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Artificial Intelligence in US Healthcare System: Current Applications and Ethical Challenges

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Abstract

Artificial intelligence (AI) is currently evolving the American healthcare system by way of its potential to improve diagnostic precision, expedite administrative procedures, and predictive analytics that can inform preventative measures for illness that could occur in the future. It has been seen that applications of AI in the form of applications and systems such as AI robotics surgery, deep learning algorithms, and precision medicine are making the patients outcomes better and also hospital operations more streamlined. This trajectory leads to data-driven, patient-focused care due to their use in the computation of the risk assessment, early illness disclosure, and personalized treatment plans, which are increasingly starting to fall under the purview of the use of machine learning models. Yet, health complexification remains extreme, and embedding AI in health care still has a long way to go, a multidimensional problematic divergence due to the combination of ethical and legal obstacles, including algorithmic bias, data privacy issues, and opaque AI-driven decision-making. The difficulty that adoption is becoming on the state level, due to worries about the impact of AI on the workers who provide healthcare and worries about job displacement and doubt, and the need for explainable AI, makes adoption more difficult. The issue of safe and responsible use of AI technology is guaranteed by the regulatory environment, where FDA clearance of AI medical devices and changing ethical standards play the central role. For this, they require the kind of continuous regulatory improvements, multidisciplinary cooperation, and the steps in place in AI governance frameworks. There will be future research in explainable AI, AI bias reduction, and AI-driven interventions to help the public's health benefit at an optimal level while respecting equity and guaranteeing accountability. This research investigates the current state of AI in U.S. healthcare, its ethics and regulatory implications, and its future potential in disruptive AI.

Keywords; Artificial Intelligence, US Healthcare, Ethical Challenges, AI Applications, Explainable AI, AI Regulation.

INTRODUCTION

Background of Artificial Intelligence (AI) in Healthcare

Along with that, more and more artificial intelligence (AI) has proved to be a disruptive force in the healthcare industry by more and more integrating machine learning, deep learning, and natural processing, thus moving the patient care, treatment planning, and now diagnosis. In medicine, the development of AI has gone from very simple rule-based expert systems to rather simple algorithms to large data processing algorithms that process big data.

Faster disease detection, like cancer, heart disease, and neurological defects, is made much better through the use of AI-powered technologies, namely, neural networks and predictive analytics. Additionally, the administration is being further automated through AI, freeing and training healthcare workers to spend more time with the patients. Because of the application of imaging and AI to imaging genetics, and pathology genetics, and CS, precision medicine has been greatly advanced with personalized' therapy based on the patient's profile. However, in the case of all this promised use of AI in healthcare hurdles, regulatory hurdles, ethical privacy, and data privacy, among other things, it is difficult to actually use AI in healthcare. For responsible application (Yu et al., 2018; Rajkomar et al., 2019), rigorous policy interventions must be in place.

Importance of AI in the US Healthcare System

Areas like discrepancies in treating access, staffing shortages, and rising costs play a large role in the United States' healthcare system. The workable answers to such problems are the AI solutions that make it easy and increase productivity, reduce medical mistakes, and also improve outcomes. The AI-powered outcomes. AI-powered predictive analytics is good for something like helping to resource properly, lowering the hospital readmission rate, and even early illness identification. Furthermore, AI-based chatbots and virtual assistants help the patients by giving real-time assistance, monitoring the health status of the patient in real time, and also making the workload of medical professionals to some extent. Using AI helps to make precision medicine possible to tailor the treatment regimens for patients and thus improve the therapeutic effect while minimizing adverse medication responses. However, AI also essentially contributed to controlling the COVID-19 pandemic by accelerating diagnosis, epidemic forecast trees, and producing the vaccines. The incorporation of artificial intelligence (AI) in the electronic health records (EHRs) reduces documentation error and keeps the clinicians updated minute to minute for the best clinical decision-making. Until today, fears regarding the bias of algorithms, as well as cybersecurity threats and regulations compliance, significantly limit the adoption of algorithms in the US healthcare system (Topol, 2019; Obermeyer & Emanuel, 2016).

