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RESEARCH ARTICLE

Transforming Healthcare Economics: Machine Learning Impact on Cost Effectiveness and Value-Based Care

Ashish Shiwlani[1], Sooraj Kumar[2*], Samesh Kumar[3], Syed Umer Hasan[4], Masoomi Hifazat Ali Shah[5]

[1] Illinois Institute of Technology, Chicago, Illinois, USA -Email: shiwlaniashish@gmail.com
[2*] DePaul University Chicago-Email: skumar48@depaul.edu
[3]Georgia Institute of Technology -Email: skumar649@gatech.edu

[4]Fitchburg State University - 160 Pearl St, Fitchburg, MA 01420-Email: shasan1@student.fitchburgstate.edu

[5]Department of Computer Science, Sukkur IBA University Pakistan-Email: hifazat@iba-suk.edu.pk

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***Corresponding Author:**

skumar48@depaul.edu

ABSTRACT

Artificial Intelligence (AI) is widely recognized for its superiority in a wide range of healthcare applications, such as speech recognition, smartphone personal assistants, navigation, ride-sharing apps, and the segmentation of lesions in images, among many others. According to PRISMA guidelines, a robust search strategy was conducted on PubMed and Scopus for articles between 2014 and 2024. Of the 156 articles, only 7 studies met the inclusion criteria. Findings indicate that when deciding whether to invest in an AI solution for the healthcare industry, the favourable economic impact is a crucial consideration [51]. The pharmaceutical and medical technology sectors and the insurance and healthcare provider industries are significantly impacted. AI-driven tools reduce diagnostic costs, enable personalized care, and streamline processes like drug development and telemedicine, thereby fostering cost savings. There are several obstacles to overcome when incorporating AI into intricate healthcare systems. This calls for a critical examination of the obstacles that must be removed to fully realize AI's promise to enhance patient care and the effectiveness of healthcare.

1. Introduction

Healthcare economics is a dynamic and multifaceted field that intersects health, economics, policy, and management to optimize the allocation of limited resources in the delivery of healthcare services [1]. Its core objective is to ensure that available resources are used effectively to achieve the best health outcomes without wastefulness [2]. The phrase "healthcare economics" refers to the collection of elements that come together to affect the spending and expenses of the healthcare sector [3]. The goal of the study of healthcare economics is to comprehend how these expenses are influenced by people [4], insurance companies [5], government organizations, and both public and private entities [5]. As the demand for healthcare services increases with age and prevalence due to chronic diseases and technological advancements, understanding and innovating within healthcare economics is becoming increasingly crucial [5].

Healthcare economics is a complex interplay of elements, including cost-effectiveness analysis, value-based care, health systems efficiency, and equitable resource use. Cost-effectiveness analysis assesses healthcare interventions' costs and outcomes [6], often measured in quality-adjusted life years (QALYs) or disability-adjusted life years (DALYs) [7]. This enables policymakers and healthcare providers to make informed decisions regarding the most effective interventions based on the health benefits they provide per dollar spent [8]. Traditional CEA methods, however, have relied on static models that cannot incorporate real-time data and, therefore, cannot respond to the rapidly changing clinical and economic landscapes [7], [8].

