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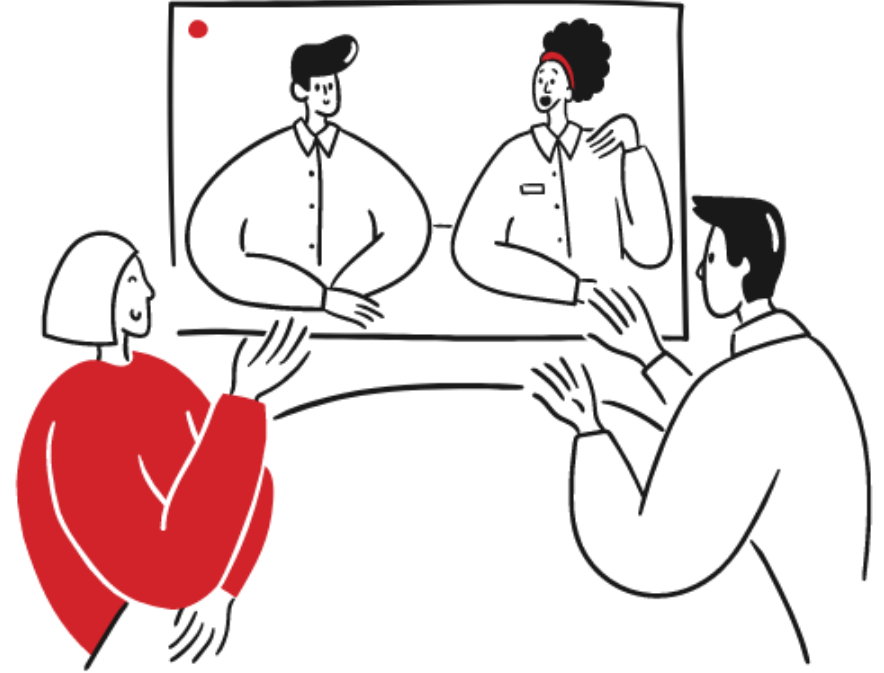
*A CHCANYS NYS-HCCN funded webinar  
with Facktor Health*

## **AI Governance & Organizational Readiness**

**May 27, 2026**

# Zoom Guidelines

- You have been muted upon entry. Please respect our presenters and stay on mute if you are not speaking.
- Please share your questions in the chat. CHCANYS staff will raise your questions to our speakers and follow up as needed if there are unanswered questions.
- The session is being recorded and materials will be shared after the session.





**Ann Loeffler, MSPH, PMP**  
**Managing Director, Facktor Health**



**Jenny Lee, MPH**  
**Senior Associate, Facktor Health**



## ➤ Preparing Health Centers for Responsible AI Adoption

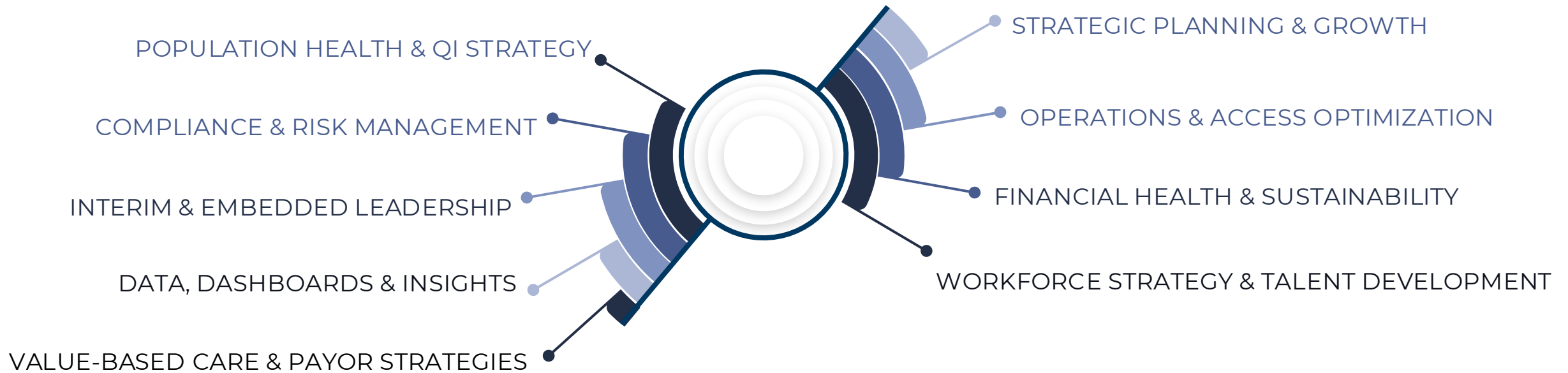
**CHCANYS initiated an AI training series to help their Health Center Controlled Networks to:**

- Strengthen AI governance, policy, and compliance practices
- Support responsible adoption of emerging AI tools
- Build a foundational understanding of AI in community health center settings
- Enable informed and strategic AI adoption decisions
- Share practical implementation insights from peer organizations



# ➤ Revolutionizing Community Health

Facktor partners with health centers and primary care associations to advance access, sustainability, and impact.