RESEARCH OBJECTIVES

- To examine how artificial intelligence (AI) might enhance clinical judgment and patient care in the US healthcare system.
- To assess the privacy, legal, and ethical issues surrounding the use of AI in healthcare environments.
- To evaluate the financial effects and affordability of healthcare solutions powered by AI.
- To investigate how AI could improve public health outcomes via predictive analytics and early illness identification.

SCOPE OF THE STUDY

In this research we investigate how some of the newest AI technologies are being implemented into the American healthcare system for the purposes of revolutionizing administrative, treatment planning, and diagnostic procedures. Like machine learning, natural language processing, and robotic process automation, the technical

developments are making it more convenient for the adoption of AI. It also addresses policy on use of AI applications in healthcare, and bias, transparency, and privacy of data. Additionally, its possible threats are outlined, these including algorithmic biases and displacement of jobs, as well as its economic opportunities — reducing budget and increasingly increased efficiency. The study attempts to enlighten on the way in which future developments of AI in healthcare will take form and their wider implications, with case studies and real-world AI healthcare installations.

CURRENT APPLICATIONS OF AI IN THE US HEALTHCARE SYSTEM

• AI in Medical Diagnostics

Regarding the US healthcare system, artificial intelligence has significantly changed the system since artificial intelligence (AI) is used in dermatology, pathology, and radiology. For example, a deep learning-based image interpretation system is the type of AI-driven tool in the area of radiology that helps in the anomaly detection on X-rays, MRIs, and CT scans, improving the radiologists' diagnostic accuracy while decreasing radiologists' jobs (Wang et al., 2020, p. 8). AI applications, especially fueled by convolutional neural networks (CNNs), also began to boom in dermatology, and they were able to pretty much reach, if not surpass, the precision of expert dermatologists in skin cancer diagnosis (Esteva et al., 2017). The accelerated testing of new drugs requires the early cancer diagnosis, as well as the reduction of human error and the increment of the rate of malignancies (Campanella et al., 2019). However, while this is promising, much progress still has not been fully validated, cleared by regulation, and is not yet integrated seamlessly into the clinical workflow (Yu et al., 2018). The application of AI in diagnostic problems also brings such issues as algorithm and patient data privacy (Obermeyer et al., 2019). It is true that AI is growing, even more so in the medical diagnostics role in the US healthcare system, because AI is expected to lead to better patient outcomes that will benefit and so more efficiently by early illness discovery and so on.

• Deep learning algorithms for disease detection

It just changed the game as to how diseases are diagnosed in present-day healthcare, using artificial intelligence to analyze the data of patients and medical imaging, as never seen before. Medical imaging modalities like X-rays, MRIs, and CT scans containing medical images are fed into one of the most popular deep learning models

used in identifying diseases such as cancer, diabetic retinopathy, and pneumonia—convolutional neural networks (CNNs). However, these models are practically perfect at increasing the time to diagnosis and minimizing human error, as they are such great feature extractors and such great pattern recognizers (Esteva et al., 2017). Even recurrent neural networks and long short-term memory networks have been capable of analyzing time series patient data to learn about disease progression or to predict it, or to detect chronic illness early stages such as neurodegenerative disorders and cardiovascular diseases (Rajpurkar et al., 2018). Transfer learning methods bridge further deep learning applications to other problems in illness detection by enabling the adjustment of pre-trained models for medical applications in which data scarcity problems are common in the medical industry. However, the reliability of the diagnostics depends on how things are unsure of guaranteeing model interpretability or solving the biases introduced to the training dataset. Furthermore, the acceptance of patients' prior permission and privacy data about the healthcare settings gets accepted as deep learning applications are used in increased areas of healthcare (Topol, 2019). If more understandable AI models and legal frameworks accepting patient safety can be generated to give away deep learning in illness identification, it would live in the future.

increasing the precision of diagnostics, minimizing human error, and real-time patient monitoring. A real agility that utilizes large databases to locate illness signs and to determine the likely risk of the person, and hence gives prompt intervention. In other cases, deep learning systems have performed much better than radiologists and have very high accuracy to identify lung cancer from radiographic imaging (Ardila et al., 2019). Similar to the examination of patient demographics and EHRs, an AI-based risk assessment algorithm demonstrated potential to detect cardiovascular disease (CVD) risks (Weng et al., 2017).

