



AI 2.0

Transforming an AI
Systems Program
("The Pillars")

Kurt Neumann



Kurt Neumann

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AGENDA



- Current Events
- Today's Objectives
- AI 2.0 - Transforming to a Center of Excellence
- The AI Schedule
- Finance for AI Tools
- Fast Tracking Responsible AI
- 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.

- Half of company boards feel like their organization's pace of AI adoption should be accelerated
- Companies introducing AI products with little to no case law create liability concerns
- Big tech is looking to maximize investments in data centers, but do not make it 'easy' to meet legal and security needs for AI
- Lack of native explainability for AI black-box models
- Data is not ready for AI use citing traditional records and data governance challenges
- Proportional and intentional governance can help bridge these gaps

Why is AI so slow to spread?
Economics can explain¹

Lack of AI governance brings security
problems: IBM Survey²

AI Governance – the unavoidable
imperative of responsibility³

Governance and AI: Are Boards
Keeping Up?⁴

AI Governance in 2025: Expert
Predictions on Ethics, Tech, and Law⁵

¹ "Why is AI so slow to spread? Economics can explain." [The Economist](#) 17 July 2025 [link](#)

² "Lack of AI governance brings security problems: IBM Survey." Wilkinson, Lindsey. [CIO Dive](#) 8 Aug 2025 [link](#)

³ "AI Governance – the unavoidable imperative of responsibility." Gurley, Janie. [Engineering.com](#) 8 July 2025 [link](#)

⁴ "Governance and AI: Are Boards Keeping Up?" Abrash, Lara and Prof. Dr. Arno Probst. [Forbes](#) 18 Aug 2025 [link](#)

⁵ "AI Governance in 2025: Expert Predictions on Ethics, Tech, and Law." Spehar, Diana. [Forbes](#) 9 Jan 2025 [link](#)

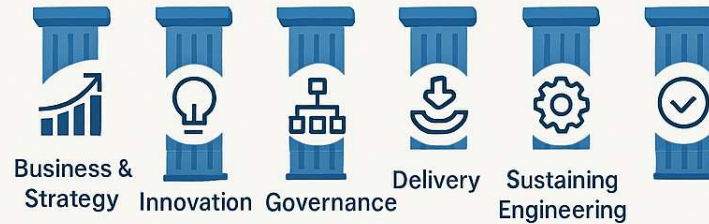


HOW ARE YOUR ORGANIZATIONS USING AI TODAY?

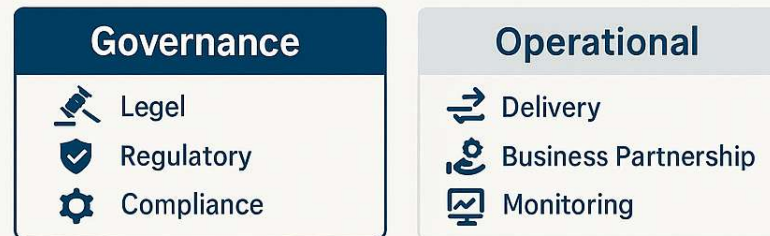
Note: AI was used in making this graphic. 100% accuracy.

