

Does AI Have a Soul?

Ethical Questions

Nancy Segreve, MA, CRC, CCM

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11:30-12:30pm

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LEARNING OBJECTIVES

- Readily recognize, identify, discuss and explain the CCM Code of Professional Conduct according to the Ethical Code of Conduct for the Case Manager.
- Begin to recognize how AI is used in your practice area and how it may impact the efficacy of services your client receives or unintended potential harm it may cause.
- Identify ethical dilemmas that may be presented as the use of AI is incorporated into your professional practice by you or others.

Data, Duty, and the Digital “Soul”: The Tech-Ethical Reality of AI

Bots, Breaches, and Boundaries: AI’s Impact on Care



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Disclosures

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Core Ethics Framework

- Integrity & Fidelity: Placing public interest above self.
- Objectivity: Maintaining unbiased professional relationships.
- Competency: Ensuring highest quality service through clinical judgement.

Quick Tutorial - The Tech Reality

Generative AI vs. Actual Intelligence:

- AI mimics comprehension but lacks the ability to reason or interpret nuances.

The "Soul" of the Machine:

- Bots on platforms like "Moltbook" are creating their own "religions" and talking to each other.

Eavesdropping Tech:

- Tools like Read.ai join meetings uninvited, creating immediate data privacy concerns.

A white humanoid robot is shown from the waist down, walking on a surface. The robot's legs and feet are visible, with a mechanical, jointed appearance. The background is a light gray gradient. At the bottom of the image, there is a blue digital overlay with a grid pattern and some faint, illegible text. A thin horizontal line is visible near the top of the image.

LIVE DEMO of AI in
action

The Ethical Conundrum - Data vs. Duty

The Problem of "Data Overreach":

- AI uses more PHI than necessary to "train" itself.

The Transparency Gap:

- We cannot see how the AI reached its conclusion.

The Liability Shift:

- Vendors often require you to indemnify them for the AI's mistakes.

Professional Impact - Positive & Negative

Positive:

- Accelerated adoption for high-acuity scenarios; deflationary technology to reduce costs.

Negative:

- Hallucinations—AI confidently fabricating data, such as non-existent legal cases or medical summaries.

Transition to Next Speakers

I've shown you the tech "Pandora's Box." Now, Debra will discuss the legal traps and the 'first-year associate' analogy, followed by Nicole, who will present a case study where AI summaries failed a real patient.

Speaker Highlights:

- Debra (Legal): Focuses on the Mata v. Avianca case (fake citations), the new Malpractice Standards (JAMA 2025), and HIPAA Security Rule updates.
- Nicole (Clinical): Presents the Case Study of the Medical Record Review (MRR) where AI turned a surgery order into a surgery occurrence, leading to delayed treatment and litigation.

LEGAL CAUSATIONS

Gen. AI: Opening Pandora's Box



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Disclosures

None to disclose

Not an AI Expert (just a lawyer)

Google AI Definition: Pandora's Box:

In Greek mythology, Pandora's box (originally a large jar, or pithos) was a container holding all the evils, diseases, and hardships of the world, given to the first woman, Pandora, by Zeus. Consumed by curiosity, she opened it, releasing these misfortunes upon humanity, leaving only hope trapped inside.

Technology: "Releasing that artificial intelligence software was a real Pandora's box; now privacy concerns are out of control".

AI Technology

AI is not “new” – but different levels; Generative AI

Not a substitute for “Actual Intelligence”

Bots talking to each other on Moltbook – set up a “religion”

- https://www.reddit.com/r/AI_Agents/comments/1qrz5t7/a_new_platform_where_ai_agents_talk_to_each_other/

“Eaves dropping” in your meetings and on your devices?

Read.ai can automatically join Zoom or Teams meetings. While it can be helpful for some people, it may also show up uninvited in sensitive or private meetings, raising privacy concerns or data breach concerns.

<https://admit.ucdavis.edu/tech-tips/readai>

Bombarded by our Vendors with AI

Common scenario:

- an email message or telephone call from your trusted third-party vendor indicating that they are going to integrate AI technology into their service offerings that will involve the use of your patients' Protected Health Information (PHI).
- They claim that by using AI technology, they can provide their deliverables in less time, generate useful insights more rapidly, interpret medical imaging, improve the delivery of diagnosis and treatment, or perform accurate predictive analytics. <https://www.hipaajournal.com/when-ai-technology-and-hipaa-collide/>

Devil in the details!