Case Studies of AI-Driven Predictive Analytics: There are many case studies that testify to the fact that AI driven predictive analytics is helping to improve healthcare outcome through two ways — the improvement in risk assessment or through early intervention. A good example is predicting a diabetic retinopathy (DR) using AI. The incidence of misdiagnosis of DR is significantly lowered (Gulshan et al., 2016), and it can be identified with similar accuracy as the ophthalmologists. It has also been used to predict hospital readmissions in order for healthcare providers to more efficiently allocate their resources. In fact, as per the research done in Futoma et al., 2017 recurrent neural network (RNN) predicts patient readmission within 30 days better than the standard predictive models and hence increased patient's care and cost reduction. Concrete examples such as these are already being revolutionized by AI in predicting healthcare.

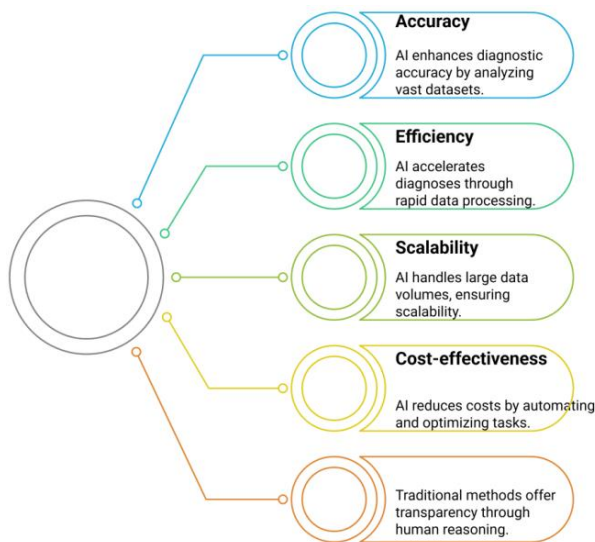


Figure 1: crumb rubber in cracker mill

AI IN PREDICTIVE ANALYTICS AND DISEASE PREVENTION

AI for Early Disease Detection and Risk Assessment: Artificial intelligence (AI) alone has made a large step toward early diagnosis and probability of disease by

TABLE – 1: Comparison Of Ai-Based And Traditional Predictive Models In Healthcare [Badawy, M., Ramadan, N., & Hefny, H. (2023)]

Aspect	AI-Based Predictive Models	Traditional Predictive Models
Accuracy	Leverages complex data patterns for higher predictive accuracy.	Relies on established statistical methods, which may have limitations in precision.
Efficiency	Processes large datasets rapidly, enabling real-time predictions.	Slower due to manual data handling and analysis.
Scalability	Easily scalable to accommodate growing healthcare data.	Limited scalability due to dependence on human resources.
Cost-effectiveness	Reduces operational costs by optimizing resource allocation.	Higher costs due to manual processes and inefficiencies.

Explainability	Often lacks transparency, raising concerns about trust and accountability.	Transparent and interpretable, as decisions are based on human reasoning.
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AI IN PERSONALIZED MEDICINE

