State Regulation of AI

In 2025, the Executive Branch showed a strong appetite to limit state regulation of AI, in alignment with a broader deregulatory and pro-innovation stance articulated in the White House AI Action Plan.

July 2025: Draft Budget Reconciliation Bill (H.R. 1)

A draft of the budget reconciliation bill (H.R. 1, "One Big Beautiful Bill") included language that would have barred state or local governments from enacting or enforcing AI laws. These provisions were removed from the final bill signed by President Trump.

The introduced language – ultimately struck from the law - included a provision denying federal funding for Broadband, Equity, Access, and Deployment (BEAD) program funding if a state did not comply with an AI regulation moratorium:

1) No state or local government may enforce laws or regulations on AI models or systems during the 10 years following the enactment of this Act.
2) This does not prevent enforcement of laws aimed at facilitating the deployment of AI models or systems, provided they do not impose additional requirements unless mandated by federal law or applied equally to similar non-AI systems, and do not impose unreasonable fees or bonds.

December 2025: Executive Order "Ensuring a National Policy Framework for Artificial Intelligence"

On December 11th, President Trump issued an Executive Order (EO) directing federal agencies to take legal and other action, including withholding federal grants when legally permitted, to challenge state laws regulating AI that it views as overly cumbersome or unlawful and calling for the development of a "minimally burdensome" national standard.

The EO's impact on state legislative action remains to be seen; only Congress can preempt state laws, and the Administration may have an uphill battle showing state AI laws violate the Constitutional provisions called out in the EO.

- States considering new legislation may take into account the risk of litigation by the Attorney General and the withholding of BEAD program or other federal funds in deciding which laws to pass.
- To date, we have not seen a slow down in the introduction of state AI legislation.

See here for a full analysis of the EO.

manatt

Additional White House and Congressional AI Activity to Date

Federal activity on AI accelerated in late 2025, with the White House emphasizing a deregulatory approach and use of AI for detection of fraud, waste, and abuse, alongside increased congressional hearings and draft AI-focused legislation.

White House & Congressional Activity:

- **Additional Executive Orders (EOs):**
  - Launching "Genesis Mission," a national initiative to accelerate scientific discovery using AI (Nov. 2025)
  - Expanding AI use in the Childhood Cancer Data Initiative (Sep. 2025).
  - Revoking the Biden Administration's AI EO, signaling a shift in federal AI policy direction (Jan. 2025).
- **Hearings and Requests for Information:**
  - White House Office of Science and Technology Policy Request for Information (RFI) on regulatory reform for AI (Sep. 2025).
  - Senate HELP Committee hearing on opportunities to use AI across health care, education, and the workforce, including clinical trials and administrative burden reduction (Oct. 2025).
  - House Energy & Commerce Oversight and Investigates Subcommittee hearing on risks and benefits of AI chatbots, with significant focus on mental health support and health information uses (Nov. 2025).
- **Legislation:**
  - Rural Health Transformation Fund (authorized under H.R. 1) focuses on state investment in technology platforms.
  - Establish an AI SANDBOX program (Introduced Sep. 2025).
  - Establish the National AI Research Resource initiative (Introduced Mar. 2025).
  - Allow AI and machine learning to prescribe medication (Introduced Jan. 2025).
  - Allow Medicare payment pathway for AI-enabled devices (Introduced Apr. 2025).
- **Government Use of AI:**
  - Release of policies on federal AI use and procurement (Apr. 2025).
  - Office of Management and Budget (OMB) memo focused on government adoption of AI services (Apr. 2025).

manatt

Summary of Key Federal Agency AI Activity to Date (1/2)

Numerous federal agencies are taking significant action on AI and health care use cases, including issuing guidance and requests for information; convening hearings; initiating investigations; and introducing models focused on AI and technology use cases in Medicaid and Medicare.

