

Healthcare's Strategic Approach to AI Adoption

SCOTTSDALE INSTITUTE RESEARCH REPORT



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Executive Summary

Artificial Intelligence (AI) is rapidly moving from exploratory technology to a strategic imperative in healthcare delivery. This transformation is reflected in both the pace of adoption and the organizational structures being established to support AI initiatives. To better understand how health systems are approaching AI, the **Scottsdale Institute** collaborated with **Kirby Partners** to survey member organizations about their AI strategies and experiences.

Here are some of the topline findings:

- Member organizations demonstrate strong momentum in AI adoption, with 91% having moved beyond pilot projects to active implementation.
- Organizations are taking varied approaches to AI leadership, with 59% adding responsibilities to existing executive roles versus 22% creating dedicated positions. Most organizations (88%) have established formal AI oversight committees, indicating a strong focus on governance.
- Organizations report substantial reskilling needs, with 75% indicating major workforce development will be required. Current strategies combine new hiring (59%), external partnerships (66%), and training (75%).
- Funding primarily flows through IT budgets (88%), while some organizations (44%) leverage external partnerships. This suggests organizations are creating sustainable models that combine institutional resources with external support.
- All responding organizations expect AI will have a positive impact on healthcare delivery over the next five years, with 91% viewing it as essential to achieving their strategic goals. This universal optimism is matched by significant investments in governance and workforce development.

Introduction and Research Methodology

As AI capabilities expand, health systems are determining how to effectively integrate these technologies while establishing appropriate governance structures, preparing their workforce, and maintaining alignment with strategic objectives. The pace of AI advancement has created both opportunities and challenges. Integrating AI technologies requires careful consideration of organizational readiness, resource allocation, and change management approaches.

Together, Scottsdale Institute and Kirby Partners identified the following research objectives:

- Examine the organizational structures supporting AI initiatives
- Investigate the strategic approaches to AI implementation
- Assess the impact of AI adoption on healthcare organizations including workforce changes, governance, and financial considerations

The research, conducted between November 2024 and March 2025 included:

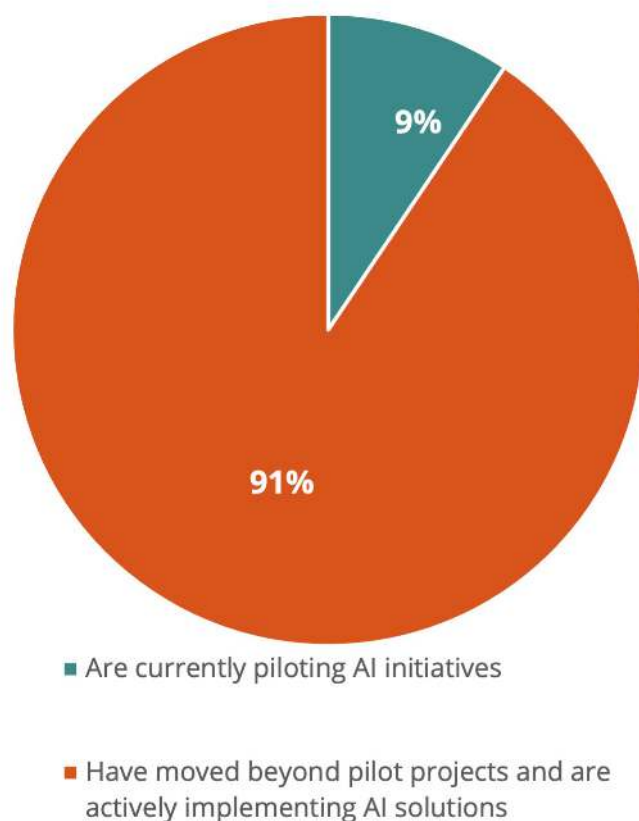
- An online survey completed by 32 Scottsdale Institute member organizations
- In-depth interviews with healthcare leaders from four member organizations

Key Findings

Current State of AI Adoption

Scottsdale Institute member organizations demonstrate clear movement from experimental to operational AI deployment. Of participating organizations, 91% report active implementation of AI initiatives, suggesting strong momentum in adoption among these leading health systems. (Figure 1)

Figure 1: Which of these statements best describes your organization's current level of AI Adoption?