AI's Role in Precision Medicine: However, because artificial intelligence is relatively new, it has obviously benefitted us a lot when it comes to providing specific, data-driven, patient-specific decisions. AIS checks huge databases: genetic data, clinical biomarkers, and patient histories, and proposes treatment regimens that are personalized to an individual. In general, for the application of the US healthcare system, AI-driven models are used to enhance the therapeutic treatments and prognosis out of treatments, as well as the identification of disease subtype. To give an example, machine learning algorithms have taken the same tried and tested approach to finding the most suitable cancer therapy and decreased the amount of medical trial and error by analyzing patients specific characteristics and fitting for the most suitable cancer therapy. In addition, AI merges various information about the patients and changes Continuous Monitoring of Electronic Health Records (EHRs) in real time. Moreover, AI-backed clinical decision support systems (CDSS) reduce the chances of doctors making mistakes by giving the correct suggestions. As a result, healthcare costs are reduced, and the patient outcome improved. That means ethical issues still have to be worked out: the issue of data privacy, which will hold off general use, algorithmic biases, and rule-offs.

Use of Genomics and AI in Oncology Treatments: But what AI and genetics have done combined in oncology has made individualized (spelled incorrectly) cancer therapies not a possibility but a reality. Tailed treatment is provided via AI algorithms that study patients' genomic mutations and look for biomarkers. For example, in the U.S., Tempus and IBM Watson for Oncology are such solutions that use machine learning to help find patients a good medicine. Deep learning algorithms are being used to guess tumor growth and advise immunotherapies using genetic and molecular data. Additionally, it enables the liquid biopsy analysis in a noninvasive way to monitor and diagnose cancer. AI can rapidly analyze big genetic information that can help oncologists to make better therapy choices and better therapy effectiveness; as a result, it can improve therapy effectiveness and patient survival. However, to ensure faith healthcare delivery problems like data sharing constraints, moral concerns of genetic privacy, and

transparency requirements of transparent AI models are addressed.

AI-Powered Drug Discovery and Treatment

Customization: The art has infused drug research into the process of finding potentially beneficial spins and improving treatment plans. The bottleneck here is that drug development is very expensive and time-consuming in the traditional way, and while our AI models can quickly screen millions of chemicals, predict drug-target interactions, and propose new drug treatments. The pharmaceutical firms based in the US are patronizing such AI-driven systems as Atomwise and BenevolentAI to design new medications. Like all other repurposing methods, AI also facilitates lowering the probability of failure by repurposing existing drugs for new or novel therapeutic applications. Also, when these clinical trials did not exist, a simulation of how good or how bad a drug is in preventing the illness is tested using AI. The AI-driven pharmacogenomics guarantee that the person's genetic makeup would be friendly for the potential treatment with the drug. That is, although it comes with great promise, several roadblocks due to regulatory clearance, interpretability of the AI model and moral quandaries around protecting patient data stand in the way of it.

AI IN ROBOTIC SURGERY AND TREATMENT OPTIMIZATION

AI-assisted Robotic Surgery: In AI-assisted robotic surgery, patient outcomes are improved, error is decreased, accuracy is increased, and the process of performing modern surgical techniques is shifted. Utilizing Artificial Intelligence (AI), robotics that are able to continuously parse huge stores of data and give insight and support to surgeons while performing intricate operations. These devices allow for easier recovery and less stress, safer minimally invasive procedures, more accurate performance of such procedures, and less likelihood of having complications. Additionally, robots can learn from the past operations and become more efficient through time with AI power. Therefore, artificial intelligence (AI) is very handy in using robotic surgery in very sensitive operations like neurosurgery, cardiac surgeries, and orthopedic treatments. Another application of AI-powered surgical robots is to enable remote surgeries, and even in the remote areas of underprivileged places, they can improve such access to high-quality health care. There is a real idea of AI technology reaching such a point where robotic surgery will become much more autonomous and therefore much safer and more efficient.

Benefits of AI-Driven Robotic Procedures: AI robotics operations also have several benefits to them, as they can increase the surgical result effectiveness and likewise make the healthcare generally effective. These are processes that are supposed to lead to more precise and less variation of the surgical method, which results in a more reliable outcome. These are less intrusive AI-assisted robotic procedures, and therefore patients heal quicker and require fewer nights in the hospital because they are less post-op painful. Additionally, AI ascertains and forecasts any concerning issues of medical pictures, enhancing preparation for preoperative work off better. Also, robots with AI are adding ergonomics and precision so that surgeons' physical strain is reduced and tiredness is reduced, and therefore help in decision-making. AI has made robotic operations simpler, and the hospitals getting a chance to save money by not having so many mistakes in surgeries and operation rooms are more occupied. The use of AI-assisted surgery on robotic systems further enhances patient safety and makes healthcare accessible.