WHAT YOU CAN TAKEAWAY FROM TODAY ∞

1 Understand 5 Pillars of an AI Systems Program



2 Differentiate between governing & operational areas



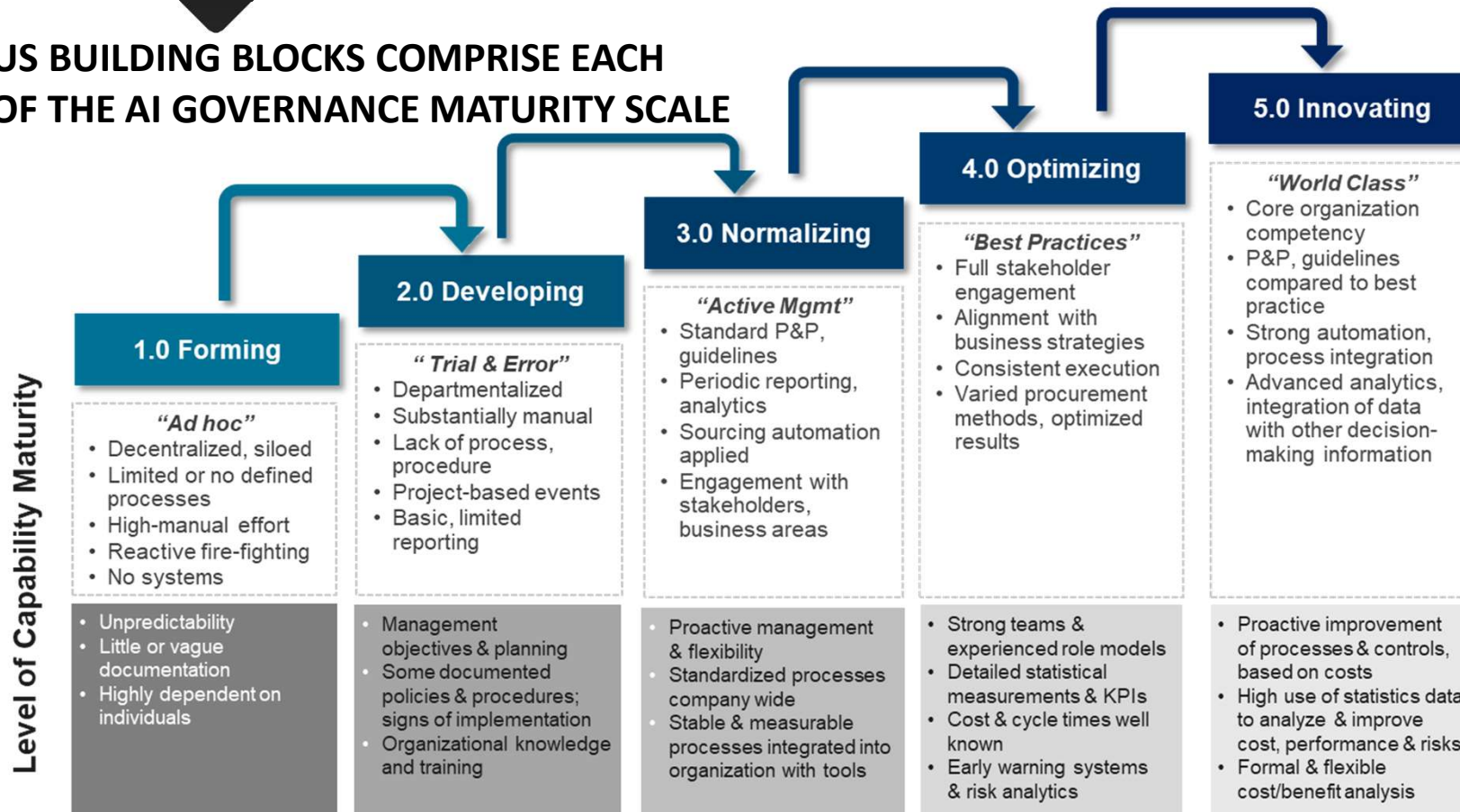
3 Enable faster time to market for AI tools



Note: AI was used in making this graphic 3 times. You can see that there is an extra pillar at top and small adjustment needed at the bottom. Accuracy is 90%.