Center for Medicare and Medicaid Services (CMS)

- A Medicaid and CHIP Payment and Access Commission study on AI in Medicaid prior authorization.
- CMS–Office of the National Coordinator for Health Information Technology request for information on digital tools.
- Launch of AI- and technology-focused Innovation Center models:
  - The Wasteful and Inappropriate Service Reduction (WiSER) Model to use AI to "improv[e] and expedit[e]" prior authorization and reduce fraud (Jun. 2025).
  - The Advancing Chronic Care with Effective, Scalable Solutions (ACCESS) Model (Dec. 2025).
- Release of an updated CMS Artificial Intelligence Playbook.
- Requested comment on payment for software-as-a-service and AI in the CY 2026 Medicare Physician Fee Schedule.
- While CMS did not finalize Medicare Advantage AI provisions in its final rule for CY 2026, it cited "broad interest" and may pursue future rulemaking, as the agency and new administrator Dr. Mehmet Oz emphasize AI to improve quality under the *Meaningful Measures 2.0* strategy, and combat fraud, waste and abuse.

Food and Drug Administration (FDA)

- The agency announced completion of its first AI-assisted scientific review pilot, an agency-wide AI rollout (May 2025).
- Hired Jeremy Walsh as Chief Artificial Intelligence Officer and head of Information Technology (May 2025).
- Launched "Elsa" to support departmental efficiency (Jun. 2025).
- Allow certain categories of model modifications without new submissions (Aug. 2025).
- Issued a request for public comment on approaches to measuring real-world performance of AI-enabled medical devices and released draft guidance for developers (Sept 2025).
- FDA's Digital Health Advisory Committee discussed the line between AI companions, mental health chatbots, and clinical decision-support tools (Nov. 2025).
- FDA announced the Technology Enabled Meaningful Patient Outcomes (TEMPO) Pilot in connection with the CMS ACCESS model (Dec. 2025).
- Established principles for ongoing monitoring and managing retraining risks (Dec. 2025).
- ARPA-H's ADVOCATE model seeks to develop the first FDA-authorized, agentic AI technology that can provide 24/7 specialty care for cardiovascular disease (Jan. 2026)

manatt

Summary of Key Federal Agency AI Activity to Date (2/2)

Numerous federal agencies are taking significant action on AI and health care use cases, including issuing guidance and requests for information; convening hearings; initiating investigations; and introducing models focused on AI and technology use cases in Medicaid and Medicare.

FTC	• FTC announced the launch of an inquiry into AI chatbots acting as companions, with particular attention to the impact of these chatbots on children and teenagers (Sept. 2025). • FTC issued a request for public comment on measuring and evaluating the performance of AI-enabled medical devices (Sept. 2025). • FTC published a blog post noting department's focus on potential AI harms and reinforcing that existing laws apply to AI technologies (Jan. 2025; *this post, and other posts focused on AI, were taken down in Oct. 2025).*
HHS	Secretary Kennedy indicated HHS is leveraging AI in standard operations (May 2025); HHS released an agency-wide AI strategy (Dec. 2025); agency announced it doubled funding for the Childhood Cancer Initiative at the National Cancer Institute for leveraging AI, in line with President Trump's EO on AI (Sep. 2025); HHS designated Peter Bowman-Davis acting Chief AI Officer (May 2025).
OCR	Non-Discrimination rule is subject to ongoing litigation; the first Trump Administration reversed a prior version of the rule.
ONC	ONC and CMS issued a request for information seeking public feedback on digital tools – including AI – that can improve Medicare beneficiary access, improve interoperability, and reduce administrative burden (May 2025).
NIH	NIH requested public comment to inform an institute-wide AI strategy (June 2025; *public comment page no longer available).*
DOJ	Litigation continues over alleged use of AI to deny Medicare Advantage claims. DOJ announced charges against over 300 defendants for participation in health care fraud schemes, with a parallel announcement from CMS on the successful prevention of $4 billion in payments for false and fraudulent claims (June 2025).