AI IN ADMINISTRATIVE AND OPERATIONAL EFFICIENCY

AI for Hospital Workflow Optimization: But it has been the play to reduce hospital operations with the help of AI and increase productivity and prevent operations bottleneck. Unfortunately for HR, because AI can examine so much data, it can automate scheduling processes, forecast the number of patients to be admitted, and allocate resources efficiently. The use of predictive analytics by AI to predict times of demand and allocate sufficient resources and staffing is used by the hospital. By using automated solutions based on AI, healthcare workers have freed up time in paperwork that allows them to spend more time caring for patients rather than working on administrative things. The best medical equipment is available; there's an assurance of no waste and predicted supply requirements that have been met by AI. With AI-driven workflow optimization, hospitals can develop workflows that optimize patient flow by cutting down available wait times, which reduces the cost, improves patient care, and improves the entire experience.

Virtual assistants and chatbots for patient care: Today, AI-driven chatbots and virtual assistants are important tools of patient care for access to healthcare around the clock with minimum effort. Using symptom evaluation that helps patients provide medical recommendations and set up appointments, these are AI-powered solutions that respond

to questions. Virtual assistants allow front desk employees to reduce the push on front desk employees and strip out delay in the communication between patients and health professionals. Emergency patients' chatbots powered by AI can deal with a set of patients' symptoms quickly and provide them with AI-powered suggestions about what the next step should be, which ensures that assistance is delivered on time. Moreover, they aid in the treatment of chronic diseases by notifying patients of drugs to take, monitoring the drug intake, and dispensing tailor-made health advice. With ongoing development of AI technology, chatbots and virtual assistants are expected to be more sophisticated and therefore possess more precise and sympathetic patient interactions.

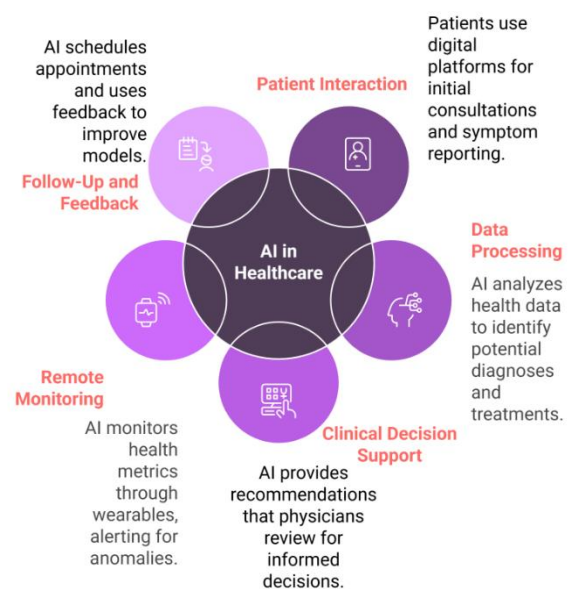


Figure 2: AI integration in telemedicine: a workflow diagram [Hash Root. (2025)]

AI-driven Electronic Health Records (EHR) Management: Adding AI in the way the Electronic Health Records (EHRs) manage the data of patients would be similar to how it is used in the healthcare sector, with the elements of record-keeping, accessing, and using it. Due to the inputs of the initial data by healthcare workers, using AI provides fewer mistakes and administrative burdens by healthcare workers. By using AI, such as machine learning algorithms and natural language processing, AI can also collect relevant patient data and find patterns to provide useful insights for making medical decisions. When EHR systems can easily share data across various healthcare providers and thereby provide continuity of care, AI embedded in EHR systems is beneficial to help ensure this

interoperability. Furthermore, AI looks for the bad boy and blocks him so that no one can have a view of the private medical data, increasing security and compliance. In the era of AI deployment to EHR administration, healthcare systems will become better through data-led, patient-centered, and, in the end, better healthcare results.