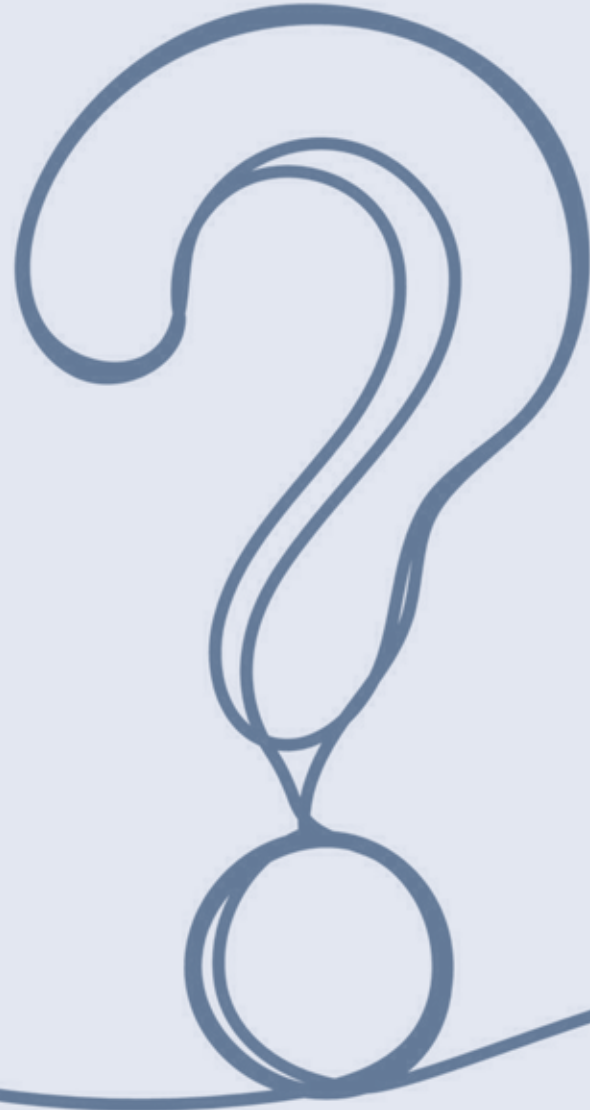


## Learning Objectives

- ❑ Describe core principles of responsible AI use, including governance, compliance, and risk management considerations
- ❑ Identify key policy and regulatory considerations related to AI use in healthcare settings (e.g., patient consent, data privacy, and transparency)
- ❑ Apply at least one practical governance framework to guide AI-related decision-making within their organization



**> Where does your FQHC stand today on AI governance?**





## AI in Health Centers

# ➤ What is Artificial Intelligence (AI)?

## Key Takeaway

Most healthcare AI tools today are designed to support operational workflows, documentation, reporting, and decision-making — not replace providers or staff.

9

**Artificial Intelligence:** Technology that enables computers to perform tasks that typically require human intelligence

