



Healthcare

# CAREFULLY SPEAKING®

A Risk Management Resource for Aging Services | 2026 Issue 2

## Artificial Intelligence: A Brief Risk Control Guide for Aging Services Organizations

Artificial intelligence (AI) is undergoing rapid adoption across the aging services spectrum, including skilled nursing, assisted and independent living, continuing and memory care settings, as well as home health, hospice and adult daycare programs. The widespread popularity of AI-enabled tools is due to their broad range of benefits, including the ability to boost organizational efficiency and staff productivity, detect at-risk residents, enhance documentation and reduce costs. However, aging services leaders must be equally aware of the risks associated with AI, including such areas of concern as quality of care, privacy, regulatory compliance, and financial and operational performance.

This *CareFully Speaking*® provides considerations in the successful adoption of AI, outlines common applications and key risk domains most relevant to aging services, notes potential sources of error, and suggests practical strategies to strengthen AI oversight and reduce liability exposure.



### What Does Human Oversight of AI Look Like?

When an AI-enabled tool, such as a fall-risk predictor, flags a resident as high risk, a nurse should observe the resident's current mobility level, check the chart, and review the recent condition and medication profile before changing the care plan. The AI output should support rather than supplant clinical judgment, and any decision to accept, modify or override the recommendation should be documented in the resident care record.

### In this issue...

- Considerations in the Adoption of AI... [page 2](#).
- Key Risk Domains... [page 2](#).
- Common AI Applications and Error Sources... [page 3](#).
- AI Vendor Evaluation Checklist... [page 5](#).
- Quick Links to CNA Resources... [page 6](#).

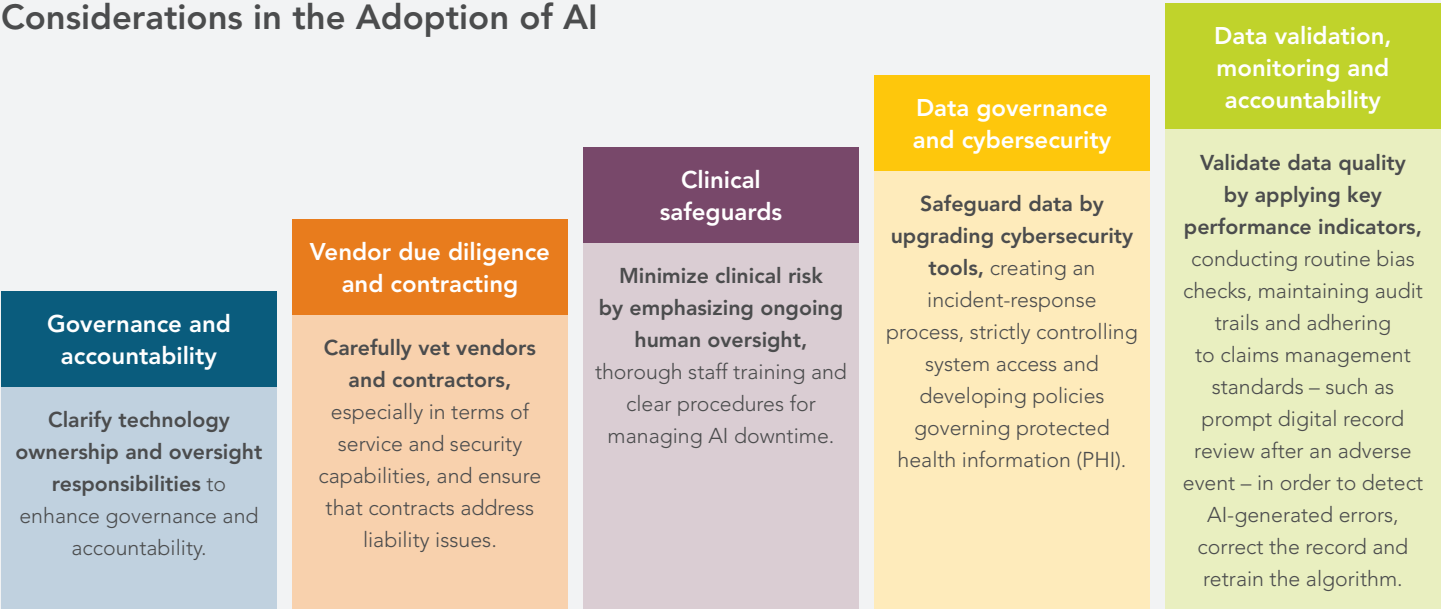
### Six AI Oversight Priorities

1. **Establish an accountable governance structure** that clarifies AI product ownership and includes routine status reporting.
2. **Maintain an up-to-date AI system inventory** that sorts AI uses by risk level (i.e., low, moderate, high).
3. **Document vendor due diligence and contractual liability arrangements**, including security assurances and business associate agreement provisions (e.g., indemnification and hold-harmless clauses).
4. **Monitor AI use and outcomes** on an ongoing basis.
5. **Analyze AI incidents**, integrating reports, root cause analyses and corrective action plans into the organization's Quality Assurance Performance Improvement program.
6. **Notify residents and family members of any AI-related monitoring tools in use** and obtain their documented consent.