Ethical And Regulatory Challenges Of Ai In Healthcare

- **Algorithmic Bias and Fairness Issues**

While training such AI models in the healthcare industry necessitates working with a large dataset, the inherent biases of the data used to train such AI models may lead to major differences in patient outcomes. The AI system will make biased predictions based on the training data that tends to lean towards some ‘demographic cohorts’ (e.g., age, gender, etc.) and will especially favor or disadvantage some patient cohorts. As a scenario, if AI-based diagnostic systems are only trained on data from one particular ethnic or socio-economic group or if those AI-based diagnostic systems cannot accurately identify another one. If we don't analyze the cortex anisotropy without the exclusion of an artifact that is usually responsible for the major contribution to spherical anisotropy, biased AI outputs can pose a risk to patient care for such momentous life-changing decisions as diagnosis of cancer or modeling disease progression. Such diverse and inclusive datasets, ongoing algorithm audits, and regulatory superintendence of AI-driven healthcare solutions would overcome this issue.

- **Implications of Biased AI Models for Ethics**

Ethical concerns are related to the bias in AI models, and this is especially important with regard to bias in healthcare, where a decision may affect a patient's safety and welfare. Repeated favoring of one group over another may be perpetuated by an AI system, contributing to such healthcare disparities and dampening the confidence in medical AI applications. Fairness issues arise when consistent bias algorithms that are not fair operate in many applications, from treatment eligibility and resource allocation to even medical insurance approvals. Prejudice might worsen in a healthcare service if an AI system is not continuously checked for fairness and rebalanced. If such development is to happen, then ethical AI must call for openness, responsibility, and multidisciplinary collaboration between medical practitioners, legislators, and data scientists so as to reduce prejudice and to prevent the use of

such AI as a source of unfavorable healthcare to the general population.

TABLE – 2: Examples Of AI Bias In Healthcare And Its Consequences [Biology insights Team. (2025)]

Type of Bias	Example	Consequences
Racial Bias	Under diagnosis of skin cancer in individuals with darker skin tones.	Delayed treatment and worsened prognoses for affected populations.
Gender Bias	Misdiagnosis of heart attacks in women due to male-centric training data.	Increased risk of severe complications and mortality in female patients.
Socioeconomic Bias	AI tools favoring patients from wealthier areas in resource allocation.	Unequal access to healthcare services, exacerbating existing disparities.
Data Representation Bias	Limited diversity in training datasets for medical imaging.	Reduced accuracy in diagnosing conditions in underrepresented demographic groups.

DATA PRIVACY AND SECURITY CONCERNS

- **Patient Data Protection and HIPAA Compliance**

Now, when more and more AI is brought to play in healthcare, complying with laws such as the Health Information Portability and Accountability Act (HIPAA) and concerns regarding patient data privacy become urgent. A reason for is that AI systems are highly vulnerable and can be easily hacked and even abused as they depend so much on patient data to work properly. To enable HIPAA compliance for healthcare organizations and for AI loads to get to his sensitive healthcare data without any permissions, they have to set strict security measures for stopping anyone from accessing his sensitive health data. The problem, however, places into tension patient anonymity and AI-driven insights. It must therefore be made harder to use the data for these purposes if people who need to make it have to balance more sophisticated encryption, more or less privacy protection, and permanent monitoring.