## The AI Spectrum: Learning to Acting

**Machine Learning:** Uses software to find patterns, make predictions, and improve over time.

**Deep Learning:** Uses layered “neural networks” to recognize patterns

**Generative AI:** Creates new content (e.g. text, images, code) from large amounts of data by predicting patterns

**Agentic AI:** Plans, takes actions, uses tools, and adjusts based on the results to achieve goals.

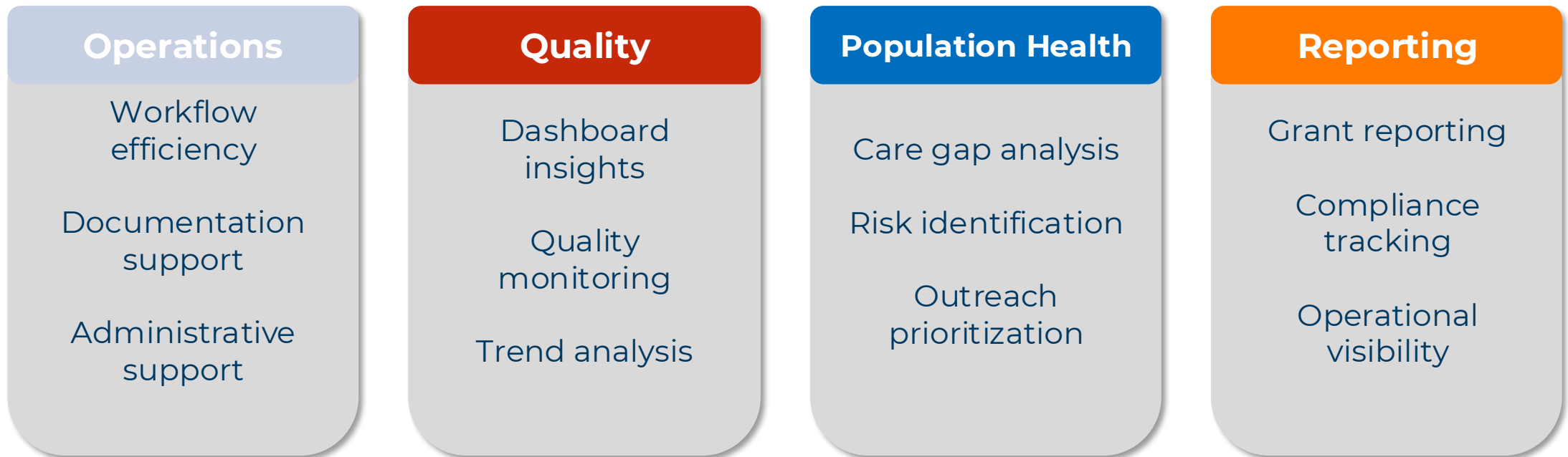


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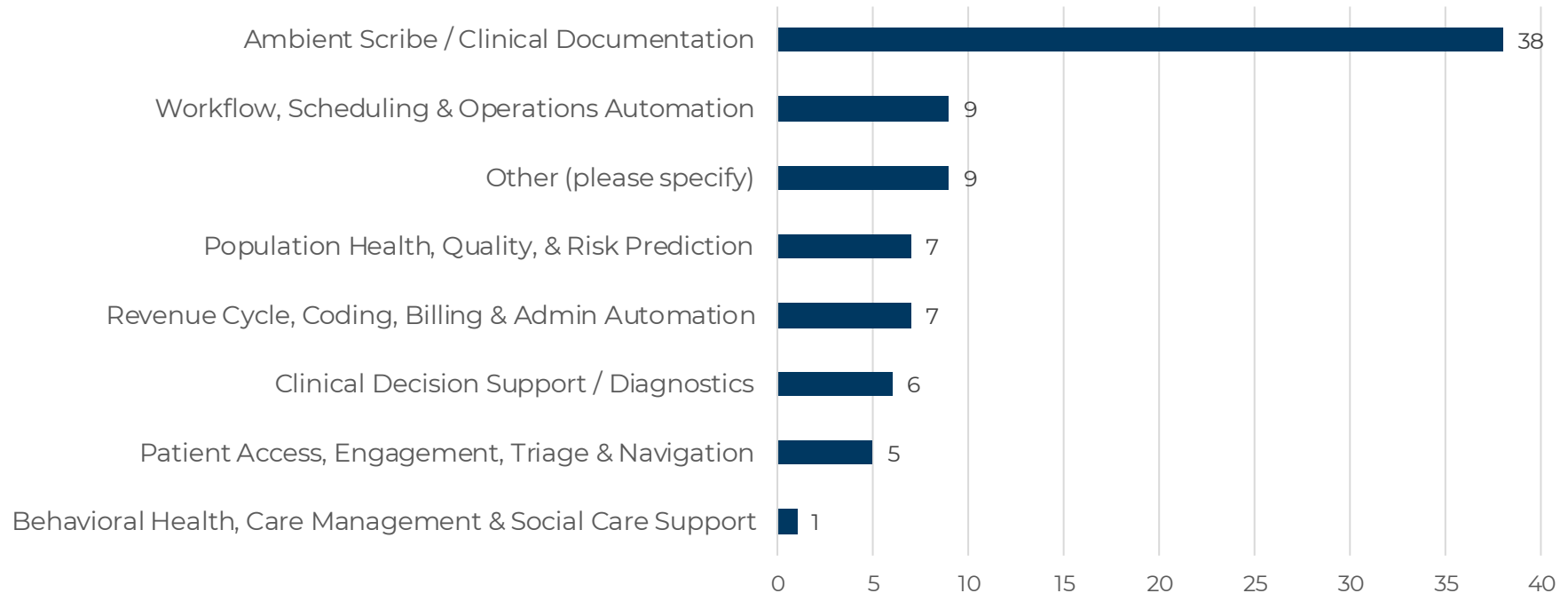
# ➤ AI Use In Community Health Centers

Health centers are using AI to improve efficiency, strengthen decision-making, support quality and population health efforts, and reduce administrative burden.