Creating a Structural Framework

As a first step toward implementation of AI, aging services organizations should develop a structured adoption process enabling leadership to assess AI readiness, evaluate associated risks, develop safeguards, and assess and contract with vendors. Described below are considerations for an aging services organization when creating a framework for integrating this innovative technology into daily operations.

Considerations in the Adoption of AI



Key Risk Domains

Below are risk identification practices to consider when utilizing AI tools.



Common AI Applications and Error Sources

The diagram below features common AI applications in aging services settings, their primary uses and some of the liability risks associated with each. (Please note that these AI uses are not meant as a substitute for human observation and risk assessment, especially in terms of falls, elopement, skin breakdown and other resident safety concerns. See “What Does Human Oversight of AI Look Like?” on [page 1.](#))

|                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                               |
| Documentation Support                                                                                                                                                                                                                                                                                                                                                                              | Risk Prediction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Remote Monitoring                                                                                                                                                                                                                                                                                                                                                                             | Optimizing Operations                                                                                                                                                                                                                                                                                                                            |
| <p><b>Common Uses:</b></p> <ul style="list-style-type: none"><li>• Summarize resident health-care information records.</li><li>• Analyze records to identify patterns and trends.</li></ul> <p><b>Error sources:</b></p> <ul style="list-style-type: none"><li>• Inaccurate or incomplete documentation.</li><li>• Non-personalized, generic notations.</li><li>• Copy and paste errors.</li></ul> | <p><b>Common Uses:</b></p> <ul style="list-style-type: none"><li>• Identify residents at higher risk for falls.</li><li>• Predict areas prone to skin breakdown.</li><li>• Alert staff to conditions linked to rehospitalization.</li></ul> <p><b>Error sources:</b></p> <ul style="list-style-type: none"><li>• False negatives and positives.</li><li>• Inequitable decisions and outcomes.</li><li>• Algorithmic or automation bias (i.e., bias related to AI software issues or over-reliance on technology).</li></ul> | <p><b>Common Uses:</b></p> <ul style="list-style-type: none"><li>• Monitor resident movement.</li><li>• Track resident vital signs.</li><li>• Prevent elopement.</li></ul> <p><b>Error sources:</b></p> <ul style="list-style-type: none"><li>• Missed, misrouted or delayed alerts.</li><li>• Failure to escalate urgent situations.</li><li>• Privacy and confidentiality lapses.</li></ul> | <p><b>Common Uses:</b></p> <ul style="list-style-type: none"><li>• Streamline workflow.</li><li>• Facilitate staff scheduling.</li><li>• Enhance supply-chain logistics.</li></ul> <p><b>Error sources:</b></p> <ul style="list-style-type: none"><li>• Unsafe staffing practices.</li><li>• Disruptions of established work patterns.</li></ul> |

Measures for Mitigating Risk

The “Considerations in the Adoption of AI” graphic, depicted on [page 2](#), can help guide aging services organizations seeking to reinforce the overall safety and reliability of their AI system. The following specific measures are keyed to each of the considerations listed:



Governance and Accountability

- Establish a multi-disciplinary AI oversight group with representation from such areas as clinical, compliance/privacy, information technology (IT), cybersecurity, administration and risk management. (For governing board and executive priorities, see “Six AI Oversight Priorities” on [page 1.](#))
- Draft a pre-implementation risk assessment protocol requiring documented evaluation, mitigation planning, and a formal approval or denial for every AI-enabled tool or device.

- Maintain a centralized, continuously updated AI inventory, which covers all tools and lists their applications, settings, system owners, data inputs/outputs and implementation dates.
- Define and document decision controls, reiterating that AI-assisted diagnoses, recommendations and other outputs require clinician judgment, supervisory review and/or executive approval before they are acted upon.

Coming soon ...

AlertBulletin® 2026-Issue 4 will examine how to safely implement and use data-sensor technologies. Watch for this publication to be posted online at <https://www.cna.com/industries/healthcare> in November or [subscribe](#) to have it sent to you upon release.



