



A Regulator's Perspective on AI in Healthcare

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STANDARD DISCLOSURES

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WHO WE ARE

About FSMB

71

Member Boards

50+

Years of Service

1M+

Physicians Tracked

Mission

Supporting member boards in protecting the public through physician licensure, discipline, and regulation.

Key Services

- Policy development & advocacy
- FCVS credentialing
- USMLE co-sponsorship
- Regulatory innovation & AI

TODAY'S AGENDA

Learning Objectives

AI Landscape

Current state of AI in healthcare — who's building, what's deployed

Regulation

Federal vacuum, state patchwork, California's leadership

Doctronic / Utah

When AI bypasses the medical board

FSMB Office of AI Innovation

AI-powered tools for board operations

TEMPERATURE CHECK

How has your relationship with AI changed?

Who has used an AI tool like ChatGPT, Claude, or Gemini?

Who still uses it regularly?

Who has used AI in a **professional or clinical** context?

No right or wrong answers — this is about understanding where we are collectively.

PART I

The AI Landscape in Healthcare

HEALTHCARE AI

The Big Players

 **Google**

- **MedGemma 1.5** — open-source medical AI
- **AMIE** — diagnostic dialogue, clinical trials
- Performance comparable to physicians

 **Microsoft**

- **Dragon Copilot** (formerly DAX)
- Deployed in **400+ organizations**
- Ambient clinical documentation

 **Anthropic**

- **Claude for Healthcare** (Jan 2026)
- Clinical documentation & admin
- Major health system partnerships

 **OpenAI**

- **ChatGPT Health** + Be Well (Jan 2026)
- Direct-to-consumer health advice
- Bypasses traditional care delivery

AI IN THE EXAM ROOM

Ambient Listening

1 in 3

US providers using ambient AI

150+

Health systems (Abridge)

130+

Health systems (Nabla)

How it works: AI listens to the entire patient-physician encounter, generates clinical notes, updates EHR, suggests follow-ups.

⚠️ Questions for Regulators

- Who is responsible when AI misinterprets?
- Does the patient consent to AI listening?
- What happens to the audio data?

OUTSIDE THE PHYSICIAN-PATIENT RELATIONSHIP

Direct-to-Consumer AI

OpenAI + Be Well

ChatGPT-based health advice. Any consumer.
Jan 2026.

Amazon One Medical

AI features in primary care platform. Jan 2026.

Hippocratic AI

300+ AI agents — nurses, care coordinators,
health coaches.

⚠️ Bad Actors

Shkreli's "Dr. Gupta" — medical advice with **no guardrails**. No physician supervision.

"When AI provides what looks, sounds, and functions like medical advice — directly to consumers — whose jurisdiction is that?"

RISK FRAMEWORK

Four Regulatory Concerns



1. Poor Implementation

Flawed programming, inadequate integration, incorrect clinical guidance.



2. Professional Duties

Physician accountability, transparency, informed consent in AI-assisted care.



3. Bad Actors

Weak security, deliberate exploitation, false accuracy claims.



4. AI Hallucinations

Confident output that is simply wrong — dangerous where peer review is retrospective.

PART II

The US AI Regulatory Landscape

THE FEDERAL GAP

The Regulatory Vacuum

47

States introduced AI bills (2025)

250+

Bills filed

33

Enacted across 21 states

Confusion

50 different frameworks.
Different definitions,
requirements,
enforcement.

Barriers

Companies can't build 50
versions for 50 states.
Deployment slows.

Equity Gaps

Populations needing
access most are least
likely to get it.

"A federal framework would provide a baseline — not to replace state authority, but to create a floor that allows innovation to scale while maintaining patient protections."

STATE LEADERSHIP

California Leading the Way

Bill	Status	What It Does
SB 1120	Signed	Physician supervision of AI in medical necessity determinations
AB 489	Signed	Empowers boards to enforce title protections against AI
SB 53	Signed	Frontier AI transparency — safety testing & reporting
AB 2013	Signed	AI training data disclosure requirements
AB 3030	Signed	Patient disclosure for AI-generated communications
SB 1047	Vetoed	Safety assessments for large AI models

POLICY FRAMEWORK

FSMB Six-Pillar AI Policy

Adopted April 2024

1

Education Is Critical

Physicians must engage in continuing education on AI

2

Physicians Remain Accountable

Ultimate responsibility rests with licensed physicians

3

Consent & Privacy

Patients informed; rigorous data safeguards

4

Address Bias & Access

Identify/mitigate bias; prioritize equity

5

Anchor in Ethics

Focus on principles, not specific apps

6

Collaboration Is Key

Partnerships: physicians, systems, regulators

PART III

Case Study: Doctronic & Utah's AI Experiment

AI PRESCRIPTION RENEWALS

What Is Doctronic?