# ➤ AI Use In Community Health Centers

Results from “AI in Community Health Centers: A 2025 National Snapshot Survey”





**Governance & Responsible AI Use**

# ➤ Is the AI Tool Governable?

A system that fails on any of these dimensions is not ungovernable by definition — but each gap represents a specific risk your organization is absorbing without a mitigation strategy.

## Understand

Transparency

Can we see how it works?

Validity

Was it tested on our patients?

Auditability

Can we review what it did?

## Control

Controllability

Can we override or stop it?

Monitorability

Can we detect when it fails?

Accountability

Is a human responsible?

Proportionality

Does oversight match the risk?

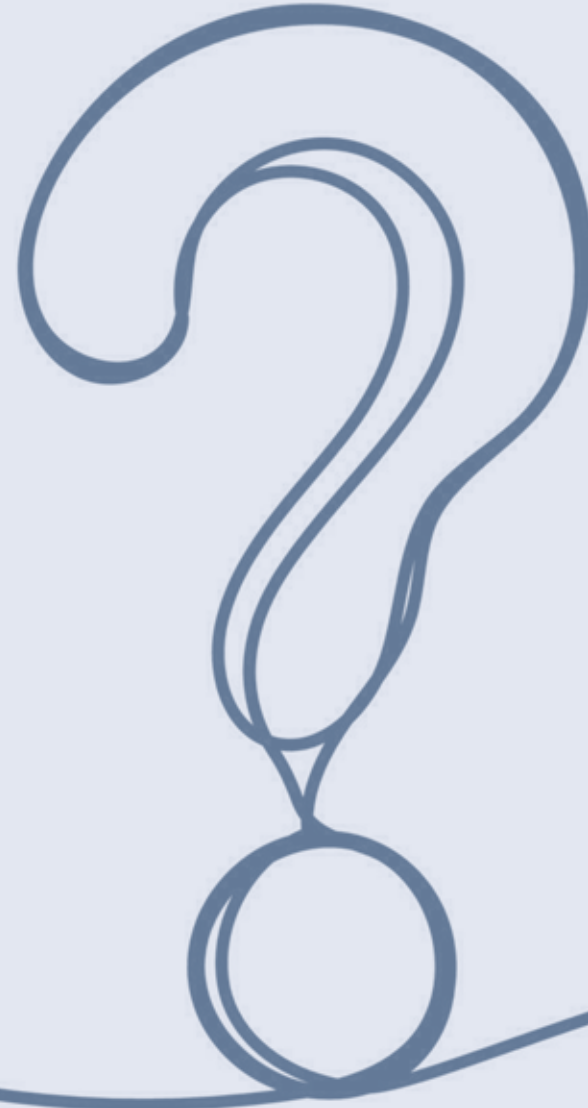
Contestability

Can decisions be challenged?

## ➤ **Imagine...**

Someone used an AI tool in your FQHC today, and the AI tool produced a biased or incorrect recommendation.

**How confident are you that your staff would catch it and report it?**



# ➤ Why Governance Matters

The risks of acting without governance (patient harm, bias, legal exposure, loss of trust) are greater for FQHCs than for any other type of health system, precisely because the patients who depend on you have the fewest alternatives.

## 8 Elements of Governance

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Patient Safety



Relevance to FQHCs



Compliance



Mission and Trust



Vendor Accountability



Staff Protection



Finance and Operations



Enabling Innovation Responsibly



# ➤ What Governance Should Address

## Domain

1 Leadership Structure

*Who has authority? Who is accountable?*

2 Policy Framework

*What rules govern AI use across the organization?*

3 Vendor Evaluations

*How are tools evaluated and contracted?*

4 Equity/Bias Monitoring

*How is bias detected and corrected?*

5 Patient Consent

*How are patients informed and protected?*



# ➤ What Governance Should Address

## Domain

6

Staff Training

*Who is trained, how, and how often?*

7

Deployment  
Methodology

*How are tools piloted and validated before full use?*

8

Incidents

*How are failures reported and remediated?*

9

Compliance

*What federal, state, and HRSA rules apply?*

10

Performance  
Monitoring

*How is performance monitored over time?*





## **Where to Begin**

# ➤ Element 1 | Leadership Structure

*Governance requires clear authority, roles, and accountability*

## AI Governance Committee

- Cross-functional body
- Approves all AI tools before deployment
- Conducts risk assessments, leads incident investigations
- Monitors model drift