AI 1.0 – BUILDING AN AISP

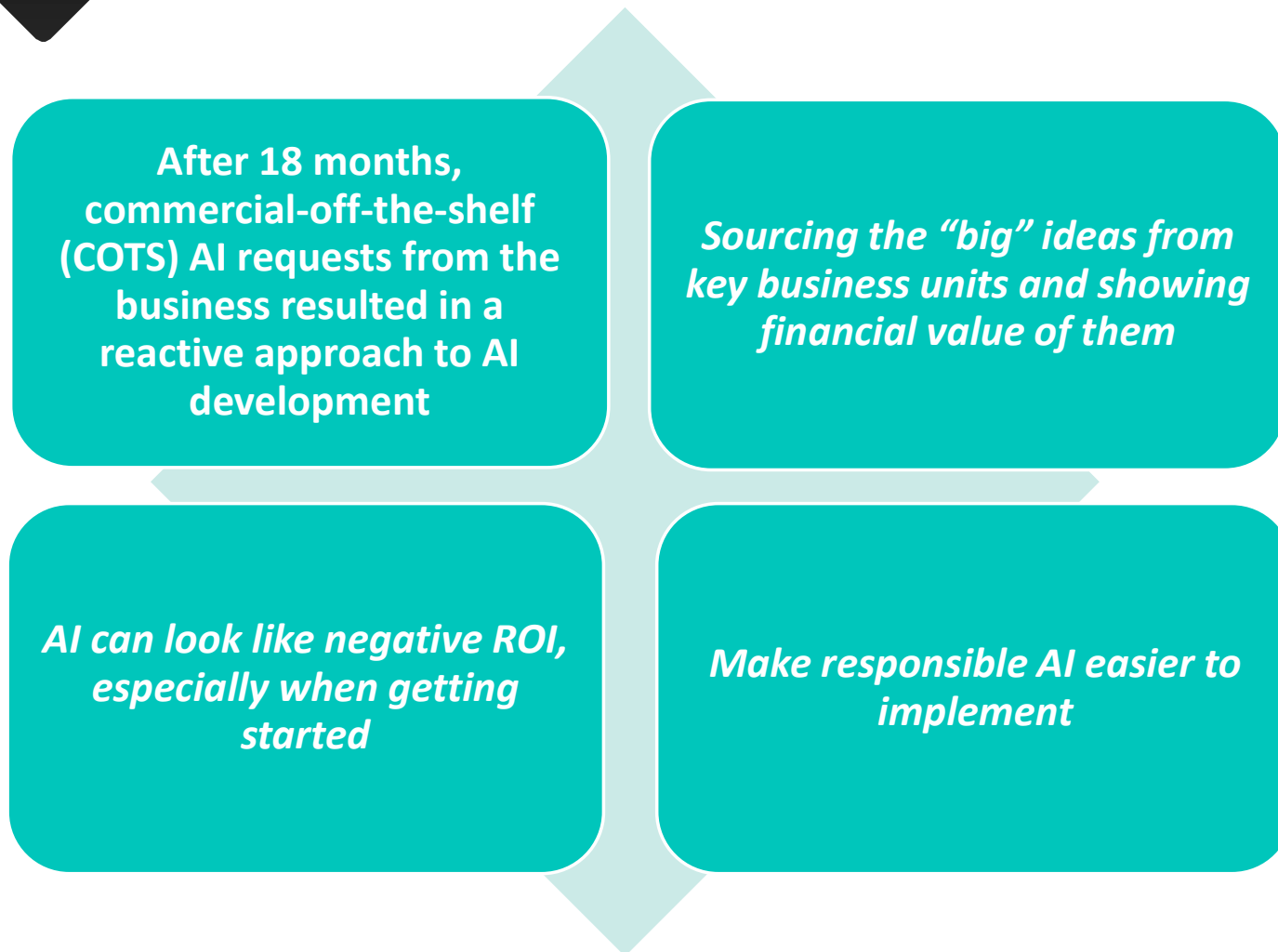
VARIOUS BUILDING BLOCKS COMPRISE EACH LEVEL OF THE AI GOVERNANCE MATURITY SCALE



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

WHY TRANSFORM INTO A CENTER OF EXCELLENCE? ∞



A BALANCED PURPOSE FOR THE AICOE

STRUCTURE

Unify AI activities
under one umbrella
and minimize overlap
& red tape



CHANNEL
LIMITED
RESOURCES

Rollup clear
responsibilities so
groups can stay focused
and drive to done



BALANCED
PURPOSE

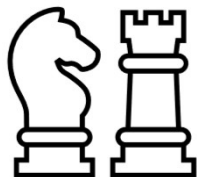
AICOE STRUCTURE – THE FIVE “PILLARS” ∞



IDOC, EC, EOC



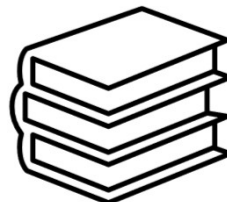
AI Program Leader



Business &
Strategy



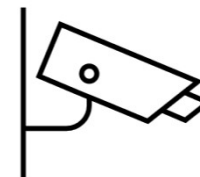
Governance



Innovation



Delivery &
Integration



Sustaining
Engineering

AICOE Leader

- Oversees daily decisions and AI advocacy
- Guides pillar leaders and reports to executive bodies

