



AI and the (Hu)man

The Role of People in a
Technology-Dominated World

by Brian Murphy

www.norwood.com



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AI and the (Hu)man

The Role of People in a Technology-Dominated World

I was sitting at my computer, struggling between competing ideas for a final paper of 2025. I wanted something that summed up the biggest story of the year in the mid-revenue cycle. One that everyone could relate to, and touched every part of healthcare.

And then the email hit. Subject line:

AI Medicare Claims on the Rise.

And the topic was locked in.

It was never really in doubt.

AI hype has been hitting my inbox, non-stop, for more than two years. Last month I wrote a funny throwaway LinkedIn post on three fun ways to use ChatGPT; today that post has 65,000 views and counting.

I ran an informal poll; my followers voted AI as the top story, beating out Medicare Advantage scrutiny, value-based care and payer denials. So it comes as no surprise that we're concluding 2025 with a special report on the state of AI.

This paper sums up the state of AI adoption, slam-dunk use cases, compliance risks, and the impact this revolutionary new technology has had on humans.

Buckle up, because this is not an impersonal analysis. It offers facts with my interpretation and editorializing.

In what I hope you find a very refreshing move it's not written by ChatGPT either. No emojis, very few em dashes. Just citation-based commentary on a topic for which everyone seems to have an opinion.



Rapid Adoption

*Let's start by addressing the elephant in the room.
AI is everywhere and going nowhere.*

According to data from national consulting firm Manatt, the number of Medicare beneficiaries receiving annual AI-enabled healthcare services increased by nearly **4000%** between 2018 (the first year CMS began covering AI-related CPT codes) and 2023.

4000%.

The same report suggested that AI-enabled care will continue to grow rapidly (4000% growth is apparently not enough) and both payers and providers will need to adapt.

According to Menlo Ventures' research, 22% of healthcare organizations have implemented domain-specific AI tools, a 7x increase over 2024 and **10x over 2023.**

Of the \$1.4 billion flowing into healthcare AI, \$600M is going to ambient scribes for documentation, and \$400M for automated coding and billing solutions.

Anecdotally AI's ubiquity in the mid-revenue cycle checks out too. Almost every single CDI vendor is touting AI-powered solutions.

One company touts that its platform will review 100% of charts, blending generative AI, machine learning, and clinical logic to surface the encounters with the greatest opportunity. Another leads with proprietary clinical AI that aligns every layer of the hospital's financial ecosystem.

Others are promising fully autonomous solutions.

*It's here, and everywhere.
Which means we need to get comfortable with using it.*



Revenue Cycle Use Cases Climbing

In the inpatient setting, most coding and CDI professionals using AI will be interfacing with a platform that reviews the medical record and surfaces clinical data or documentation indicative of a more specified diagnosis. It's a great use case.

Physicians are using AI to improve diagnosis. A United Kingdom mammography study published by Biomedcentral.com demonstrated that AI interpretation reduced false positives by 5.7% and negatives by 9.4% respectively.

Outpatient CDI AI powered software is even more compelling. The volume of encounters makes it very difficult to touch every case, and AI powered tech can pre-review charts, summarize diagnoses from prior visits, highlight RAF gaps, and improve the metrics important to performance in value-based care.

But the most slam-dunk use case appears to be ambient AI. During a face-to-face annual physical with a GP or a gastroenterologist, AI listens and does far more than just transcribe. It generates a clinical summary and treatment plan. And the improved capture of conditions leads to higher levels of E/M billing.

A study by KLAS cited \$13K of ROI per clinician from ambient AI, with reduced burnout.

Payers Using AI, Too

But this tech is far from a one-sided case of financial or clinical benefit for healthcare organizations.

The new CMS pre-authorization pilot program WISER will explicitly use AI to preemptively review and deny services that it deems unnecessary. It's being deployed against hospitals by auditors and insurers, leading to an escalation that's starting to feel like Wargames.

A recent article by *Healthleaders* describes a burgeoning war of AI vs. AI, where "payer administrative friction may lead to a future in which provider AI battles payer AI for claims resolution."

I'd say it's not the future—it's already happening. Is the only way to win, not to play?

Not happening. AI is here to stay, we've got to play.



Errors Persist

AI is of course built by humans, and large language models like ChatGPT and Claude are trained off vast amounts of human generated data. Which means the output isn't faultless. To be fair, this is not a simple case of "garbage in garbage out" as sophisticated algorithms sift among the best sources and in general present accurate information to the user.

But errors creep in, and persist.

If AI has a deep and concerning fault, it's in its inability to say "I don't know." We've probably all heard about AI "hallucinations." They are real.

I witnessed a generative AI error up close and personal. I asked ChatGPT for the diagnosis code for acute posterior MI, and whether it was a CC or MCC. It got the code (I21.29) right. It got the CC/MCC status wrong. Twice, and very confidently. I21.29 is an MCC, but ChatGPT insisted it wasn't until I sent it Tables 6I and 6J from the IPPS final rule.

I kept the screen shots for evidence.