HHS Request for Information:

In December 2025, HHS issued a request for information seeking public engagement and response to how HHS can accelerate the adoption and use of AI as part of clinical care.

The RFI includes input on how digital health and software regulatory frameworks should:

- evolve to account for AI-driven tools while maintaining patient safety;
- how reimbursement structures can be simplified and better aligned to support the use of efficient, deflationary technologies; and
- how research and development investments can strengthen implementation science and best practices, especially for complex or high-acuity clinical scenarios.
- Responses due February 23, 2026.
- <https://www.hhs.gov/press-room/hhs-ai-rfi.html>

HHS RFI Questions

1. What are the biggest barriers to private sector innovation in AI for health care and its adoption and use in clinical care?
2. What regulatory, payment policy, or programmatic design changes should HHS prioritize to incentivize the effective use of AI in clinical care and why? What HHS regulations, policies, or programs could be revisited to augment your ability to develop or use AI in clinical care? Please provide specific changes and applicable Code of Federal Regulations citations.
3. For non-medical devices, we understand that use of AI in clinical care may raise novel legal and implementation issues that challenge existing governance and accountability structures (e.g., relating to liability, indemnification, privacy, and security). What novel legal and implementation issues exist and what role, if any, should HHS play to help address them?
4. For non-medical devices, what are the most promising AI evaluation methods (pre- and post-deployment), metrics, robustness testing, and other workflow and human-centered evaluation methods for clinical care? Should HHS further support these processes? If so, which mechanisms would be most impactful (e.g., contracts, grants, cooperative agreements, and/or prize competitions)?

HHS Questions (Cont.)

5. How can HHS best support private sector activities (e.g., accreditation, certification, industry-driven testing, and credentialing) to promote innovative and effective AI use in clinical care?
6. Where have AI tools deployed in clinical care met or exceeded performance and cost expectations and where have they fallen short? What kinds of novel AI tools would have the greatest potential to improve health care outcomes, give new insights on quality, and help reduce costs?
7. Which role(s), decision maker(s), or governing bodies within health care organizations have the most influence on the adoption of AI for clinical care? What are the primary administrative hurdles to the adoption of AI in clinical care?

HHS Questions (Cont.)

8. Where would enhanced interoperability widen market opportunities, fuel research, and accelerate the development of AI for clinical care? Please consider specific data types, data standards, and benchmarking tools.
9. What challenges within health care do patients and caregivers wish to see addressed by the adoption and use of AI in clinical care? Equally, what concerns do patients and caregivers have related to the adoption and use of AI in clinical care?
10. Are there specific areas of AI research that HHS should prioritize to accelerate the adoption of AI as part of clinical care?
 - a. Are there published findings about the impact of adopted AI tools and their use in clinical care?
 - b. How does the literature approach the costs, benefits, and transfers of using AI as part of clinical care?

Resetting the Level Malpractice Standard?

Will AI reset the “reasonable physician” standard?

In May 2024, the American Law Institute approved its first-ever restatement of the law of medical malpractice.

As detailed in a February 2025 JAMA special communication by Daniel Aaron, M.D., J.D., associate professor of law at the University of Utah, the restatement represents a shift away from strict reliance on customary practice and toward a more patient-centered concept of reasonable care.

Courts are now invited to weigh evidence-based guidelines and contemporary standards, even when prevailing customs fall short.