Business & Strategy

- Defines AI vision and aligns with business goals
- Supports AI investment cases and prioritizes use cases
- Coordinates teams and manages AI knowledge hub
- Leads change management and maintains roles & responsibility workflows
- Conducts value and viability exercise when compiling use cases
- Manages AI review process workflow

Governance

- Conducts legal and regulatory oversight
- Maintains AI policy and risk matrix
- Reviews impact assessments, contracts and attestations related to AI
- Provides final review of use cases for all delivery phases (e.g., POC, Pilot, Full)

Innovation

- Rapidly develop and test AI concepts with Strategy team
- Conducts POC testing and complies with governance standards

Delivery & Integration

- Executes approved use cases and integrates systems
- Ensures secure, scalable delivery and continuous improvement
- Manages testing, deployment, and user training

Sustaining Engineering

- Maintains compliance and stability post-deployment
- Provides support and monitors performance
- Reports policy violations and measures ROI

THE AI SCHEDULE ∞

Governance,
Policy &
Framework

Evaluation,
Controls &
Implementation

Disclosure and
Regulatory
Reporting

Data Use
Limitations

Post-
Deployment
Monitoring

Vendor
Oversight

Corporate Style

THE AI SCHEDULE

Note: AI was used in making this graphic. Request was run 9 times to gain 100% accuracy.



Space Cowboy Style

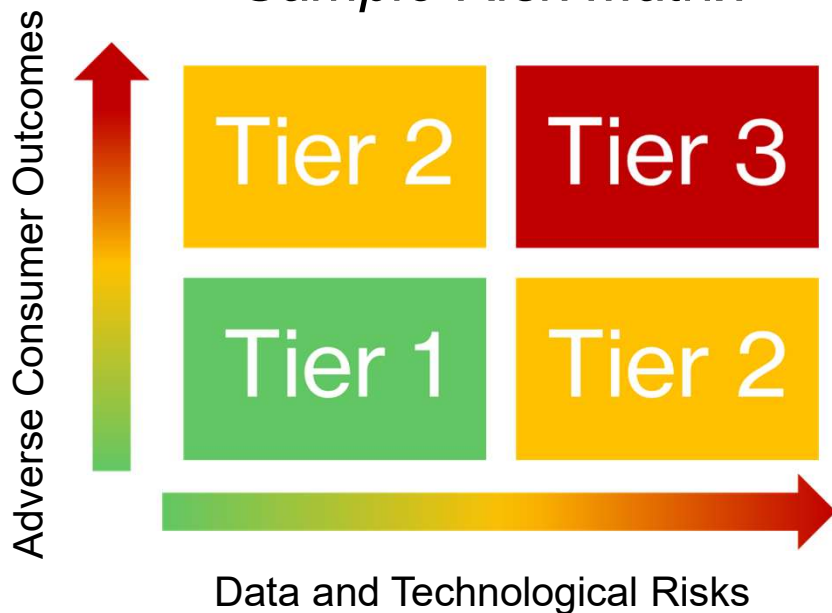


James Bond Style

LESSONS LEARNED

- Legal landscape is rapidly shifting
- Reassessed risk matrix
- Packaged governance requirements in 3 tiers

Sample Risk Matrix





GOLD

- **GOAL:** Direct, measurable financial impact on Prime's Profit & Loss (P&L)
- **VALUE DRIVERS**
 - Reduces Operating Expense
 - Optimizes Profit
 - Reduces Performance Guarantee Misses
 - Reduces of Compliance Fines



SILVER

- **GOAL:** Indirect or soft cost savings
- **VALUE DRIVERS**
 - Revenue Growth
 - Compliance Risk Mitigation
 - Efficiency Gains
 - Total Cost of Care Reduction
 - Competitive Advantage
 - Compliance Barrier Elimination
 - Innovation & New Capability Development



BRONZE

- **GOAL:** Business improvement
- **VALUE DRIVERS**
 - Employee Retention & Recruiting
 - Productivity Improvements
 - Member/Patient Experience