### Vendor Due Diligence and Contracting

- Require vendors to provide independently validated performance data geared to the relevant resident population and type of care setting, and also to document all product limitations, exclusions and known failure modes.
- Conduct a comprehensive security and privacy assessment of the product, verifying multi-factor authentication (MFA) enforcement, encryption standards, audit-log functionality, data-flow mapping capabilities and incident-response coordination protocols.
- Define and enforce update-management expectations, including advance notice of software changes, adequate testing time, the ability to pause or reverse risk-prone changes, and access to accurate system update records using the [CLeAR Documentation Format](#).
- Address risk-related issues in vendor contracts, including indemnification terms, breach-notification obligations, professional liability and cyber-insurance requirements, and data return/destruction procedures at contract termination.
- Specify responsibility for equipment/software updates, user training and associated costs, thus ensuring that vendors support operational readiness and ongoing system functionality.



### Clinical Safeguards

- Map end-to-end clinical workflows, specifying authorized AI output recipients, required response times, mandated user actions and escalation protocols.
- Implement human oversight controls for all clinical decision-support and documentation tools to ensure that clinicians review, verify and, if necessary, override AI outputs.
- Train staff members on system limitations and the danger of automation bias, and document their competency prior to granting access to AI-enabled workflows.
- Develop AI downtime procedures and test their effectiveness before product launch to ensure continuity of care in the event of a system failure.



### Data Confidentiality and Cybersecurity

- Map how each AI-enabled tool processes PHI and other resident data, documenting data sources, elements collected, transmission and storage pathways, and data retention requirements.
- Promote HIPAA compliance by executing relevant business associate agreements, where applicable, and by maintaining audit-ready documentation of privacy-related activities and decisions.
- Institute role-based access controls, including MFA, activity logs and regular user recertification to confirm ongoing need-to-know status.
- Strengthen cybersecurity posture by installing robust security programs and tools that monitor viruses, malware and other threats; protect sensitive data; and support rapid data-breach detection and response.
- Integrate AI vendors into the organization's incident-response program, specifying notification timelines, evidence-preservation expectations and coordinated response procedures.



### Data Validation, Monitoring and Accountability

- Define and apply key performance indicators – such as error and override rates, response times, near-miss trends and signs of bias – to monitor product safety and drive quality improvement efforts.
- Regularly verify that AI tools are working as intended by reviewing AI-assisted documentation and measuring staff response to AI-enabled alerts and monitoring prompts.
- Maintain a detailed change log documenting all model and configuration updates for AI tools, and assess performance after any update to algorithms, thresholds, workflows or data inputs.
- Preserve records relating to regulatory, legal and quality assurance requirements, including organizational policies, staff training rosters, audit logs, monitoring reports and documentation of corrective actions taken.

Artificial intelligence is a powerful tool that can do much to enhance operational efficiency and resident care. As with all tools, however, safe utilization of AI requires a firm foundation of human oversight, staff training, sound policies and procedures, and ongoing monitoring. The suggestions proffered in this publication are intended to serve as a practical starting point for discussions about creating an organizational framework for AI that maximizes its many potential benefits while minimizing associated risks.

## AI Vendor Evaluation Checklist

This checklist, which can be customized to meet specific organizational needs, is designed to assist aging services leaders in conducting due diligence of AI vendors.

### Key Considerations

#### Vendor Readiness

- ☐ **The vendor is conversant with resident care workflows**, standardized coding, clinical guidelines and medical terminology.
- ☐ **The vendor demonstrates knowledge of the organization's IT systems**, clinical decision-support tools and healthcare data exchange practices.
- ☐ **The vendor complies with all applicable federal and state health-privacy laws**, and its services are designated as HIPAA-compliant.
- ☐ **The vendor holds a recognized data-security certification**, such as [Health Information Trust Alliance \(HITRUST\)](#) or [Service Organization Control 2 Type II \(SOC 2 Type II\)](#).
- ☐ **The vendor has executed a business associate agreement**, as well as a service-level agreement that clearly defines services to be delivered and performance expectations.

#### Data Integrity

- ☐ **The vendor verifies the source and legitimacy of training data** used in its AI model and takes measures to ensure data quality and accuracy over time.
- ☐ **Licensing agreements are legally valid** and clearly establish ownership of training data.
- ☐ **The training data set is diverse** and demographically and geographically representative, with data-processing methods used to detect and mitigate potential bias.

#### Data Security and Access Control

- ☐ **Data are encrypted** both at rest and in transit to prevent unauthorized access.
- ☐ **Strong user verification measures are in place**, including multi-factor authentication.
- ☐ **Role-based access controls are utilized** to exclude unauthorized users.
- ☐ **Regular security audits and assessments are conducted** to identify and address vulnerabilities.
- ☐ **Contractual safeguards exist** to address product-specific security threats, including system hacking and data poisoning, and to appropriately assign liability in the event of an incident.