There are examples of NLP/rules-based extraction technology auto-prompting queries of "myocardial infarction" after finding documentation of "MI" in the record—failing to recognize that MI is also the state abbreviation for Michigan.

Ambient AI can pick up too much, capturing "noise" a physician with discernment would have filtered out. On my podcast, Dr. David Canes described a conversation with a patient coming in for BPH. Somewhere in the visit, the patient offhandedly mentioned a passing testicular pain. Per Canes, "Your AI scribe transcribes: 'Patient reports recent testicular pain.' Except you didn't address it because you were quite sure it wasn't relevant. Now, weeks later, as if fate had a particularly dark sense of humor, the patient develops actual testicular torsion, and someone pulls up your note. It looks like you knew about the pain but did nothing. See the problem?"

Canes, an AI advocate, recommends physicians use the tech--but also carefully review the auto-generated note.



Human Impacts Are Real

AI threatens to displace people across all industries, from Amazon warehouse workers to white collar middle managers to medical coders and CDI professionals.

The fear is palpable.

Go to any Facebook coding group for a weekly if not daily topic: *Is this a profession still worth pursuing? Will coding be automated away?* Some say no, others yes. Still others respond with credulousness and defiance to vendors touting “autonomous coding” solutions that don’t require humans.

Uniting all sides is the emotional toll of career uncertainty.

It’s not just revenue cycle professionals impacted either. It’s patients. Ambient AI can result in bigger physician billings, but these costs may ultimately be passed on to the consumer (after all, somebody has to pay). Note that this problem is not unique to AI; higher hospital bills will occur with the increase in intensity of coding regardless of source, including good old fashioned paper code books.

But the problem with AI is scale and speed.

AI is also leading to fears of physician deskilling. A study published in *The Lancet Gastroenterology & Hepatology* found that after just three months of using an AI tool for polyp detection during colonoscopies, physicians' ability to detect precancerous growths without AI assistance dropped significantly, from 28% to 22%.

We still need to read, not just rely on copy and pasted machine. Information does not equal understanding. I worry about AI dependence among coders and CDI, too.

CDI and coding workforce shortages are real and AI in some instances is relieving, not replacing, labor gaps. Some coding roles aren’t being eliminated, but shifting into auditing or educational functions.

So the message here is mixed.



Regulations Looming, But Lacking

Today a number of large and (ostensibly) influential organizations are vowing to give guidance and structure to this wild landscape. I remain skeptical.

The American Medical Association put out guidance that says “your practice needs a policy, adopt one” with some suggestions and tips. Not helpful, at all. The Joint Commission has promised to deliver “high level recommendations for the responsible use of AI” through ... playbooks and certification programs. Ridiculous.

Unless built into model algorithms, these will be promptly forgotten.

In July 2025, the White House CMS launched a “Health Tech Ecosystem” initiative partnered with major tech and health companies including Amazon, Google, OpenAI, Apple, Anthropic, Hippocratic AI, and Microsoft AI. The group is committed to interoperable apps and tools that allow patients to access and manage their health data, which is great, but its sole approach to AI is growth rather than sensible policy. HHS’ Dec. 5 AI strategy leans into rapid adoption and ROI use cases.

The Health IT End User’s Alliance (HITEU) proposes a more sound, people-first framework. Per AHIMA, HITEU’s Consensus Statement identifies critical areas requiring immediate attention including:

Clear Regulation and Oversight:

Emphasizing that AI should augment, not replace, human expertise, the statement calls for policymakers to establish risk-based regulations that ensure AI tools are rigorously validated, safe, and equitable.

Transparency and Trust:

Advocating for transparency in AI systems, the statement underscores the need for patients and providers to understand how AI operates, how decisions are made, and how data is utilized.

From what I’ve seen, there is no national oversight. There is no transparency. We don’t know how LLMs are trained; probably 25 data scientists actually do.

The large AI companies appear allergic to ethics; on a personal level I book I wrote was ingested into AI without my permission and certainly no consideration of compensation nor credit. Cynically, the stock market is trumping sanity.



Where Does This Leave Us?

**Saying that AI has incredible potential does not do it justice.
These tools are transforming the mid-revenue cycle.**

But tools still require human oversight.

Errors, lack of regulation, and unclear boundaries mean that we need good people—smart, credentialed, creative—open to using AI tools, but not dependent on them.

The danger isn't AI itself; it's uncritical dependence and the illusion that automation and speed equals accuracy and innovation.

In a recent episode of my podcast guest Fran Jurcak shared a warning that hospitals and health networks should take seriously. Says Fran:

"I think we need to get back to relying on the clinical brain. There has become a bit of a dependency on something else telling me what to do.

It's kind of like my example of using your phone as your GPS. If you get to that point where suddenly there was an accident in front of you, if you're not smart enough to take the next exit off the freeway and figure out a way on the back roads, then you're stuck in that traffic. And I think in many cases there are CDI teams, people, individuals, who are stuck.

And it's because they just want to do what they're being told to do by the tech that they're using, as opposed to thinking out-of-the-box."

**I use AI in my work. You, or your teams, will use it in yours.
Be excited for its potential.**

But never forget who is in charge, and whom it serves.

People.



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