FTC: Federal Trade Commission; HHS: Health and Human Services; OCR: Office of Civil Rights; ONC: Office of the National Coordinator for Health Information Technology; NIH: National Institutes of Health; DOJ: Department of Justice

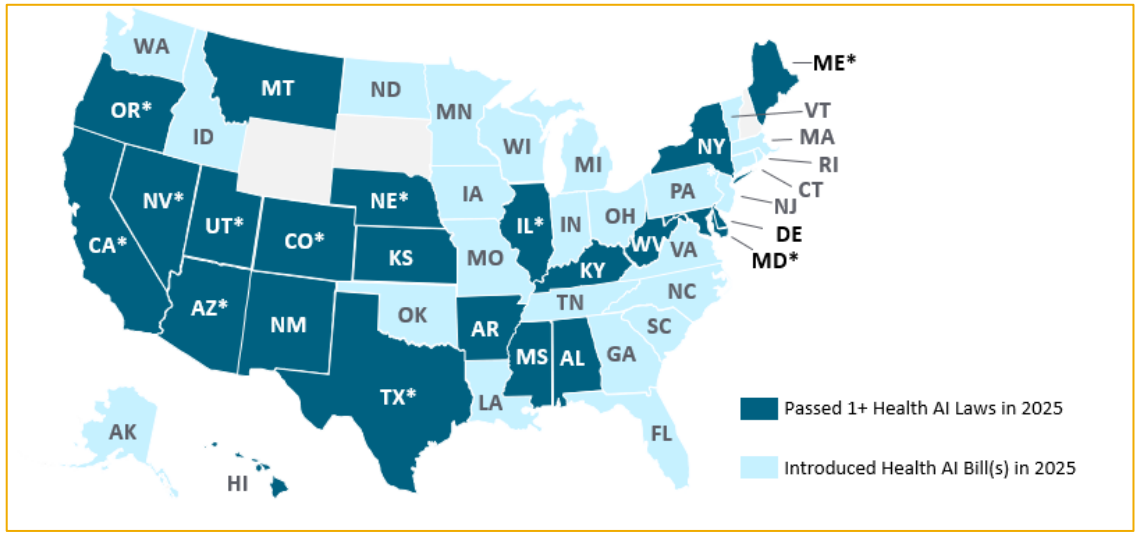
State Policy Landscape

manatt

State Activity on AI in Health Care in 2025

With the federal government focused on de-regulating AI, states are the main nexus of policy activity.

In 2025, 37 bills impacting AI and health care stakeholders were passed into law in 21 states.



2024 Priorities	2025 Priorities
AI Study Commissions and Task Forces	NEW: Chatbots: General and Mental Health-Specific
Broad Transparency and Disclosure	Targeted Transparency and Disclosure Focus on Frontier Models and Catastrophic Risks
Anti-Discrimination and Algorithmic Bias	Clinical Use Cases Disclosure/Consent to Patients in Clinical Contexts
Payors: Utilization Management and Prior Authorization	Payors: Utilization Management and Prior Authorization
Clinical Use Cases	AI Sandboxes

* State has at least one law that, based on our review, is of greatest significance to the delivery and use of AI in health care.