No respondents chose the following responses:

- Have no concrete plans to use AI yet, but we are exploring AI possibilities
- Have not explored AI possibilities or have decided against using AI at this time

Embracing Enthusiasm for AI while Bringing Discipline to Pilot Initiatives

"We have a lot of people doing AI across our academic medical center. Every department, every division, every faculty member is working on different AI initiatives. We want to make sure people aren't crossing wires and purchasing the same product essentially from two different vendors without awareness of what others are doing."

Ambient documentation technology is probably the biggest win because it's one of the rare technologies where people are asking for it rather than the other way around. The fact that every system wants it and clinicians actually like it is enough to tell you there's something there."

Dr. Karandeep Singh
Chief Health AI Officer
UC San Diego Health

"We don't just buy enterprise licenses for things like ambient documentation. We pilot nearly all AI tools on a small scale first to understand how well they work. Sometimes we have a good idea of which group a solution will benefit and then we end up being wrong and it turns out to be really good for another group. You can't figure that out until you've really kicked the tires on it."

Joshua Glandorf
Chief Information Officer
UC San Diego Health

Leadership and Organization Structure

Member organizations are taking varied approaches to AI leadership. A dedicated AI leadership role has been created in 22% of organizations, while 59% have added these responsibilities to existing executives. (Figure 2)

Among those having existing executive leadership overseeing AI, the CIO/CDIO most commonly leads these initiatives (64%), followed by CMIOs (21%). (Figure 3)

"We have a Chief AI Officer who is jointly appointed to our Center for Healthcare Innovation and as our CMIO for inpatient services. He's also a faculty member. The delineation of how AI is split is not as clean as you might expect—it doesn't have a nice bucket it all goes into."

Joshua Glandorf, Chief Information Officer, UC San Diego Health

Figure 2: Which person or group in your organization has primary responsibility for leading AI initiatives?

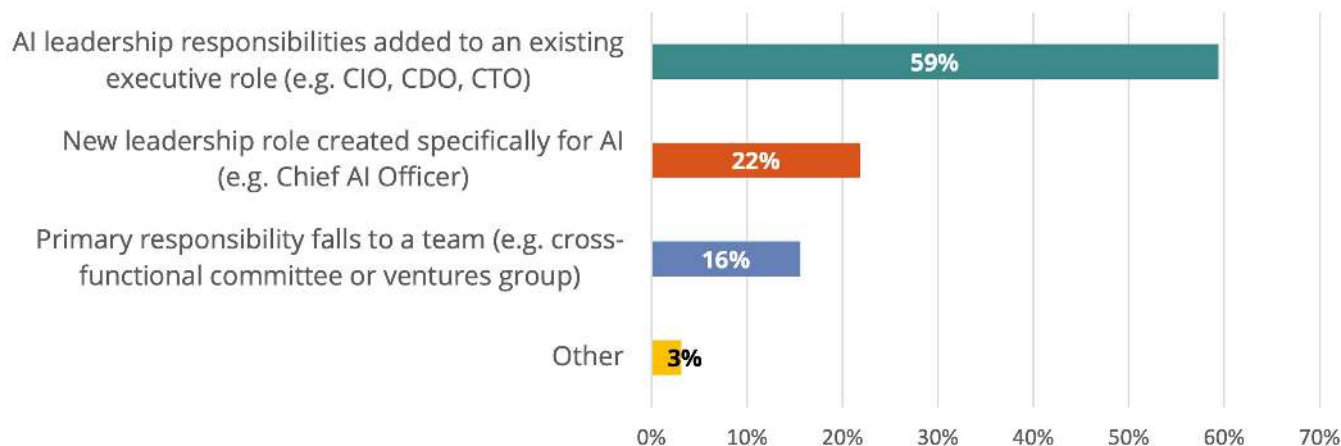
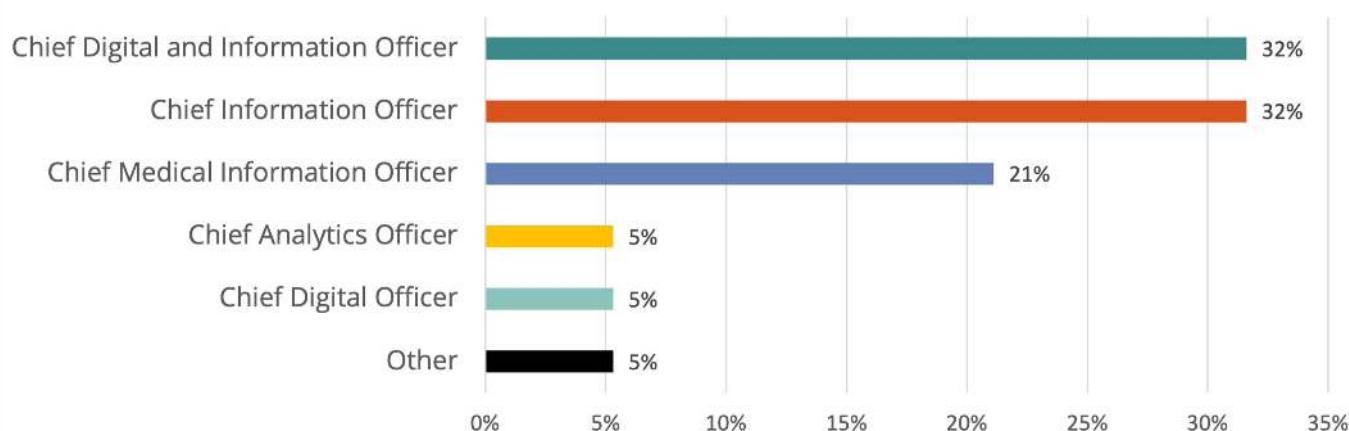


