



AI 1.0

Building an AI
Systems Program
("The Building
Blocks")

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AGENDA



- Icebreaker
- Today's Objectives
- Five Phases of Maturity
- Prime's Journey
- Q&A



ABOUT ORGANIZATION & PRESENTER



- Prime serves as a pharmacy benefit manager to over 30 million members nationally and provides next-generation pharmacy solutions. We strive for the same care we would want for our loved ones.
- Prime is the 4th largest PBM in the USA and the 2nd largest privately held company in Minnesota. Our financial goal is to pass back as much savings to our non-profit owners and clients.
- The presenter leads the RIM program and co-chairs the AI Working Group, now apart of the larger AI Center of Excellence (AICOE) at Prime.
- The presenter obtained the Certified Information Governance Officer Artificial Intelligence (CIGO/AI) certification in February 2024.
- Prime recently won an international award for its AICOE structure from the CSO in June 2025.

- Does the proliferation of AI tools make you feel out of control?
- What challenges are you already aware of at your organization?



TODAY'S OBJECTIVES



- While AI does present new challenges to organizations, **there are foundational elements you can recycle** from Information Governance best practices to help get you started
- **Learn about a cross-functional and engaging approach** that will make you an indispensable part of AI success at your organization

PHASE 1: “FORMING”

Time to Implement: ~6 months

The first phase of maturity when you know of risks and need to start addressing them. Start by identifying the key participants and the risks you can name.

1

Engage Sponsors

Who would be the key players within AI at your company? Can you balance risk & value participants?

- *Conduct a survey, share the results*

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Establish AI Governance Body

Who has bandwidth and expertise to contribute to a cross-functional team?

- *Ask your Sponsors to name mid-level leaders, include programs with highly protected info.*
- *Offer education or training opportunities*

2

Understand highly protected information at your organization

What information is considered your operational crown jewels? What leaders help govern that data today?

- *Review programs that manage Protected Health Information (PHI), Personally Identifiable Information (PII), Business Records, Intellectual Property or valuable Confidential Information*

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Manage to standards

How can you start to move away from an ad-hoc approach?

- *Start by drafting an Artificial Intelligence Policy and Charter for the AI Governance Body*
- *Focus on incremental change rather than perfection*

PHASE 2: “DEVELOPING”

Time to Implement: ~6 months

The second phase of maturity when you figure out what works for your organization through trial & error.

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Prioritization

When looking forward in time, what foundational items should you focus on?

- *Plan out your next 5 foundational items to address at a time, otherwise you may get bogged down with tedious review work and have no long-term direction*

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Conduct AI service or tool reviews

Can you regularly work with business requestors to gather the necessary context to review the potential risks?

- *Create a simple intake and project method (e.g., Microsoft Forms and Planner)*
- *Report manual metrics to your Sponsors*

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Decide how you will initially work together

How should the multidisciplinary governing team interact with each other?

- *Create temporary process, including roles, responsibilities, intake & questionnaire*

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Describe risks and tailor them to your organization

How can you think about the risks your company faces and group them together?

- *Draft an AI Risk Matrix categorizing your findings in Tiers, from highest to lowest. Differentiate between “Walled Garden” and “Commons” concepts*
- *Conduct an AI Legislative Review with outside consultants or an internally responsible team. This is similar to a Records Retention Schedule and identifies requirements found in law or regulation.*
- *Review with Legal, Compliance & IT leaders*

PHASE 3: “NORMALIZING”

Time to Implement: ~6 months

The third phase of maturity when you have AI actively managed for your organization.

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Define records and tool inventory

Are your AI tools explainable and do you know where they are located and in use?

- *Capture Records sets for AI Explainability*
- *Conduct Inventory and store in your IT Systems Database (e.g., CMDB)*
- *Define Data Storage standards, enable sensitive data separation*

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Communicate broadly to your organization

Does your organization understand the gravity of change and how to participate with the process?

- *Create a tailored AI Governance Roadmap and present to Sponsors for alignment*
- *Develop a comprehensive Communications Campaign to introduce the AI Governing Body & processes*

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Secure artificial intelligence use

Can your organization normalize security features you would have in place for all other vendors, tools, storage or software?

- *Enable an AI Usage Monitoring Tool*
- *Blacklist rogue AI tools*
- *Create an AI Incident Response Plan*

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Establish a formal procedure

To move even faster, can you upgrade your cross-functional teams involved with AI review and implementation?