manatt

A Deeper Dive: What States Focused on in 2025

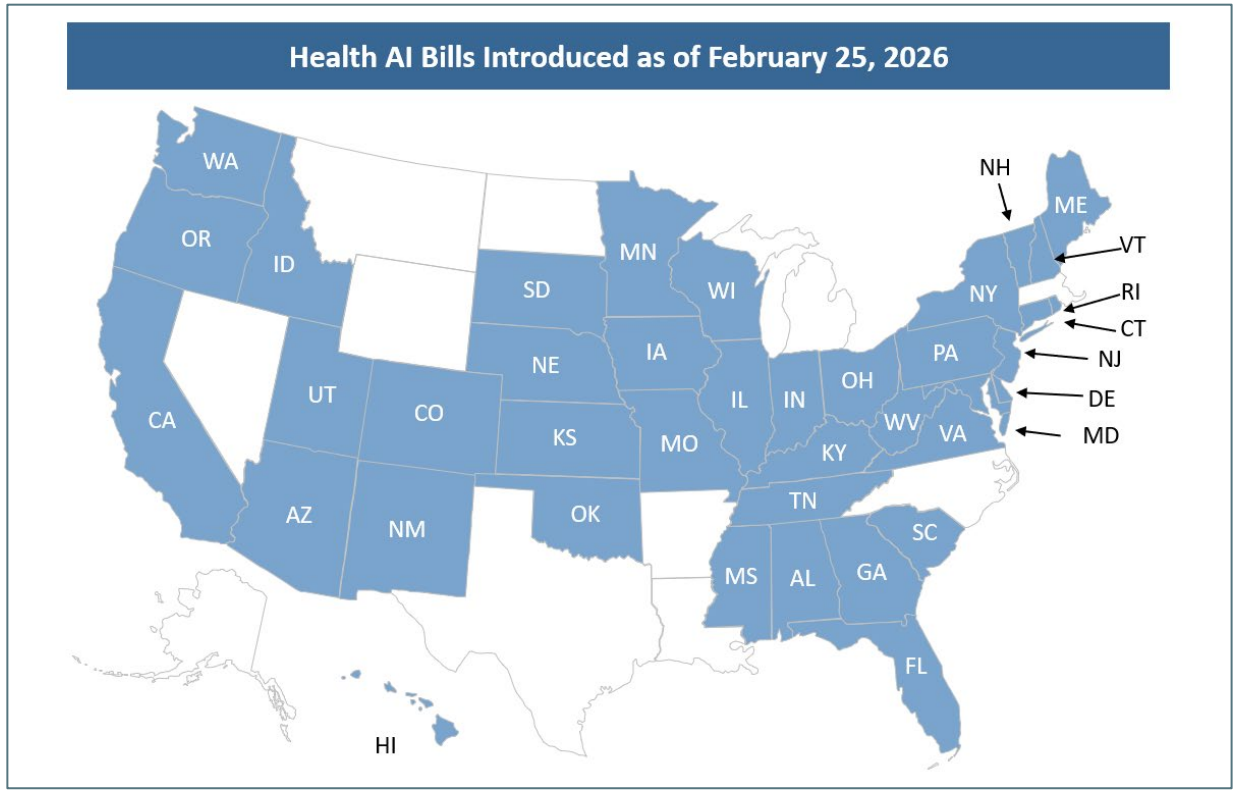
Several key themes emerged from state legislatures in 2025:

Use of AI-Enabled Chatbots	Six states passed seven laws regulating **AI-enabled chatbots**, in response to **growing concerns regarding chatbot misrepresentation, harmful or inaccurate responses, and the failure to detect crises**. A subset of chatbot laws specifically **focus on mental health.**
AI in Clinical Care	Five states passed six laws addressing **clinician use of AI tools, regulating provider oversight of AI outputs in clinical care, patient consent or disclosure mandates, and safeguards against bias and misuse of sensitive data.**
Payer Use of AI	Four states passed four laws **establishing when payers may use AI tools to support decision-making** (e.g., utilization management) **and what oversight measures are necessary** (e.g., clinician review).
Transparency	States have passed numerous **broad AI transparency bills** that will affect health care stakeholders, including providers, payers, and other actors in the health care ecosystem**. Many of these bills target large and/or "high-risk" AI models.**
AI Sandboxes	Two states enacted **AI regulatory sandbox or regulatory mitigation agreement programs** in 2025 (Texas and Delaware); Utah created a regulatory mitigation program the prior year.

manatt

So Far in 2026: Significant State Activity & Emerging Themes

Early 2026 activity suggests that the Executive Order issued in December has not slowed state momentum in regulating AI. Nearly 200 AI-related bills affecting health care stakeholders have been introduced in the first several weeks of the year, approaching the total number of bills we tracked in all of 2025.



Emerging Themes Include:

- Use of AI-enabled chatbots, with attention to use for mental health and provisions specific to minor use of AI chatbots.
- Clinical oversight of AI tools in medical practice and/or provision of mental health care, including patient disclosures and consent.
- Prohibitions on AI tools and chatbots representing themselves as clinical providers.
- Prohibitions or limitations on the use of AI in determinations of medical necessity or prior authorization by health insurers, and emerging interest in the use of AI in downcoding.

manatt

AI Sandboxes and Regulatory Mitigation Agreements

AI Sandboxes are structured, time-limited programs that allow developers of AI systems to test or deploy those systems in a controlled environment with defined oversight and temporary relief from select state laws or regulatory requirements, for the purpose of evaluating system performance, risks, and appropriate regulatory treatment. AI regulatory mitigation programs are similarly structured but allow testing to occur in the real world, not a controlled environment.