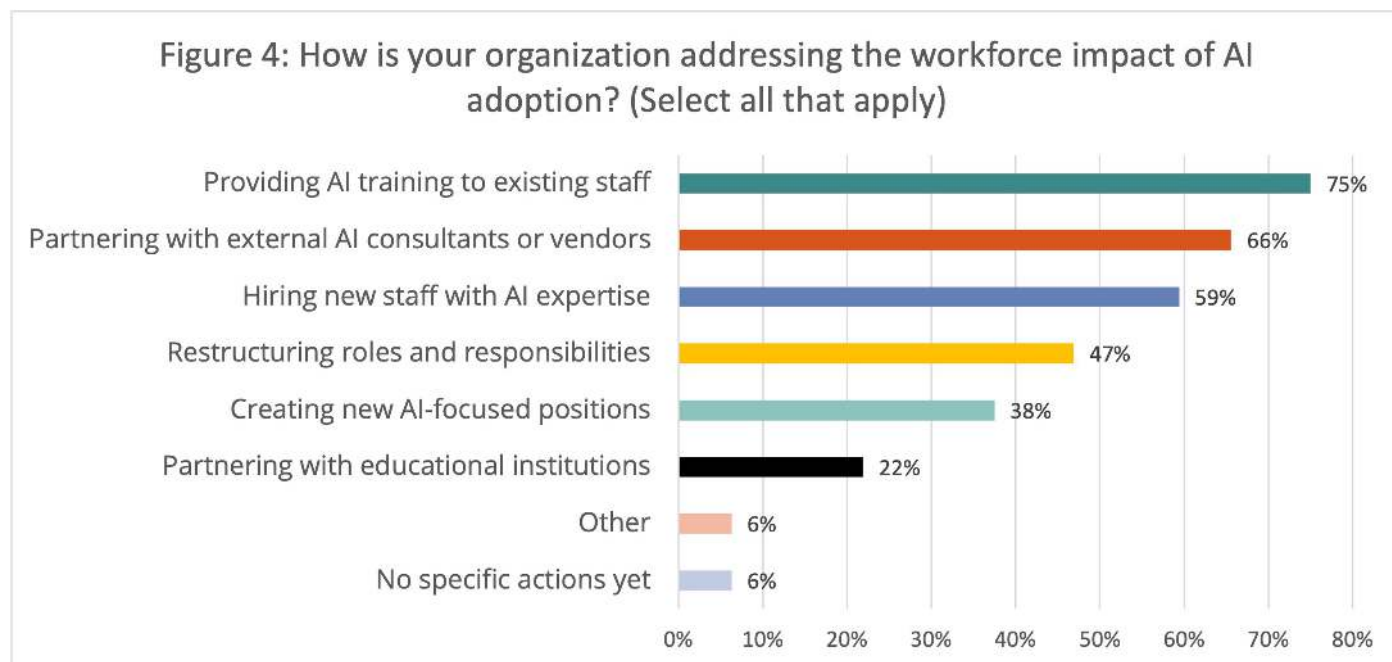
Figure 3: Which existing executive role has taken on AI leadership for your organization?



