SIGNAL 1

# The $80M Case for AI Governance

SIGNAL 1

# The $80M Case for **AI Governance**

Health systems are growing investments in AI to address margin pressure, workforce shortages, and patient outcomes. Yet many still struggle to convert AI activity into measurable enterprise value. Promising tools remain stuck in approval queues, generative AI deployments often fail to deliver expected impact, and internal teams are overwhelmed by the complexity of monitoring and managing a growing portfolio of AI products and agents.

To realize the full value of AI, health systems need a scalable approach to managing AI across the enterprise.

Signal 1's AI Management System (AIMS) provides the operational infrastructure to deploy, monitor, and manage AI across the full lifecycle. Based on work with leading health systems, we found that a technology-enabled AI management function can deliver more than $80 million in five-year enterprise value across three core pillars.

## AIMS enables this by

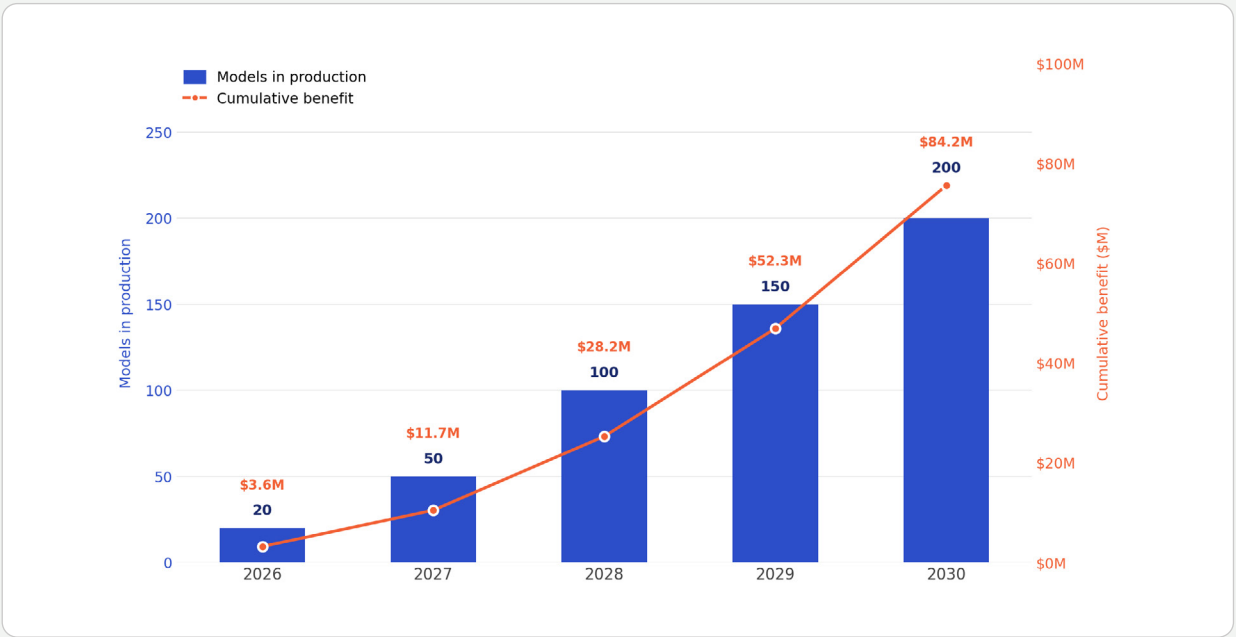
Providing guardrails to **speed the deployment** of high-value high-risk AI tools and agents.

**Reducing AI-related risk** and the cost of governance, monitoring, and reporting.

**Replacing manual oversight processes** with scalable operational infrastructure.

With health systems projected to invest between $100–$130 billion in AI from 2025 to 2030, the financial and operational impact of effective AI management will only continue to grow.

## Benefits compound as AI portfolios grow



## 1 Grow and Accelerate Value from AI

**The largest driver of ROI — driven by both accelerating high-value use cases into production and improving the performance of AI already deployed.**

**Deploy high-risk AI with confidence:** High-value AI — including autonomous agents, clinical copilots, and revenue cycle automation — is often delayed not due to lack of merit, but because governance cannot keep pace. Without risk-appropriate post-deployment monitoring capabilities, escalation paths, and audit-trails, approvals are delayed and opportunity cost compounds.

**AIMS enables faster, more confident deployment** through its real-time monitoring capabilities, risk-tiered controls, and audit-ready governance — generating **$26M in value** by accelerating high-risk models into production.

**Increase value from GenAI already in production:** Many GenAI tools underperform due to poor prompts, low-quality output and an inability to iterate at scale - limiting adoption and impact.

**AIMS monitoring and evaluation for generative and agentic AI products improves post-deployment performance** through LLM-as-a-Judge evaluation, prompt optimization, and rapid feedback loops — generating **$24M in value over five years**.

## 2 Reduce Risk and Enable Compliance

**As AI scales, managing risk becomes a core driver of enterprise value.**

Healthcare organizations face AI risks that often surface only after failure — including the potential for patient harm, regulatory scrutiny, and reputational damage. As adoption grows and AI technologies advance, so does exposure.

**AIMS establishes a defensible and scalable governance model** with centralized inventory, structured risk assessments and approvals, continuous monitoring, and audit-ready records — reducing the likelihood of compliance failures, before or after deployment.

As portfolios scale to hundreds of models, it becomes impossible to effectively manage risk and ensure compliance with traditional tools and processes. AIMS enables a robust AI risk-management program, generating approximately **$18M in avoided costs over five years**.

## 3 Cost-Effective Scalability

**Scaling AI requires scaling governance — without scaling headcount and cost.**

**Replace manual intake and approval processes with repeatable AI-powered workflows:** Without a platform, governance effort grows linearly with each model.

AIMS streamlines intake, approvals, and monitoring, reducing manual effort and enabling efficient scale — generating **$9.7M in savings over five years**.

**Automate reporting and deliver always-on visibility:** Reporting is often manual, ad-hoc and fragmented across teams.

**AIMS centralizes governance data into real-time dashboards**, eliminating manual reporting and enabling audit-ready visibility — generating **$6M in savings** while giving executives on-demand insight into AI performance, risk, and impact.

# What is Not Modeled

Several additional value levers are excluded from this analysis in the interest of conservatism. These include the cost of non-performing AI, the reputational cost of an adverse AI event, the cost of unplanned model rollbacks or emergency remediations, productivity gains from faster cross-functional alignment on AI priorities, and the strategic value of being an early mover in AI governance as regulatory requirements tighten.

# The Bottom Line

The health systems that create the most value from AI will not be those that buy or even deploy the most tools. They will be the ones that can safely and confidently deploy higher-value use cases, optimize product performance continuously, reduce enterprise risk, and scale their centralized AI function efficiently. That is the role of Signal 1 AIMS — and based on the levers modeled here, the opportunity exceeds $80 million in five-year enterprise value.