- *Establish a Standard Operating Procedure between all teams on the AI Governing Body*
- *Approve through Sponsors*

PHASE 4: “OPTIMIZING”

Time to Implement: ~12 months

The fourth phase of maturity when you are focused on best practices.

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Respond to client and regulatory inquiries

Do clients, regulators, or external auditing bodies begin to ask how your organization uses AI?

- *Write canned responses that establishes the tenants of the AI Governance Program*
- *Ensure alignment with Sponsors*

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Review access to AI tools

After initial approval to use an AI tool, does your organization continue to verify whether employees still require access?

- *Ensure IT Security applies controls to require access review on a regular cadence*

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Develop bias & hallucinations assessment framework

Is it possible to measure an AI's bias and use of bad data or Records?

- *Work with Data Analytics or Scientists to create a technical framework*
- *Use industry best practices and adjust AI tools accordingly*
- *This may be part of future regulatory expectations*

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Engage Data Governance

Can your organization create a common language for metadata to enhance standardization of AI tools?

- *Encourage your Data Governance team to develop and implement Data Catalog standards*

PHASE 5: “INNOVATING”

Time to Implement: ~18 months

The fifth phase of maturity when you are focused on becoming world class.

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Separate technology enablement from the Governance Body

How can you scale your governance rules and become more effective?

- *AI Governing Body focuses on guardrails and ensuring review process is followed*
- *Establish an AI Center of Excellence (AICOE) to focus on pre-reviews, standard use of AI and implements guardrails*

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Advocate for pre-built sandboxes

Is it possible to create a safe testing area for business proof of concepts (POCs)?

- *Use the guardrails from the AI Governing Body (e.g., AI Risk Matrix and AI Policy)*
- *Sponsor an investment request to fund a sandbox environment for business units to test value making proposals*
- *Allow business units to apply through intake method*

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Monitor systems after deployment

Due to potential change in the AI tool, service or business process, does your organization have the capacity to review AI tools on a regular cadence after they are being used?

- *Determine review timeframe (e.g., quarterly)*
- *Assign to AICOE*

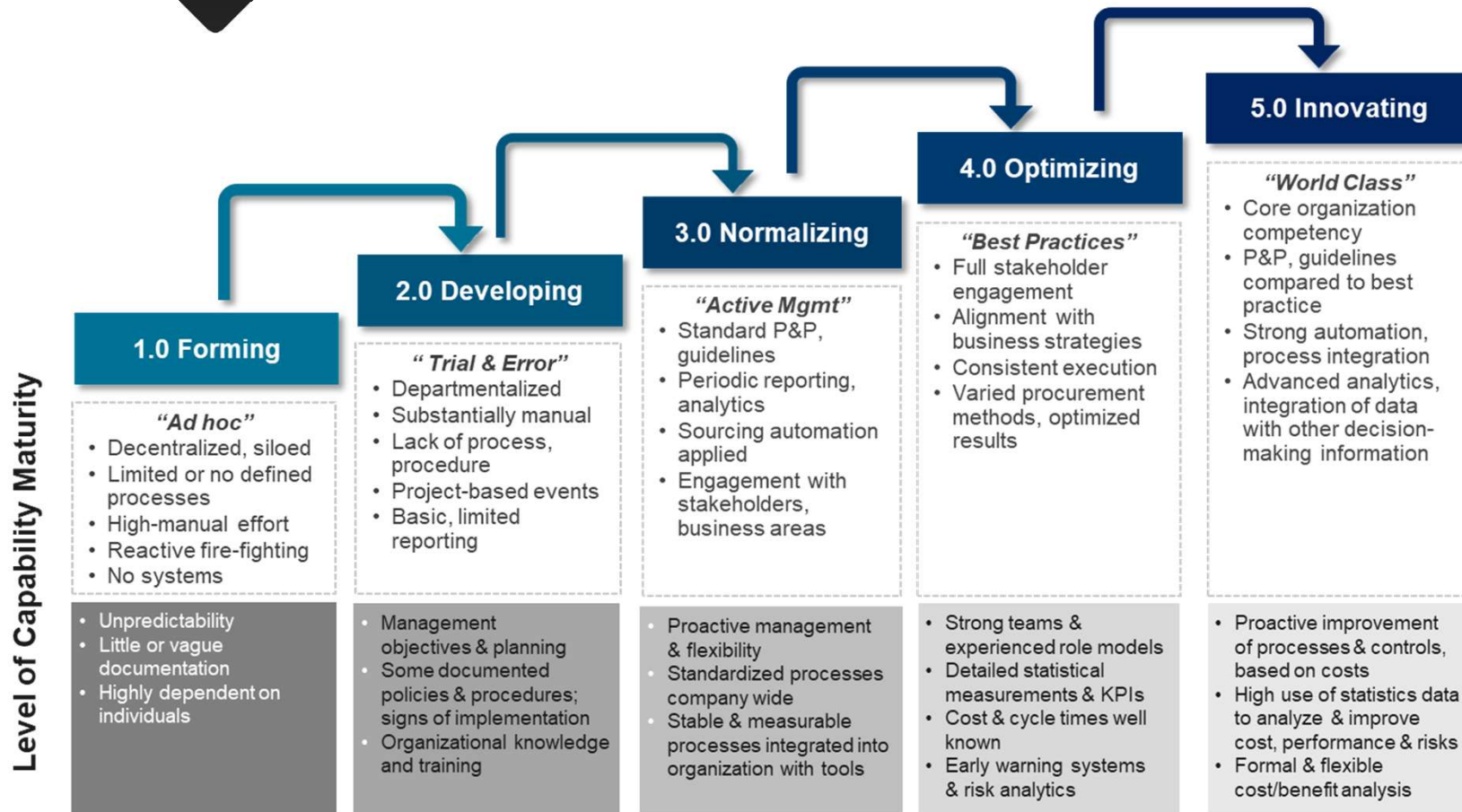
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Reevaluate AI Gov. Program