Workforce Impact and Preparation

Organizations are pursuing multiple approaches to build AI capabilities. Training of existing staff emerges as the predominant strategy (75%), supported by partnerships with external AI consultants and vendors (66%). Many organizations are also hiring new AI expertise (59%) and restructuring existing roles to support AI (47%). A smaller number are creating dedicated AI positions (38%) or partnering with educational institutions (22%). (Figure 4)

This multi-faceted approach suggests organizations recognize that successful AI implementation requires a comprehensive talent strategy, combining internal development with strategic external partnerships.



"People rush to focus on AI technical talent, but I think that's inverted. We have specialized by creating three categories: AI concierge teams doing vendor oversight and management, hybrid roles that combine AI program management with traditional skills, and true AI engineers—of which we only have four in a 25,000 person organization. We've done extensive internal training to help people gain AI skills in their appropriate area."

Jon McManus, Vice President Chief Data, AI and Development Office, Sharp HealthCare

"Much of the focus of AI is about making people's jobs easier, which often requires a bit of light automation to help accomplish tasks. At the same time, there are fears around too much automation, a concern that is not unique to healthcare. We have a responsibility to be patient-centered but also to be efficient so that our patients have better access to healthcare. Undoubtedly, there are areas where automation will help and we should use it, and areas where we shouldn't."

Dr. Karandeep Singh, Chief Health AI Officer, UC San Diego Health

Survey data indicates substantial workforce transformation ahead. Three-quarters of respondents agree their teams need significant reskilling for AI capabilities, and roughly half identify a need for specialized AI talent. Most organizations (72%) are actively expanding their training programs in response. Most organizations do not report difficulty securing external AI expertise, with only 15% agreeing that finding qualified partners and vendors is challenging. (Figure 5)