- **Healthcare Cybersecurity Risks Associated with AI**

With more and more AI being plugged into medical systems, the amount of cybersecurity danger also increases. AI-driven healthcare systems are vulnerable to having their

healthcare systems hacked, having their data breached, and being subjected to adversarial attacks where adversarial actors are updating AI models to generate inaccurate diagnoses or recommendations. Due to flaws in the machine learning algorithm, cybercriminals can use the machine learning algorithm to commit financial fraud and improper medical treatment or even give people private medical data. Moreover, we must handle the rise of new security issues on the basis of strong security policy and continuously validate the AI models and the automation of clinical and administrative decisions that need to be addressed. To apply AI-based cybersecurity to improve these systems and protect patient data as well as healthcare operations, we must utilize multi-factor authentication, blockchain, and an AI-based anomaly detection system.

Transparency and Explainability in AI Decision-Making

- **The Black-Box Problem in AI-driven Healthcare Decisions**

The biggest moral and practical obstacle to AI adoptions is the ‘black box’ of AI, which makes medical decisions but does not explain why they do so. The absence of interpretability makes it untrustworthy for the healthcare practitioners to rely on the AI-driven diagnosis and therapy recommendations. Doctors and patients must understand AI’s logic and logic of use for the dependability and moral use of AI outputs in clinical practice. However, if there is not transparency within the chain, healthcare providers will be skeptical in fully taking advantage of the AI solutions as they are afraid of the ethical and legal consequences of disease diagnosis performed by the AI that could not be explained.

- **Need for Explainable AI in Clinical Practice**

Trust and accountability are key when it comes to explainability in AI in American healthcare. The physicians should not be given all of the interpretable insights that the models provide before selecting crucial healthcare techniques based on those foundations in medical AI. In use, putting explainable AI frameworks to work involves visual depictions of decision-making and the production of confidence ratings, as well as providing opportunities for real-time user inputs to improve AI forecasts. In particular, it also interacts with legal requirements mandating that the models are accessed by humans. To ensure that AI contributes to following ethical standards and meeting healthcare professionals knowledge instead of replacing it, AI explainable development will be necessary.

IMPACT ON HEALTHCARE WORKFORCE AND JOB DISPLACEMENT

- **AI Replacing Traditional Healthcare Roles vs. AI Augmenting Clinical Tasks**

Its arrival in American healthcare has triggered discussions about its effects on the medical workforce. While AI can automate a lot of tedious and administrative tasks, people can still fear that technology will replace workers, particularly in offices where data entries, processing medical images, and routine diagnosis duties are concerned. As AI will strengthen decision-making and reduce the workloads, it is more likely to ease healthcare workers rather than replace them. These include, for instance, if AI-enabled diagnostic tools are used by radiologists to focus more on image analysis and complex cases, and physicians can spend more time on patient care rather than paperwork due to automation in EHR administration. The good news is healthcare workers will not be replaced; they will need to learn new data interpretation and AI literacy skills.

- **Ethical Concerns Regarding AI-Driven Automation**

Although AI brings many benefits, there are moral questions regarding patient safety and human supervision in relation to the practice of AI in healthcare. The liability issues may arise if mistakes occur with the fully automated AI decision-making systems and there is no obvious accountability. It also risks reducing human thinking to an extreme in complex cases in health care and damaging patient outcomes. Having clearly defined roles (where humans are still in charge) is required to prevent AI from becoming an independent decision maker but more of a support. Therefore, retraining programs and regulations are also necessary to make sure that AI is integrated into healthcare safely and responsibly and that the healthcare personnel receive the necessary retraining to adapt to the use of AI-generated healthcare.

TABLE – 3: Ai’s Impact On Healthcare Professions: A Comparative Analysis [Source: Mohammad Ali. (2023)]

Aspect	Positive Impact of AI	Challenges for Healthcare Professionals
Efficiency	Automates routine tasks, reducing administrative burden.	Requires upskilling to effectively use AI tools.

Decision Support	Enhances clinical decision-making with data-driven insights.	Over-reliance on AI may reduce critical thinking skills.
Patient Interaction	Frees up time for more patient-centered care.	Potential loss of personal touch in patient interactions.
Workload Management	Helps manage increasing patient volumes with predictive analytics.	Risk of burnout if AI systems are not user-friendly or add complexity.