#### Privacy Safeguards and Audit Capabilities

- ☐ **The vendor complies with all relevant data-privacy regulations**, including HIPAA rules, and delivers an audit-ready product that facilitates verification and documentation of compliance.
- ☐ **The AI system includes tools for ongoing performance evaluation**, enabling real-time monitoring of accuracy and effectiveness.
- ☐ **The vendor employs methods for detecting bias** and correcting faulty algorithms.
- ☐ **The AI product offers decision-insight features** that explain how outputs are generated.

#### Technical Infrastructure

- ☐ **The vendor's IT system is scalable** to accommodate growing data volumes and remains stable as usage increases.
- ☐ **The AI product interfaces effectively with existing organizational IT systems**, including electronic healthcare records, to support seamless data exchange and operational efficiency.
- ☐ **The vendor has built-in backup and disaster recovery procedures** to ensure continuity in the event of system failure.
- ☐ **The product supports the full AI lifecycle**, including model development, training, data validation, product deployment, ongoing performance monitoring and updating.

## Key Considerations

### Incident Response

- ☐ The system supports breach-notification requirements within a defined timeline (e.g., HIPAA's 60-day maximum).
- ☐ The vendor offers 24/7 support for data-related security incidents, including a formal incident-response plan.
- ☐ The vendor provides forensic analysis assistance following a security event.

### Vendor Solvency and Stability

- ☐ The vendor's financial stability is evaluated and documented, as are its level of experience and track record in the aging services sector.
- ☐ References from other healthcare clients are obtained and carefully reviewed and documented.
- ☐ Data portability provisions are verified, as is the vendor's exit protocol in the event of contract termination.
- ☐ The vendor's insurance coverage is confirmed, including both policy types and limits.

This checklist serves as a reference for aging services organizations seeking to evaluate risk exposures associated with assessing vendors of artificial intelligence-enabled products. The content is not intended to represent a comprehensive listing of all actions needed to address the subject matter, but rather is a means of initiating internal discussion and self-examination. Your organization and risks may be different from those addressed herein, and you may wish to modify the activities and questions noted herein to suit your individual organizational practice and resident needs. The information contained herein is not intended to establish any standard of care, or address the circumstances of any specific healthcare organization. It is not intended to serve as legal advice appropriate for any particular factual situations, or to provide an acknowledgement that any given factual situation is covered under any CNA insurance policy. The material presented is not intended to constitute a binding contract. These statements do not constitute a risk management directive from CNA. No organization or individual should act upon this information without appropriate professional advice, including advice of legal counsel, given after a thorough examination of the individual situation, encompassing a review of relevant facts, laws and regulations. CNA assumes no responsibility for the consequences of the use or nonuse of this information.

## Quick Links to CNA Resources

- [Vantage Point® 2025-Issue 2, "Artificial Intelligence: A Second Look at an Evolving Technology."](#)
- [Vantage Point® 2024-Issue 2, "Telemedicine Update: Coordinating Remote and In-person Care."](#)

**Did someone forward this newsletter to you? If you would like to receive future issues of *CareFully Speaking*® by email, please register for a complimentary subscription at [go.cna.com/HCSubscribe](https://go.cna.com/HCSubscribe).**

### Editorial Board Members

Kelly J. Taylor, RN, JD, *Chair*  
 Janna Bennett, CPHRM  
 Allen Bosch, CPCU, ARM  
 Molly Connors, Esq  
 Victoria Greenleaf, MS  
 Blaine Thomas  
 Natalie Wynegar, MBA, LNHA

### Publisher

Michelle O'Neill, MN, MBA, PhD,  
 CPHRM, CPPS

### Editor

Hugh Iglarsh, MA

For more information, please visit [www.cna.com/healthcare](https://www.cna.com/healthcare).

The information, examples and suggestions presented in this material have been developed from sources believed to be reliable, but they should not be construed as legal or other professional advice. CNA accepts no responsibility for the accuracy or completeness of this material and recommends the consultation with competent legal counsel and/or other professional advisors before applying this material in any particular factual situation. Please note that Internet links cited herein are active as of the date of publication, but may be subject to change or discontinuation and are provided solely for convenience. CNA does not make any representations, endorsements, or assurances about content contained on any website referred to herein or on the accuracy of any of the content contained on third party websites. The views, statements, and materials contained on the website are those of the owner of the site. This material is for illustrative purposes and is not intended to constitute a contract. Please remember that only the relevant insurance policy can provide the actual terms, coverages, amounts, conditions and exclusions for an insured. All products and services may not be available in all states and may be subject to change without notice. Certain CNA Financial Corporation subsidiaries use the "CNA" service mark in connection with insurance underwriting and claims activities. Copyright © 2026 CNA. All rights reserved. Published 10/26. CNA CS26-2.