Two states have launched AI Sandboxes and/or regulatory mitigation programs to date:

In **Utah**, participants in the state's "regulatory learning laboratory" receive waivers of specific state legal and regulatory requirements. In January 2026, Utah approved an AI prescription refill platform, Doctronic.

In **Texas,** the AI sandbox program allows companies to test new AI systems without obtaining a license, registration, or other regulatory authorization.

Additional states are actively proposing or designing Sandboxes/mitigation programs:

Four states introduced legislation in 2026 (to date) to create AI Sandboxes or regulatory mitigation programs:

- **Arizona:** Establishes a pilot program testing innovative AI that performs nursing-adjacent tasks or workflows. Applicants must have an agreement with an accredited nursing school for evaluation/oversight.
- **Illinois**: Exempts AI-assisted therapy or psychotherapy services provided exclusively within a "qualified research program" from existing regulations of AI therapy services, with required protections for research participants (including informed consent and ensured access to licensed mental health professionals).
- **New Hampshire:** Establishes an AI regulatory sandbox to test innovative AI systems for a period of 36 months, subject to oversight and quarterly reporting requirements. Participants may not be exempted from end-user disclosure requirements.
- **Virginia**: Establishes a Health Care Learning Lab and Regulatory Improvement program to provide limited market access and exemptions from state requirements for up to 24 months (with a potential 6-month extension to obtain license/authorization).

Delaware's AI Commission is actively drafting AI Sandbox legislation in partnership with their Secretary of State.

In September 2025, Senator Ted Cruz introduced the SANDBOX Act in Congress, though it did not progress.
More action on AI Sandboxes is expected in 2026 and beyond.

manatt

Existing AI Laws in New York State

In 2025, New York passed two significant AI laws: the Responsible AI Safety and Education (RAISE) Act, regulating "deployers of frontier models," and a targeted law focused on AI chatbots and mental health impacts. Additional 2025 AI-focused law in New York focuses on tracking and defining parameters for allowable state agency use of AI.

SB 6953 (RAISE Act) *Effective 3/19/2026*	SB 3008 *Effective 11/5/25*	SB 8831 (LOADinG Act) *Effective 12/19/2025***	SB 822 *Effective 7/1/2025*
Requires developers of frontier models* to, prior to deploying the model, implement a written safety and security protocol and provide a copy of the protocol online and to the Attorney General. Developers must update the protocol annually. Requires developers to implement safeguards to prevent "unreasonable risk of critical harm," conduct annual third-party compliance audits, and disclose safety incidents to the Attorney General within 72 hours.	Prohibits any person or entity to operate or provide an "AI companion" to someone in NY unless the model contains a protocol to take reasonable effort to detect and address suicidal ideation or expressions of self-harm by the user. Requires disclosures to user that they are not chatting with a human.	Requires government agencies and public educational institutions to publicly disclose relevant information regarding their use of automated employment decision-making tools on an annual basis. Prohibits covered entities from using AI systems or automated decision-making tools to displace workers (including reducing wages or hours) or alter employment duties or benefits. Expires July 1, 2028.	Requires the state to maintain an inventory of state agency AI systems. The inventory shall be posted on the New York state open data website on December 13, 2025, and updated annually.

*Frontier models are defined as AI models trained at a cost greater than $100 million, or models produced by applying knowledge distillation at a cost greater than $5 million

** Labor protections are effective as of 12/19/2025. Local government disclosure requirements are effective upon signing, but disclosure deadline for covered entities is 12/30/2026.