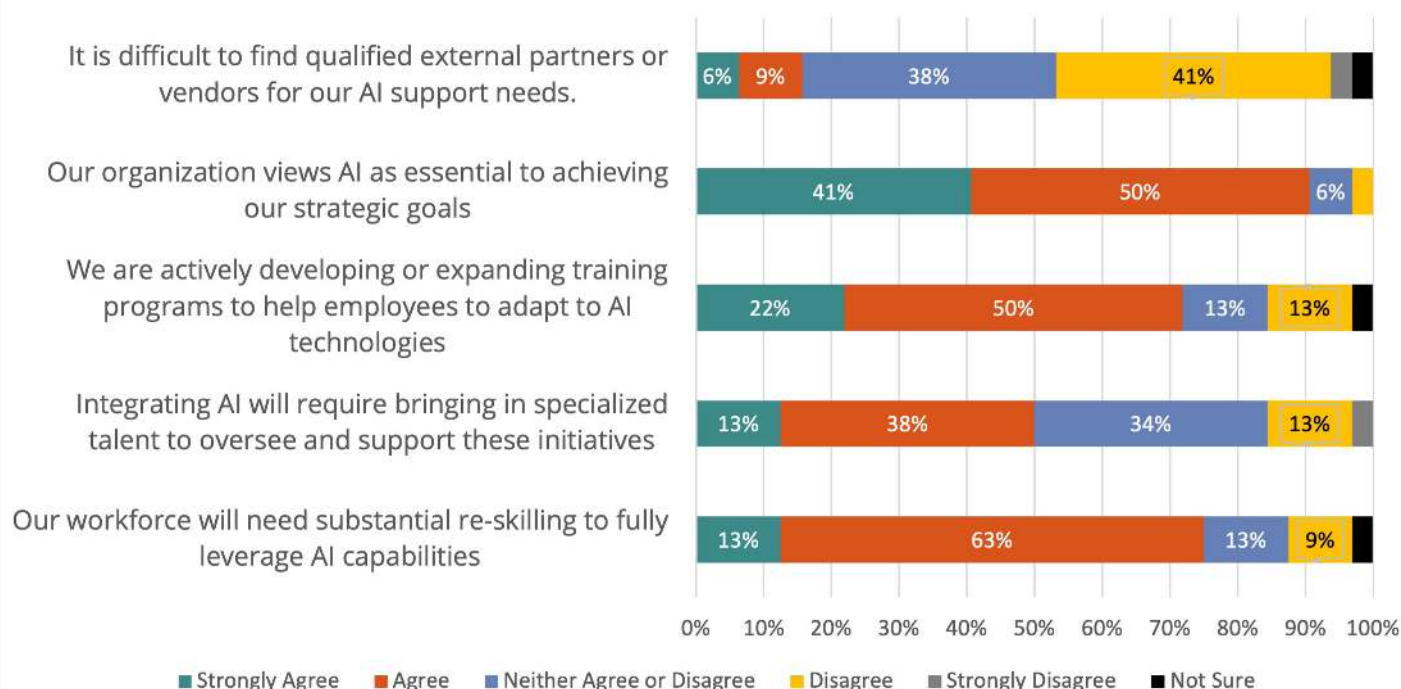
"I don't have nor want a big day-to-day team working on AI. I need every single one of them to be super-powered using AI all day long. I have a team of about 6 that probably scale to what would have 2 years ago felt like a team of 60. And that's how I expect an AI team to act."

Rob Purinton, Chief AI Officer, Advent Health

"Our primary objective is finding a solution that fills a specific gap in our health system. We look at which vendor can do it best, their long-term viability, and partnership compatibility. We feel we bring a lot to the table and can monetize that through discounts, co-development opportunities, or even co-commercialization. We're seeking long-term sustainable, scalable partnerships."

Joshua Glandorf, Chief Information Officer, UC San Diego Health

Figure 5: For your organization, how much do you agree or disagree with the following statements?



Funding and Governance

Member organizations are taking varied approaches to funding their AI initiatives. While most leverage their IT budgets, with 88% funding AI through this channel, many are exploring additional funding streams including external grants and partnerships. A notable proportion (19%) are tapping into venture capital investment, suggesting growing external interest in healthcare AI initiatives. (Figure 6)

The governance landscape shows similar variety. Dedicated AI oversight committees are the most common approach, present in 88% of organizations, with many also choosing to integrate AI governance into their existing IT frameworks. While only 13% have established ethics review boards, this specialized governance structure may represent an emerging area of focus. (Figure 7)

Figure 6: How is your organization funding AI initiatives? (Select all that apply)