\$4

Per prescription renewal

~190

Medications supported

Launched January 6, 2026. Anyone in Utah can sign up.

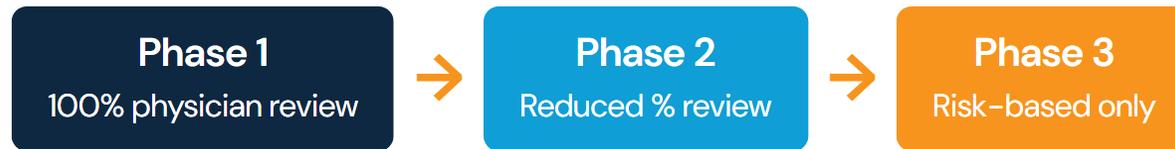
The Key Issue

- Utah's **Office of AI Policy** issued the waiver
- Medical board was **not** the gatekeeper
- 12-month regulatory mitigation agreement

A regulatory waiver for AI healthcare — issued by an AI policy office, not the medical board.

THREE-PHASE PROTOCOL

How the Utah Model Works



🛡️ The Sandbox Concept

- 12-month regulatory mitigation period
- Graduated physician oversight reduction
- Performance data drives phase transitions

⊗ The Scale Concern

- Not a controlled trial — **anyone can sign up**
- Statewide deployment, not a sandbox
- AMA and UMA have raised concerns

IMPLICATIONS FOR MEDICAL BOARDS

Why This Matters

- 1 Circumventing Medical Boards**
If AI companies get waivers through AI policy offices instead of medical boards, what does that mean for patient protection and the role of boards?
- 2 Scale Without Control**
A true sandbox is small and monitored. This is population-scale deployment with a pathway to reduce oversight.
- 3 Dangerous Precedent**
If Utah's model succeeds commercially, other states will follow — and medical board authority over AI could be significantly diminished.

"Regulatory sandboxes can drive real innovation. But scale matters. When anyone in a state can sign up on day one, that's statewide deployment — not a controlled test."

ENFORCEMENT

Texas AG v. Pieces Technologies

FIRST Known AI healthcare enforcement action in the US

What Happened

- AI clinical documentation for hospitals
- Claimed <math><0.001\%</math> hallucination rate
- Texas AG: claims were **false**
- Settlement: September 18, 2024

Outcome

- No monetary payment
- **5 years** of monitoring
- Mandatory corrective action
- Consumer protection laws apply to AI

"Is consumer protection enforcement by state AGs doable at scale for AI systems? This was one case. What about the next thousand?"

PART IV

FSMB's Office of AI Innovation

Evaluating, Building, and Guiding — So Boards Don't Start from Scratch

EVALUATE, BUILD, GUIDE

What We Do



🔍 What We're Testing

- **AI-assisted complaint triage** — can AI help prioritize intake?
- **Document summarization** — medical records, complaint narratives
- **Statute & regulation analysis** — mapping complaints to practice acts
- **Risk scoring models** — identifying high-priority cases faster

🔒 How We Build

- **Flexible deployment** — cloud or on-premise, matched to board needs
- **Technology-agnostic** — open-source, commercial, or hybrid
- **Human-in-the-loop** — AI supports, humans decide
- **Board-specific** — tailored to regulatory workflows

COMMUNITY OF PRACTICE

Sharing What We Learn

30+

Presentations on AI in regulation
since 2023

40+

Countries represented at IAMRA

5

National organizations engaged

Where We're Presenting

- **IAMRA** — international regulatory community
- **CLEAR & FARB** — cross-sector regulatory conferences
- **Individual state boards** — like this one today

What We're Sharing

- What AI can and can't do for boards **today**
- Privacy-first architecture patterns
- Questions boards should ask AI vendors

SUMMARY

Key Takeaways

- 1 Medical boards are frontline AI regulators**
By necessity, not by design. When AI performs medical functions, boards are positioned where technology meets patient care.
- 2 California is leading the way**
SB 1120, AB 489, SB 53, AB 2013, AB 3030 — among the most comprehensive AI healthcare frameworks in the nation.
- 3 The Doctronic precedent matters**
If boards don't assert their role in AI oversight now, that role may be defined for them.
- 4 AI supports; humans decide**
Whether clinical or regulatory, AI works best handling structure and speed while humans apply expertise and accountability.



Questions?

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