## AI Ethics Officer

- Evaluates tools for fairness, bias, and patient consent
- Monitors legal and ethical compliance
- Leads investigations if discriminatory concerns arise

## AI System Administrator

- Installs, configures, and maintains AI tools
- Ensures system reliability, data security, and log auditing

## Multidisciplinary AI Champions & Channels

- Front- and back-office staff, along with clinical staff and the governance committee
- Train staff, gather feedback, and represent employee voices in decisions.
- Establish a mechanism for feedback to the structure (e.g. AI Hotline)

19

***Smaller organizations may have a single person serving in one or more of these roles.***



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# Element 2

## Policy Framework

### AI Ethics Policy

- Transparency & explainability requirements
- Fairness and non-discrimination standards
- Patient consent & disclosure obligations
- Prohibition on AI-only clinical decisions

### Data Privacy & Security

- End-to-end encryption & audit trails
- Role-based access controls
- No PHI in external AI model training
- De-identification standards for analytics

### AI Guardrails: Usage (and non-usage) Policy

- Approved clinical & administrative uses
- Prohibited use definitions (consumer AI, etc.)
- Generative AI disclaimer requirements
- Human review mandate for all AI outputs

### Risk Management Policy

- Algorithmic bias identification procedures
- Hallucination and error risk protocols
- Incident classification and escalation
- Vendor performance accountability terms



# ➤ Element 3 | Vendor Evaluation

*The FAVES Framework for AI Vendor Assessment*

Fair	Appropriate	Valid	Effective	Safe
<ul style="list-style-type: none"><li>• Ensures AI does not introduce or reinforce bias</li><li>• Promotes equitable outcomes</li><li>• Supports fair access</li></ul>	<ul style="list-style-type: none"><li>• Aligns with the health center's mission and priorities</li><li>• Fits within workflows and real-world use cases</li><li>• AI is the right tool for the problem</li></ul>	<ul style="list-style-type: none"><li>• Outputs are accurate, reliable, and sound</li><li>• Based on high-quality, relevant data</li><li>• Performance can be reviewed, tested, and trusted over time</li></ul>	<ul style="list-style-type: none"><li>• Demonstrates clear value</li><li>• Improves workflows, decision-making, or patient outcomes</li><li>• Justifies effort and adoption</li></ul>	<ul style="list-style-type: none"><li>• Meets HIPAA and compliance requirements</li><li>• Includes human oversight and accountability</li><li>• Minimizes risk</li></ul>



## Element 4

# Equity and Bias Monitoring

### Why FQHCs Face Higher Risk

Most AI governance frameworks are designed for large health systems —not safety-net providers. FQHCs serving multilingual, low-income, and minority communities are most vulnerable to algorithmic bias and discrimination, yet least represented in AI training data.

#### What to Monitor

- **Race & Ethnicity:** Audit AI outputs disaggregated by patient race/ethnicity for disparate error rates
- **Primary Language:** Validate tool performance for non-English-speaking patients; check multilingual support
- **Insurance Status:** Monitor for differential treatment recommendations by payer type
- **Geography:** Assess performance variation between urban, suburban, and rural FQHC sites

#### Pre-Deployment

Audit for bias before going live. Require vendor to show validation data from comparable populations.

#### Ongoing Audits

Conduct quarterly performance reviews by equity dimension. Flag disparities immediately.

#### Community Voice

Include patient and community representation in the AI Governance Committee.



# Element 5

## Patient Consent & Transparency

### Core Requirements

<p><b>1</b> Inform Before AI Is Used</p> <p>Patients should be told when AI is part of their care or diagnosis, including a plain-language explanation of the tool's purpose and what data is used.</p>	<p><b>2</b> Generative AI Disclaimer</p> <p>Any written or verbal communication generated by AI should include a clear disclaimer that it was AI-generated, plus instructions for reaching a human provider.</p>	<p><b>3</b> No AI-Only Clinical Decisions</p> <p>No AI system may replace human clinical judgment in high-risk scenarios. Staff should always verify AI output before acting.</p>
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### FQHC Considerations

- Provide consent materials in all languages spoken by your patient population
- Use plain-language explanations — avoid technical AI jargon in patient-facing disclosures
- Design opt-out processes that don't create barriers to care for disenfranchised people
- Document any required consent in the EHR for AI tool
- Train patient-facing staff to answer questions about AI in their care
- Review consent language with community health workers and patient advocates