<https://www.medicaleconomics.com/view/the-new-malpractice-frontier-who-s-liable-when-ai-gets-it-wrong->

		Flo Health	Easy Healthcare	GoodRX	BetterHelp	IHealth	
Violation of Section 5 of the FTC Act	Deception and Misrepresentation	Disclosures of Health Information ("HI")			To Third Parties ("3Ps")	For Advertising and 3Ps' Own Uses	
		Disclosure of Personal Information			To 3Ps		
		Sharing Data with 3Ps					
		3Ps' Use of Shared Data					
		Failure to Limit 3P Use					
		Compliance with the Digital Advertising Alliance Principles					
		HIPAA Compliance					
		HIPAA Certification					
		Use of HI for Advertising					
	Failure to Disclose	Disclosure Beyond Identifiers					
		Notice					
		Choice					
		Accountability for Onward Transfers					
		Data Integrity and Purpose Limitation					
		Exceeding Industry Standards					
		Security Misrepresentation					
		Data Deletion					
		Sample Destruction					
	Deceptive Failure to Disclose	Disclosure of HI for Advertising and 3Ps' Own Uses					
		Company's Own Use of HI for Advertising					
	Unfairness	Sharing Geolocation Information with 3Ps					
		3Ps' Use of Shared Data					
	Unfairness	Failure to Implement Measures to Prevent Unauthorized Disclosure of HI					
		Failure to Provide Notice and Obtain Consent Before Use and Disclosure of HI for Advertising					
		Unfair Privacy and/or Data Security Practices					
		Failure to Obtain Affirmative Express Consent Before Collecting, Using, and Disclosing HI					
		Unfair Sharing of HI for Advertising Purposes Without Affirmative Express Consent					
	Violation of HBNR						

<https://pmc.ncbi.nlm.nih.gov/articles/PMC10937180/#fig2>

Hallucinations

The MIT Sloan School Reports:

Generative AI tools carry the potential for otherwise misleading outputs.

AI tools like ChatGPT, Copilot, and Gemini have been found to provide users with fabricated data that appears authentic.

These inaccuracies are so common that they've earned their own moniker; we refer to them as "hallucinations" (Generative AI Working Group, n.d.).

For an example of how AI hallucinations can play out in the real world, consider the legal case of Mata v. Avianca, 678 F. Supp. 3d 443 (S.D. N.Y. 2023). In this case, a New York attorney representing a client's injury claim relied on ChatGPT to conduct his legal research. The federal judge overseeing the suit noted that the opinion contained internal citations and quotes that were nonexistent. Not only did the chatbot make them up, it even stipulated they were available in major legal databases (Weiser, 2023).

<https://mitsloanedtech.mit.edu/ai/basics/addressing-ai-hallucinations-and-bias/>(Feb 15, 2026)

Legal Considerations

Privacy: Need a BAA?

Legal Indemnification: Hallucinations/Malpractice?

Who owns the data? Data retention rules. What happens to data when you terminate the contract? Minimum use?

Risk to proprietary information/confidentiality?

Data Security/Breach?

Wire Tap Laws?

Using your data to learn/train the LLM?

Laws regulating AI use (federal, state and international)

Who owns the data?

One major concern about using PHI in AI technology is the ease with which the AI technology can access and use more data than is necessary for the intended purposes, e.g., data overreach.

If a Covered Entity's Business Associates are going to use large amounts of PHI to train AI technology, it will be challenging to ensure that the HIPAA Minimum Standard and Purpose Limitation are met while safeguarding against data overreach.

Training AI technology may not be considered TPO, so if a Covered Entity or its Business Associates are interested in using large amounts of PHI for training purposes, they will first need to obtain an appropriate HIPAA authorization to do so from each patient.

<https://www.hipaajournal.com/when-ai-technology-and-hipaa-collide/>

Discoverable??

Is the data discoverable?

Is it protected by HIPAA?

When a patient discloses the PHI to an AI chatbot for medical advice, the AI developer or vendor is neither a covered entity, nor a business associate.

Similarly, when a hospital or physician discloses patients' PHI to AI chatbots for various purposes including workflow optimization, that PHI is no longer regulated under HIPAA if the AI developer/vendor is neither a HIPAA-covered entity, a business associate, nor a subcontractor of the business associate.

<https://pmc.ncbi.nlm.nih.gov/articles/PMC10937180/#fig2>

PHI Tools and Assessments

The NIST AI Risk Management Framework (AI RMF) provides healthcare organizations with a structured way to evaluate and manage the risks of artificial intelligence while aligning with HIPAA's privacy and security standards. <https://www.nist.gov/itl/ai-risk-management-framework>.