FINANCE FOR AI TOOLS

COST CONSIDERATIONS

- e.g. build, setup, token consumption, sustaining and mitigation factors

ASSIGN VALUE

- e.g.: assign tier based on impact, apply multiplier, aggregate scores for prioritization & decision-making

VIABILITY CONSIDERATIONS

- e.g.: systems involved, data interaction methods, timeline, governance concerns, data & security requirements, existing gov. patterns

VIABILITY SCORE

- e.g.: high viability means easier to implement with low risk, low viability means complex & high risk

FAST TRACKING RESPONSIBLE AI ∞

AI tools
not used
unless
reviewed



Legal &
Regulatory
needs must
be well
defined



Financial
operating
model must
be in place



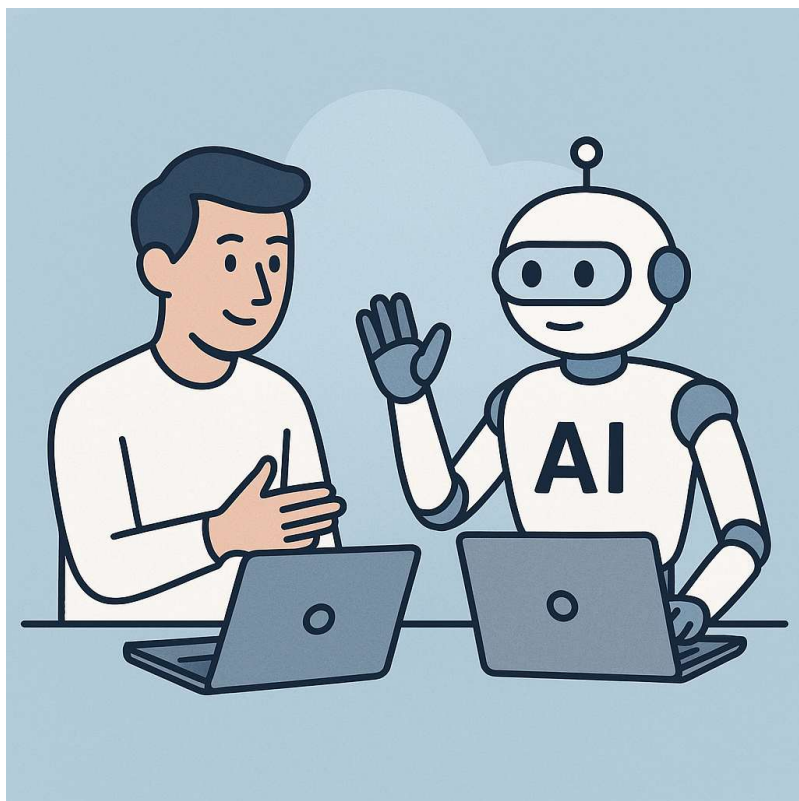
Data must
be
AI-Ready'



Workforce
readiness
with
applicable
AI skills
across the
enterprise



Note: AI was used in making this graphic. Request was run 7 times and best result still had 2 spell check items that do not allow you to modify. Left to show that accuracy is about 95%.



Note: AI used to create graphic with 1 attempt. 100% accuracy.

- Where do I start?
- How do you know what kind of controls to build out for AI governance?
- How would I conduct an AI legal survey?
- What areas are involved in the AI governance effort?
- What has it been like working with technical partners, do they understand governance?



- CIGO Association's Artificial Intelligence Certification Training with mentorship program <https://cigoa.org/invest-in-your-career/ols/products/ai-governance-certification> (link)



- Cwik, Cynthia H., Christopher A. Suarez, and Lucy L. Thomson. Artificial Intelligence: Legal Issues, Policy, and Practical Strategies. Chicago: American Bar Association, 2024. <https://www.americanbar.org/products/inv/book/443758527/> (link)



- "Four Futures of AI: Will you shape the future of AI, or will it shape you?" Ernst & Young 2025. https://www.ey.com/en_us/insights/emerging-technologies/future-of-ai (link)



- Olson, Parmy. Supremacy: AI, ChatGPT, and the Race That Will Change the World. New York: St. Martin's Press, 2024. <https://us.macmillan.com/books/9781250361622/supremacy/> (link)



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