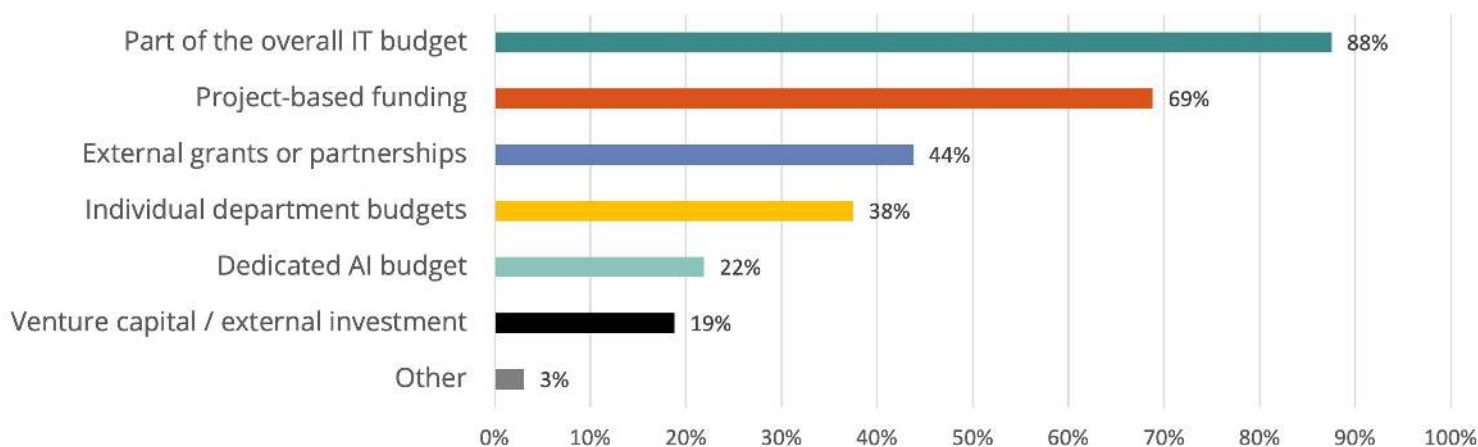
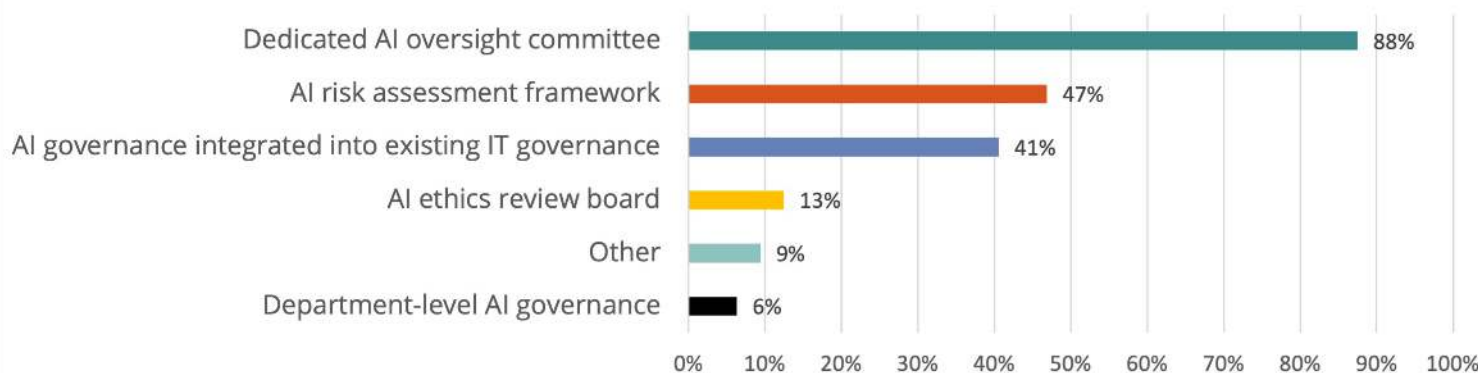


Figure 7: What governance structures does your organization have for AI initiatives? (Select all that apply)



"We've created a multi-faceted approach to AI funding. We have a Sharp Ventures apparatus and a robust foundation and donor model. We've established an Advanced AI Institute with a \$14.5 million five-year funding target, with year one funding already secured. This allows us to fund pilots and off-cycle expenses to keep pace with fast-moving AI while building evidence-based cases for operational funding through traditional health system budget cycles."

Jon McManus, Vice President Chief Data, AI and Development Office, Sharp HealthCare

Strategic Outlook and Future Direction

Member organizations demonstrate strong alignment between their current investments and future vision for AI in healthcare. The survey reveals universal optimism about AI's effects on healthcare delivery over the next five years with 100% saying that AI will have a positive impact.