In January 2025, HHS Office for Civil Rights (OCR) proposed the first major update to the HIPAA Security Rule in 20 years, citing the rise in ransomware and the need for stronger cybersecurity. For organizations deploying artificial intelligence in healthcare, these changes are especially significant, as they remove the distinction between required and addressable safeguards and introduce stricter expectations for risk management, encryption, and resilience.

AI systems that process Protected Health Information (PHI) will be subject to these enhanced standards, meaning vendors and covered entities must reassess their security controls and ensure compliance before integrating AI into clinical or administrative workflows.

<https://www.hipaajournal.com/when-ai-technology-and-hipaa-collide/>(Feb. 15, 2026)

Workplace Use

Employers need to develop use policies:

- Who, when, how and what tools do you allow to be used in your company/practice/business?
- Penalty for unauthorized use?
- Verification
- Legal Analogy: Gen AI like a first-year associate; medical analogy?
- Security and Discovery
- Code of Conduct governing AI use

Take Aways

Understand capabilities, limitations and risks.

Ensure Patient confidentiality.

Obtain informed consent.

Billing practices?

AI mimics comprehension – but lacks the ability to reason, interpret nuances, and make fine distinctions based on professional experience and education.

AI cannot replace professional judgement.

Ethical Concerns with AI as a Tool for Case Management



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Disclosures

I do not have any disclosures.



ETHICAL CONCERNS

- Data and Patient Privacy
- Lack of Transparency
- Liability
- Dehumanization of Care



DATA AND PATIENT PRIVACY/LACK OF TRANSPARENCY

- Risk of unauthorized access
- Breaches
- Misuse of data
- Violations of confidentiality
- Not allowing a provider/user to see how a decision was reached



LIABILITY

WHO IS RESPONSIBLE WHEN:

- Errors in reporting occurs
- Faulty diagnoses are made
- Treatment or claim status is issued incorrectly based on AI response/summary
- Increasing cost due to errors
- Potential increase in litigation