Bills Introduced in New York State in 2026 To Date: *Large/Frontier Developers*

As of February 2026, the New York State legislature has introduced multiple bills focused on AI:

SB 8828 *Engrossed*	Amends the RAISE Act per negotiations between Governor Hochul and the NY State Legislature. Sets additional requirements on "large frontier developers," requiring the creation, implementation, and publication of a "frontier AI framework" applicable to their models, including an approach to mitigating catastrophic risk; such framework must be reviewed and updated annually. Requires additional public transparency reports focused on catastrophic risks and mandates the reporting of safety incidents within 72 hours. Requires the State Department of Financial Services to create a critical safety incident reporting system.
AB 8833 *Engrossed*	Establishes strict liability standards for developers of large-scale AI models when those models cause harm to people who are not direct users of the model. Mandates that except for causes of action for defamation, developers of covered models are strictly liable for "all injuries to a non-user of the covered model that satisfy the actual harm element of an ordinary negligence claim" if: (1) the injuries are caused by an AI tool whose actions would be considered negligence or any intentional tort or crime if conducted by a human; and (2) that conduct could not have been anticipated by the user of the model or any intermediary who modified the model, among other provisions.

Bills Introduced in New York State in 2026 To Date: *High-Risk AI Systems*

SB 1169 *Engrossed*	Requires developers and deployers to take reasonable care to prevent foreseeable risk of algorithmic discrimination from using, selling, or sharing high-risk AI systems. Sets timing requirements for deployers to notify end users of the use of AI in a consequential decision (including health care, family planning, and health insurance), including requiring notification at least five business days prior to the use of the AI tool (unless the user waives their right to notice) and allowing consumers to opt-out. Requires independent audit prior to the deploying a high-risk AI system. Explicitly states that "the deployer or developer of a high-risk AI system is legally responsible for quality and accuracy of all consequential decisions" including any bias or misinformation.
AB 768 *Introduced*	Mandates that deployers of high-risk AI decision systems use reasonable care to protect consumers from foreseeable risks of algorithmic discrimination; implement a risk management policy (and considering alignment with the NIST AI Risk Management Framework or other recognized framework); provide documentation on the system's purpose and training data to deployers; and complete and publish an annual impact assessment. Mandates that deployers ensure that consumers are notified prior to AI use in a consequential decision (including health care, essential government services, and insurance) and provided with opportunity to correct or appeal the decision. Requires developers of high-risk AI systems to provide high-level information on the decision system and its training data to deployers and other developers. Does not apply to HIPAA-covered entities for which generative AI system "require[s] a health care provider to take action to implement recommendations".
AB 3356 *Introduced*	Requires all developers of high-risk AI systems to obtain a license from the state prior to developing or deploying a high-risk AI system and specifies the process for obtaining and maintaining said license. Any developers creating a system must disclose that they have such a system under development to the secretary of state, who may order that they cease development if the system may be in violation of law. Allows the state to charge each applicant a licensure and renewal fee. Establishes an Advisory Council for AI to review and comment on decisions of the Department of State and make recommendations on licensing decisions; membership includes the Commissioner of Health.

Bills Introduced in New York State in 2026 To Date: *Chatbots and Disclosures*

SB 9051 *Introduced*	Deems it unlawful for a chatbot operator to provide unsafe chatbot features to users unless the operator has determined that the user is not a minor. Operators must offer users at least one method to determine if they are a minor or not that does not rely solely on government-issued identification or that allows the user to maintain anonymity. "Unsafe chatbot features" are defined broadly and include generating outputs that promote suicide, self-harm, disordered eating, harm to others, or drug/alcohol abuse; chatbot use of personal pronouns; and features that simulate companionship or interpersonal relationship with a user.
AB 6545 *Introduced*	Mandates that owners or operators of AI chatbots prohibit AI chatbots from providing responses, information, or advice that, if taken by a natural person would constitute a crime or would violate other legal provisions. Mandates that owners or operators of AI chatbots clearly and conspicuously notify users that they are interacting with an AI chatbot. Proprietors may not waive or disclaim liability merely by notifying consumers that they are interacting with a chatbot.
AB 3411 *Engrossed*	Requires deployers of generative AI systems display conspicuous warnings on a system's user interface that notifies users that the outputs of the generative AI system may be inaccurate.
AB 1342 *Introduced*	Requires that all operators of generative AI systems accessible to residents of the state require users to create an account prior to use of the service, including signing a statement of appropriate use of the tool under penalty of perjury. Provides language that users must agree to in their signed statement, including agreeing to not use the AI tool for illegal activity, defamation/harassment, and dissemination of false information. The language may not be changed by operators without permission from the Attorney General. All user-signed statements must be submitted to the Attorney General.