This confidence is matched by concrete commitment, with the vast majority viewing AI as essential to achieving their organizational goals. (Figure 5)

This strategic commitment is reflected in how organizations are building their AI capabilities. Several clear patterns emerge that will likely shape future adoption:

1. **Governance-First Approach:** Organizations are prioritizing robust governance frameworks suggesting careful risk management will remain central to expansion strategies.
2. **Comprehensive Workforce Development:** Healthcare systems recognize that successful AI adoption depends on human capabilities. The combination of internal training, external partnerships, and new hiring suggests organizations are building long-term talent pipelines rather than seeking quick fixes.
3. **Sustainable Funding Models:** While IT budgets drive most AI funding, organizations are diversifying their financial approaches through external partnerships, grants, and venture capital. This multi-channel funding strategy suggests preparation for sustained, long-term investment.

Most notably, SI member health systems are approaching AI adoption as an organization-wide transformation that extends beyond technology

deployment. The combination of universal optimism about AI's impact alongside significant investments in governance and workforce development indicates a mature, strategic approach. As AI capabilities continue to evolve, we expect further refinement in how organizations structure and support their initiatives.

"Right now there isn't a long-term view that takes into account the technical capabilities that are on the horizon....Everybody is just guessing, and we'll probably fall short of what we think is possible or the maturity of tools that will be available in functions like HR, education, or population health.

We are all experimenting with technology that has the ability to create and reason and communicate in autonomous ways, and this is a first in human history. This is really a challenging time. We have to be clear-eyed about not just the business benefits and trends, but also where the limits are, what the controls are, and what we want our organizations to look like."

**Rob Purinton, Chief AI Officer
Advent Health**

"Looking forward, we've identified areas where vendors don't yet have the capabilities we need. We're developing proof of concepts with the idea that we may commercialize them or hand them off to vendors with recognition of our co-development work. For example, we've shown how to use AI to measure quality metrics and how to use large language models to triage incident reports. We're essentially showing vendors, 'This is what we want, we can do it, here's how, now give this to us at scale.'

There are huge opportunities for efficiency and for orchestrating the health system—inpatient, outpatient, getting patients to the right place, right time, right level of care...We could create an ideal path for patients over weeks, orchestrating what they need rather than having each model be a one-off that isn't tied into a coordinating body."

**Dr. Karandeep Singh, Chief Health AI Officer
UC San Diego Health**

PARTICIPATING ORGANIZATIONS

AdventHealth
AtlantiCare
Baptist Health
Baptist Health South Florida
Bronson Healthcare
Cedars Sinai
Cincinnati Children's Hospital Medical Center
Cleveland Clinic
Corewell Health
ECU Health
IU Health
John Muir Health
Memorial Healthcare System
Memorial Hermann
Piedmont Healthcare
Scripps Health
Sharp HealthCare
St. Luke's Health System
Stanford Medicine
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UC San Diego Health
UCLA Health
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University of Michigan Health Regional Network
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ABOUT SI

The Scottsdale Institute (SI) is a not-for-profit membership organization of over 60 prominent, advanced, not-for-profit health systems and academic medical centers whose mission is to improve healthcare quality, efficiency and personal experience through IT-enabled transformation. Our North Star is thought leadership guided by SI's Three Pillars of Collaboration, Education and Networking. We convene intimate, informal and collegial forums for senior healthcare executives, including but not limited to CEOs, CMOs, CIOs, CMIOs and CNIOs, to share knowledge, best practices and lessons learned. Our goal: Gather the right people to discuss the right topics at the right moment.

For more information, visit scottsdaleinstitute.org.



ABOUT KIRBY PARTNERS

Kirby Partners is a retained executive search firm with 36 years of experience placing senior-level leaders in healthcare, IT, and cybersecurity. Recognized by *Modern Healthcare* as one of the nation's largest executive search firms, we partner with healthcare organizations to fill strategically significant director, VP, and C-suite roles. We also provide interim leadership solutions and serve as trusted advisors to candidates, helping them find meaningful, career-enhancing opportunities.

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