## ➤ Recap: Where to Begin

*Begin with structure, then build policy around it.*

- 1 Form your AI Governance Committee before deploying any tool
- 2 Draft your Policy Framework — ethics, data privacy, usage, and risk
- 3 Build a tool evaluation process using FAVES or equivalent criteria
- 4 Establish equity monitoring protocols and practices for periodic, disaggregated audits
- 5 Implement patient transparency and any required consent procedures in accessible languages





**Where to Go Next**

# Element 6

## Staff Training

*AI adoption fails without people — invest in culture, not just technology*

### Training by Role



#### All Staff

- Organizational vision and ethics in AI use
- How AI works in plain language
- Data privacy & PHI rules
- When to question AI outputs
- How to report concerns



#### Role-Specific Staff

- Interpreting AI outputs vs. overriding
- Documenting AI-assisted decisions
- Flagging bias or unexpected results
- Patient communication about AI



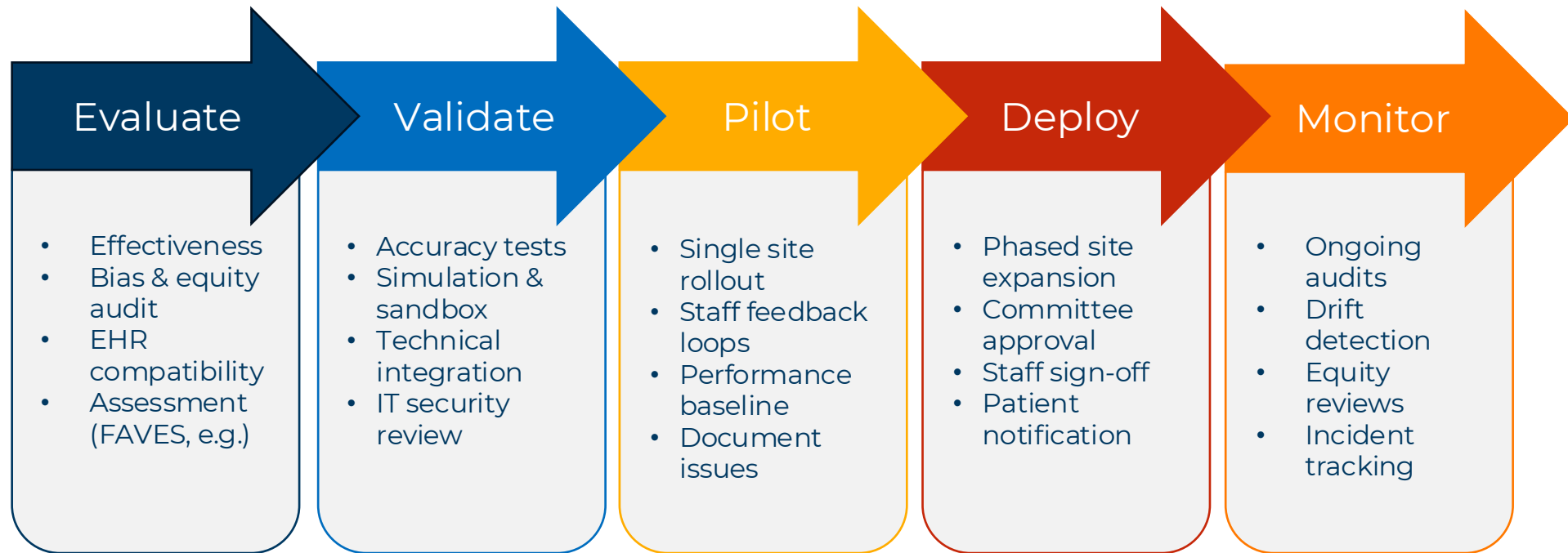
#### IT / Administrators

- System integration & maintenance
- Audit trail management
- Vendor escalation protocols
- Security incident response



# ➤ Element 7 | Deployment Methodology

*Staged, validated rollout protects patients and staff*



## CEO Action

The Governance Committee should formally approve before each phase transition

27



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# Element 8 | Incident Reporting & Response (Example)

When AI fails, your response determines your legal exposure and patient trust

## What Should Be Reported

High	Incorrect clinical recommendation acted upon
High	Patient PHI exposed through an AI tool
Med	AI output used beyond approved parameters
Med	Bias or discriminatory output detected
Med	System malfunction or unexpected behavior
Low	Near-miss: error caught before patient impact

## Response Workflow

- 1 Detect & Report** - Staff report to Clinical AI Champion or supervisor. Document in incident system immediately.
- 2 Contain** - Suspend affected AI tool if patient safety risk. Notify AI System Administrator and Ethics Officer.
- 3 Investigate** - Governance Committee leads root cause analysis. Engage vendor within 24 hours for high-severity events.
- 4 Remediate & Document** - Implement corrective action. Maintain records for accountability, audits, and RAISE Act reporting.