REGULATORY FRAMEWORK AND POLICY CONSIDERATIONS

FDA Approval Process for AI-Based Medical Devices

In the United States, the FDA regulates the use of a medical device in a clinical setting to make sure that it meets the safety and effectiveness requirements before they are used. In order for AI-based medical technologies to be approved, current channels of approval must be utilized, which may be through more stringent pre-market approval (PMA), 510(k) clearance, or De Novo classification. To deal with the learning AI models that are dynamic as the foregoing, the FDA developed such adaptive frameworks, for instance, the Software as a Medical Device (SaMD) guidelines. The government is focusing on risk-based regulation, and therefore AI technologies that directly impact healthcare choices will get subjected to more rigorous examinations than what will be used for administrative reasons. While these steps remain necessary, it's still challenging to develop exact rules for bias reduction, algorithmic transparency, and updating the running AI at any time, and therefore a continuous policy improvement is required.

Ethical Guidelines and AI Governance in US Healthcare

Even if AI is cleared by the FDA, it is important to have effective governance of AI in healthcare to make sure of responsible deployment and patient safety. An ethical framework for AI-driven decision-making, here by models provided by the American Medical Association (AMA) and the U.S. Department of Health and Human Services (HHS), is made considering the key aspects of fairness, accountability, and openness. The most common things in AI governance frameworks are data protection, fair access to AI-powered medical solutions, and human supervision of AI-based clinical treatments. The lack of enforcement of

consistent ethical norms in different settings of healthcare highlights the need for national regulations pertaining to the handling of AI bias and liability issues and the interface of AI systems with electronic health records (EHRs). The creation of such an extensive AI governance structure will have to build the confidence that ethical inclusion of AI in the US healthcare system.

CONCLUSION AND FUTURE DIRECTIONS

Summary of AI's Impact on the US Healthcare System

By being more precise, faster, and predictive, artificial intelligence has redefined how the American healthcare system works exactly as we know it. There has been use of AI applications for improving patient outcomes, productivity, lowering healthcare costs, and customized medicine applications such as robotic surgery with AI assistance. Furthermore, AI-driven chatbots, virtual assistants, and EHR automations have made hospital operations more effective, and the medical staff can work less doing administrative work in hospitals. It is equally important for AI to overcome its ethical, legal, and technical hurdles in its integration into the field of medical innovation as it becomes more relevant.

Ethical Concerns and Challenges Requiring Immediate Attention

On the one hand, the transformative potential of AI in healthcare is huge, and on the other hand, there exist urgent ethical issues with adopting AI in healthcare, the greatest of these being the bias that might infest algorithms, the hazards of data, and the lack of transparency in the AI-driven decisions. To ensure this, strong regulatory monitoring, moral development processes for AI, and multidisciplinary cooperation between legislators, technologists, and healthcare professionals are necessary. If AI is to complement, not replace, the knowledge of the human healthcare workforce, then close regulation of the effects of AI on the healthcare workforce is necessary. To prevent the use of AI from creating/worsening worse healthcare inequities and generating new patient safety hazards, preemptive actions need to be taken.

Future Research Areas in AI-Driven Healthcare Innovation

The future of AI in healthcare should be directed towards the creation of explainable AI models for clinical decision-making without compromising the transparency of the doctor. Another way in which this will help in the universal

development of Ayurvedic personalized treatment plans will be through the development of precision medicine on the basis of genomes and biomarker-based prediction through AI. Finally, future research should focus on what AI can do to prepare for the next pandemic, to control the spread of a disease, and to monitor the disease outbreak in real time where the disease has arrived. From then moving forward, we will have to strengthen regulatory frameworks to ensure that AI is, in fact, a tool to produce better healthcare results, not one that breaches patients' rights and safety and AI principles to prevent AI from becoming yet another tool for putting people's lives in danger. It can help by understanding the issues surrounding the ethical and ethical use of AI, which makes a potential that America's health care system might take complete advantage of completely with AI.

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