To continue innovating, will the AI Governing Body review their end-to-end model to ensure it copes with changing AI challenges?

- *Set an annual review of the Program conducted by the AI Governing Body*
- *Share findings with Sponsors*

AI GOVERNANCE MATURITY SCALE



INCREASED RISK ————— The higher up the model an organization's capabilities are, the greater its prospects for successfully managing risk ————— **INCREASED QUALITY**

Source: Shared Assessments



PRIME'S JOURNEY

Estimated Time: 36 months



Forming

"Ad-Hoc"
Jun. – Dec. 2023

Developing

"Trial & Error"
Jan. – Jun. 2024

Normalizing

"Active Management"
Jul. – Nov. 2024

Optimizing

"Best Practices"
Sept. 2024 – Dec. 2025

Innovating

"World Class"
Dec. 2024 – Jun. 2026

- ✓ Sponsor & Establish AI Working Group (AIWG)
- ✓ AI Policy
- ✓ AI Working Group Charter
- ✓ Ad-hoc Process and Reporting

- ✓ Temporary AIWG Process, including roles, responsibilities, intake & questionnaire
- ✓ AI Governance Education
- ✓ Manual metrics reporting
- ✓ AI Risk Matrix
- ✓ AI Legal Survey
- ✓ AI Usage Monitoring Systems

- ✓ AI Inventory Management (current state)
- ✓ AI Incident Response Plan
- ✓ AI Governance Program Roadmap
- ✓ Enterprise-wide Communications Campaign
- ✓ Periodic updates to EDIG Sponsors
- ✓ Third-Party Risk Management
- ✓ Assess grandfathered AI tools
- ✓ Define Data Storage standards, enabling sensitive data separation
- ✓ Established AIWG Process, including streamlined intake

- ✓ Approved Client & Regulatory Responses on AI use
- Automated monitoring & usage reports
- Automated incident response
- ☐ Annual Review of AI Tools
- Quarterly Access Reviews for AI tools
- ☐ Audit & Enforcement
- ✓ Regular updates to EDIG Sponsors
- ☐ Develop Bias & Hallucinations Assessment Framework
- Implement Data Catalog standards

- ✓ Center of Excellence – Pre-built sandboxes, SMEs, POCs
- ✓ Exploratory risk management approaches
- Automated Testing for Deployed Solutions (Bias, Hallucinations, etc.)
- ✓ Reevaluate AI Governance Program model annually

Legend

- ✓ Completed
- In Progress
- Future
- ☐ Where we are today



Open Forum

Sample Questions for Presenter:

- How did you corral many stakeholders with different views on AI?
- What AI Governance building blocks became “must haves” that you would not have expected at the beginning of the journey?
- What has your relationship been like with AI technical subject matter experts at Prime?



Thank you for attending!

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