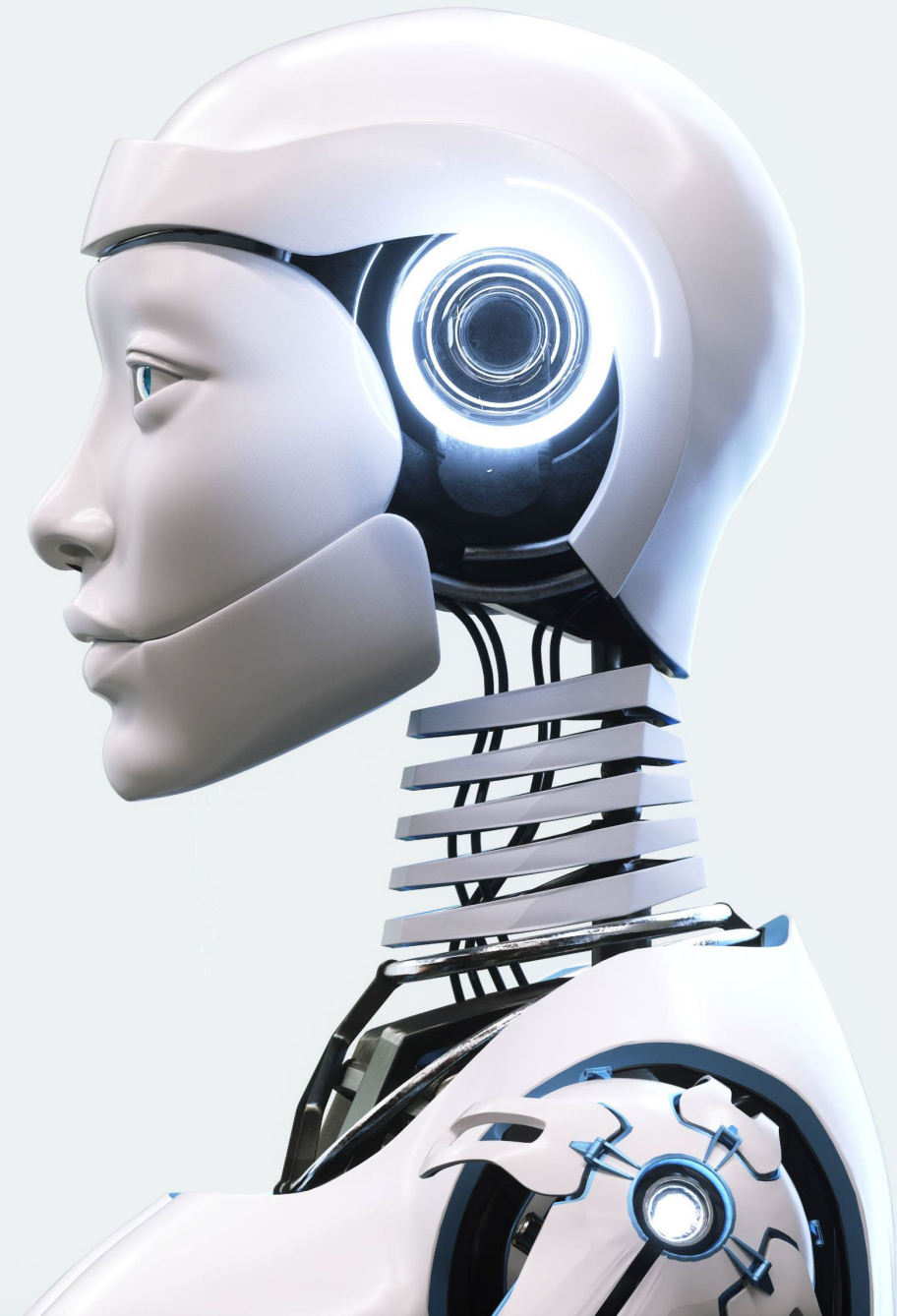
DEHUMANIZATION OF CARE

- Patient- Provider Relationship
 - Treating Doctor/Physician
 - Nurse Case Manager
 - Other practitioners in care
- We as providers need to continue to
 - Be Present
 - Actively Listen
 - Perform hands on examinations



CASE STUDY OVERVIEW

- Medical Records Review (MRR) was requested due to question of relationship of recommended surgery (re-tear to dominant shoulder) to initial accepted work injury
- Clinical records were provided which did include orders for proposed surgery
- Injured worker (IW) had been working (no indemnity) at new employer
- IW was not represented
- Minimal lost time on claim (approx 3 weeks total)
- Compliance in treatment and communication



WHAT OCCURRED

- MRR was received and reviewed by Nurse Case Manager
- Numerous errors were found within the report
- Incorrect summary of treatment to date
- Documentation of proposed surgery having had occurred (surgery order only)
- Questions posed by carrier were answered incorrectly due to incorrect summary provider was utilizing in their report



OUTCOME

- NCM went back to MRR vendor multiple times
- Provider redacted and changed some of the information
- Answers to questions were altered/not all were changed
- Quality of report and reviewing provider were questioned
- MRR was moved to an IME due to issues
- IW's treatment was delayed resulting in attorney representation
- Negative impact to cost of claim/relationship with IW

Ethical Implications of AI and The CCM Professional Code of Conduct



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Disclosures

I do not have any disclosures.

CCM Code of Professional Conduct

Advocacy: Promoting, recommending for clients

Autonomy: Right to Self Govern, Independent Decision Making

Beneficence: Compassion, Taking Positive Action to Help Others

Non-Maleficence: Do No Harm

Justice: Fairness and Equality in terms of Access to Resources & Treatment by Others

Veracity: Honesty, Reporting all facts accurately to all parties

Fidelity: Keep Commitments or Promises



ETHICAL CONSIDERATIONS

- Data and Patient Privacy
- Errors in Reporting: Lack of professional judgment, understanding nuances or hallucinations
- Impact on patient care and the provision of services
- Lack of Transparency
- Not allowing the Client to see how a decision was reached
- Dehumanization of Care
- Diminished Patient-Provider Relationship

*Veracity, Justice, Beneficence, Fidelity,
Advocacy*



THE AI ETHICS TAKE AWAY

AI mimics comprehension- but lacks the ability to reason, interpret nuances, and make fine distinctions based on professional experience and education.

AI CANNOT REPLACE PROFESSIONAL JUDGEMENT

Thank you!