### ⚠️ NY RAISE Act (2025)

AI developers should report incidents of harm. Ensure your vendor contracts require prompt notification to your organization so you can comply.



# Element 9

## Compliance

*Regulatory requirements are layered — federal, state, and HRSA obligations all apply*

### CEO Action

Assign compliance lead ownership for each regulatory layer. Review vendor BAAs annually. Monitor NY state AI legislation at [nysenate.gov](https://nysenate.gov).

### Federal

- **HIPAA** - PHI protections apply to all AI tools processing patient data
- **HHS OCR Non-Discrimination** - Prohibits discriminatory AI outputs affecting protected classes
- **FDA (SaMD rules)** - Clinical decision support tools may be classified as Software as Medical Device
- **ONC Health IT** - Certified EHR requirements apply to AI integration with health records

### New York State

- **RAISE Act (2025, amended 2026)** - Transparency & incident reporting for AI developers; flow-down obligations to deployers
- **NYC GUARD Act** - Governs AI by city-funded entities; relevant if FQHC holds city contracts
- **NY AI Act (A8884, pending)** - Would require audits of high-risk AI systems and AG enforcement
- **Mental Health AI Bill (S8484)** - Restricts AI use in therapy/psychotherapy; critical for behavioral health FQHCs

### HRSA & Operational

- **HRSA UDS Reporting** - Ensure AI tools used for quality metrics are validated and auditable
- **Section 330 Grant Terms** - Review grant terms and conditions for health IT and AI-related requirements
- **Joint Commission / CHAI** - Voluntary AI certification programs being released in 2026 — consider early adoption
- **Vendor Contracts** - BAAs should cover AI tools; require data rights, audit access, and breach notification



# Element 10

## Performance Monitoring

*Continuous monitoring is the accountability mechanism*



### What to Measure

- **FAIR** - Outcomes across patient populations · Bias, complaint, or escalation trends
- **APPROPRIATE** - Alignment with approved use cases · Human override and workflow fit
- **VALID** - Accuracy and error rates
  - Near-misses or hallucination frequency
- **EFFECTIVE** - Workflow efficiency and time savings · Staff adoption and satisfaction
- **SAFE** - PHI/PII incidents and audit findings · System reliability and incident response

### Monitoring Cadence & Ownership

Cadence	Owner	Focus
Real-time	AI Sys. Admin	System uptime, error logs, security alerts
Monthly	Clinical Champions	Staff feedback, override rates, usability issues
Quarterly	Governance Committee	Equity audits, performance vs. KPIs, vendor review
Annually	CEO / Leadership	Policy refresh, training recertification, contract renewal

# ➤ AI Governance Action Checklist

*Governance commitments that define responsible AI leadership at your FQHC*

- ✓ Form AI Governance Committee before any tool goes live
- ✓ Draft and ratify your four core policies (ethics, privacy, usage, risk)
- ✓ Build a tool evaluation process (RIGOR, FAVES, etc.) to assess every AI purchase
- ✓ Establish equity and bias audits (protocols and practices) for periodic reviews disaggregated by race, language, and payer
- ✓ Implement required patient consent and AI disclosure procedures in all languages served

**Resources** | [caltrc.org](http://caltrc.org) · [healthpartnership.org](http://healthpartnership.org) · [health-isac.org](http://health-isac.org) · [nachc.org](http://nachc.org) · [nysenate.gov](http://nysenate.gov) (RAISE Act)