Bills Introduced in New York State in 2026 To Date: *Data Processing*

AB 6578 *Engrossed*	Requires developers of publicly-available generative AI models or services to post information on the model's training data (including information on dataset sources, size, types of data, copyright status, modifications, collection periods, whether PII is included in the training data set, and the use of synthetic data) by January 1, 2027.
AB 1415 *Introduced*	Prohibits electronic health products and services from engaging in data processing unless users give explicit consent or processing is necessary for security, fraud prevention, or legal compliance. Organizations must clearly disclose data collection and sharing practices, allow users to withdraw consent, and delete data upon request, withdrawal of consent, or account deactivation within set timeframes. Bans monetization of health data without explicit consent.

Bills Introduced in New York State in 2026 To Date: *State Actions (1/2)*

NY Budget	Use of Artificial Intelligence Technology in Healthcare Safely and Equitably: The Governor will direct the Department of Health (DOH) to establish a consortium of healthcare and AI experts to share data and best practices and strengthen cross-sector collaboration around building, testing, and deploying safe and effective AI tools. To ensure equitable access, Governor Hochul will incentivize partnerships between safety-net hospitals and other healthcare partners to implement AI solutions that improve quality of care and strengthen operations. In addition, the State will develop systems to evaluate and launch best-in-class AI tools within DOH, Medicaid, and the Office of the Medicaid Inspector General (OMIG) to strengthen program integrity.
AB 4550 *Introduced*	Requires the Department of Labor to study the long-term impact of AI on the state workforce. Until the department issues a final report and recommendations (due in 2034), no state entities may use AI in a way that displaces any currently employed worker, including partial displacement (i.e., reduction in the hours of non-overtime work, wages, or benefits).

Bills Introduced in New York State in 2026 To Date: *State Actions (2/2)*

SB 2487 *Introduced*	Establishes a NY “artificial intelligence ethics commission” to ensure the ethical use of AI in state agencies and private entities operating within New York, including developing guidelines and standards for ethical AI systems. Mandates that the commission will oversee AI within state agencies and private companies, and safeguard against unethical AI use. Sets forth that businesses operating in New York State may not use AI systems that discriminate, spread false information, unlawfully surveil, participate in unauthorized collection of personal information, commit fraud, among other limitations.
AB 3265 *Introduced*	Establishes the "NY AI Bill of Rights," aligning with the White House "Blueprint for an AI Bill of Rights" (October 2022). Provides New York residents with rights and protections when subject to automated systems making decisions without human intervention, including the right to safe and effective systems, protection against discrimination, right to know when an automated system is used, and right to opt out of an automated system in favor of human alternative. Requires consent be appropriately and meaningfully given prior to collection of data. Requires automated systems to undergo pre-deployment testing and ongoing monitoring to demonstrate safety and effectiveness. Entitles New York residents to protection from inappropriate or irrelevant data use in the creation of automated systems. Protects New York residents from abusive data practices and entitles them to agency over their personal data. Requires automated systems intended for use within “sensitive domains,” including health care, to be “tailored to their purpose, provide meaningful access for oversight, including training for NY residents interacting with the system, and incorporate human consideration for adverse or high-risk decisions.”

Q & A

manatt

Thank You

Jared Augenstein
Senior Managing Director, Manatt Health
212.790.4567
JAugenstein@manatt.com

Randi Seigel
Partner, Manatt Health
212.790.4567
RSeigel@manatt.com

This program does not constitute legal advice, nor does it establish an attorney-client relationship. Views expressed by presenters are strictly their own and should not be construed to be the views of Manatt or attributed to Manatt.