# ➤ AI Governance Action Checklist

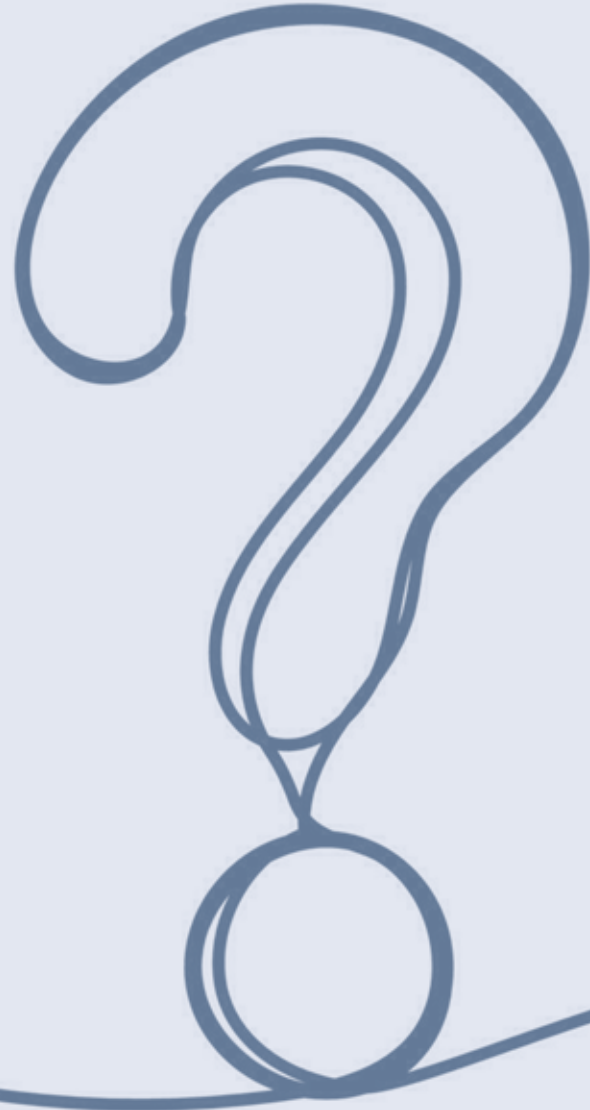
*Governance commitments that define responsible AI leadership at your FQHC*

- ✓ Fund role-based training and designate Clinical AI Champions at every site
- ✓ Enforce phased deployment — aligned with required Committee approvals
- ✓ Establish a clear incident reporting pathway and practice it before you need it
- ✓ Assign compliance ownership for HIPAA, RAISE Act, HRSA, and vendor contracts
- ✓ Schedule audits and annual policy reviews




**Resources** | [caltrc.org](https://caltrc.org) · [healthpartnership.org](https://healthpartnership.org) · [health-isac.org](https://health-isac.org) · [nachc.org](https://nachc.org) · [nysenate.gov](https://nysenate.gov) (RAISE Act)



**➤ What is the most important next step for your organization after today?**



## 3 Key Takeaways

-  AI adoption is **rapidly accelerating** across healthcare and community health center environments
-  Governance is a **risk mitigation mechanism** for AI adoption
-  **FQHCs face disproportionate AI risk** and cannot rely on frameworks built for others



## Learning Objectives

- ✓ Describe core principles of responsible AI use, including governance, compliance, and risk management considerations
- ✓ Identify key policy and regulatory considerations related to AI use in healthcare settings (e.g., patient consent, data privacy, and transparency)
- ✓ Apply at least one practical governance framework to guide AI-related decision-making within their organization



## ➤ Coming Up! Module 2: AI Vendor Evaluation & Responsible Adoption



**Ami Patel**

Senior Advisor, Value & Quality



**Vena Lam**

Director, Operations

This session helps health centers evaluate AI tools and make responsible adoption decisions using a structured, vendor-agnostic approach focused on value, risk, and integration.

**July 8<sup>th</sup> at 12:00 PM Eastern Time**



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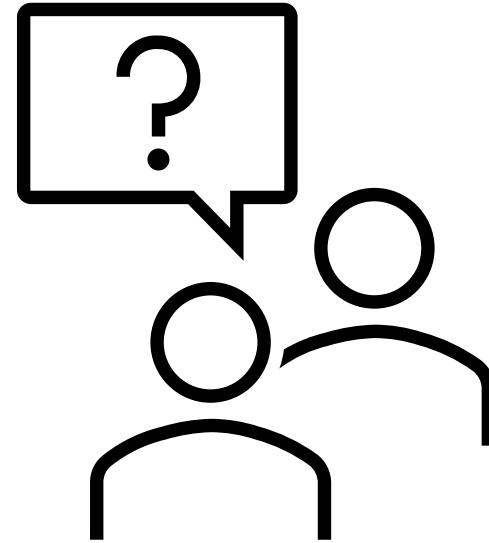


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# Questions



# Workshop Evaluation Survey

Please share your feedback on this session. This should take less than 3 minutes to complete.

**Survey Link:**

[https://forms.office.com/Pages/ResponsePage.aspx?id=YSZl7iDhjEqs\\_ICzVbYzooHiZ0zMAXIKutjkObjvztFUNjdUVIVVSTdCSE1SSFJVRUgzUUZIOURZVS4u](https://forms.office.com/Pages/ResponsePage.aspx?id=YSZl7iDhjEqs_ICzVbYzooHiZ0zMAXIKutjkObjvztFUNjdUVIVVSTdCSE1SSFJVRUgzUUZIOURZVS4u)

Thank you!



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Facktor Webinar Evaluation  
Session 1: AI Governance and  
Organizational Readiness