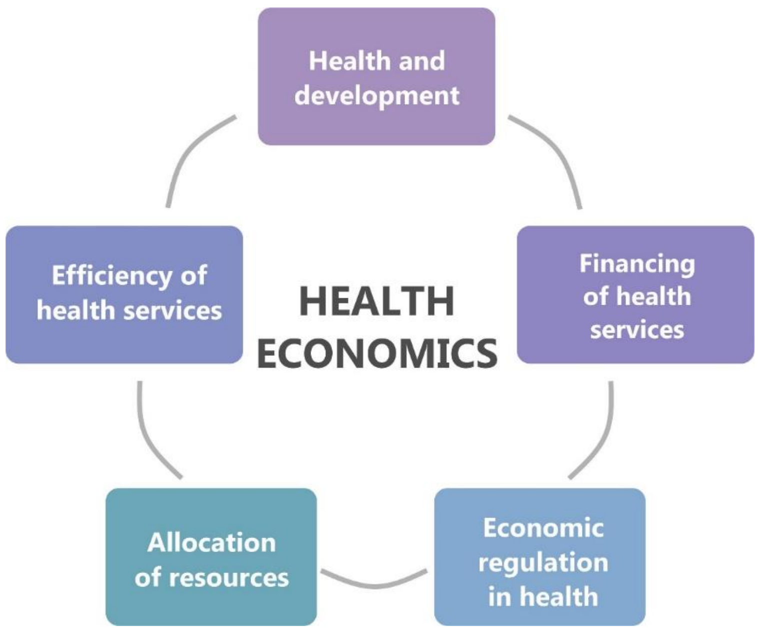

Fig. 1. The areas or domains of healthcare economics

Value-based care focuses on enhancing patient outcomes based on the price of delivering those outcomes [9]. Value-based care differs from fee-for-service models, where care volume is encouraged [10]. The value-based care focuses on the quality and efficiency of services [9], [10]. The quantifiable improvement in a patient's health outcomes relative to the expense of making that improvement is what is meant by value in healthcare.One Enabling the health care system to generate greater value for patients is the aim of value-based care transformation. Cost-cutting interpretations of value-based health care are insufficient since value is only produced when an individual's health outcomes improve [11]. Inefficiencies such as overutilization of services, administrative waste, and delayed diagnoses escalate healthcare costs [10]. Determining these inefficiencies demands complex analytical tools that can handle large volumes of data to be interpreted [11]. Health care equity ensures that every individual receives necessary health services regardless of social class and economic status [12]. Access to and delivery of health care and healthcare outcomes continue to be problematic due to inequities, partly because resources and information are unevenly distributed [13].

Artificial intelligence and machine learning have brought transformative capabilities to various sectors, including healthcare [14]. In healthcare economics, AI and ML can revolutionize decision-making processes, enhance efficiency, and improve outcomes by leveraging data-driven insights [15]. AI and ML can profoundly enhance CEA by aggregating disparate datasets, including patient demographics, treatment outcomes, and real-world evidence [16]. Machine learning models can simulate scenarios and accurately predict the long-term costs and benefits of interventions [17]. For example, predictive analytics can forecast the risks of hospital readmission or the impact of preventive measures so that targeted interventions can be conducted, thereby reducing costs while improving outcomes [18].

Value-based care relies on thorough data analysis to measure patient outcomes and costs [19]. AI-powered analytics can provide real-time insights into care delivery and identify patterns contributing to better outcomes [20]. For instance, NLP tools can analyze EHRs to assess the quality of care provided, while AI algorithms can benchmark provider performance against defined metrics, driving accountability and quality improvement [21]. AI and ML can facilitate process improvements in health care by identifying inefficiencies in care delivery [22]. Applications that include predictive maintenance of medical equipment, optimized staffing schedules, and real-time triage systems are among those reducing operational costs with maintained or improved quality. AI chatbots and virtual assistants reduce healthcare providers' burdens by performing administrative tasks and responding to patients' questions, enhancing efficiency [23].

AI and ML algorithms can scan considerable datasets to identify disparities in access to healthcare and outcomes [19]. By identifying underserved populations and predicting resource requirements, AI can help with strategies for equitable distribution [20]. For example, AI-driven geospatial analysis can identify areas with poor healthcare infrastructure and focus interventions on these areas [21]. The effectiveness of possible medication candidates for particular patient populations can be predicted by employing AI algorithms to evaluate data from huge populations. This allows for the customization of treatments to meet the needs of each patient. AI algorithms transform insurance practices to enhance risk assessment, fraud detection, and claims processing [22]. AI-powered ML, personalized insurance plans can provide health-profile-based coverage, encouraging affordability and value [23], [24].

This systematic review aims to address the emerging demand for evidence-based insights on how machine learning (ML) and artificial intelligence (AI) are transforming healthcare economics, particularly in the domains of cost-effectiveness and value-based care. While these technologies have shown tremendous potential in changing healthcare delivery, their effects on economic aspects are yet insufficiently explored and disperse in the literature. This review attempts to synthesize the extant body of literature with regard to how AI and ML can optimize resource allocation for enhanced healthcare outcomes relative to cost in all types of health-care delivery systems, thereby informing an understanding of key knowledge gaps within the field, especially to highlight some of the problems, such as barriers of integration, inequalities of data access, and ethical implications.

1. *Objectives*

The research questions for this study are in the table below:

Table I. The research questions for understanding the role of AI in healthcare economics

RQ	Details
RQ1	How are AI and ML being applied to improve cost-effectiveness in healthcare delivery systems?
RQ2	What is the impact of AI and ML on enhancing value-based care models in healthcare economics?
RQ3	Which AI and ML techniques have been most effective in optimizing resource allocation in healthcare?
RQ4	What are the key barriers to integrating AI and ML into healthcare economics, particularly for cost-effectiveness and equity?
RQ5	How do AI-driven models compare to traditional methods in conducting cost-effectiveness analyses?

RQ6	What role does AI play in addressing healthcare access and resource distribution inequities?
RQ7	How are AI and ML transforming health insurance system risk assessment and fraud detection?
RQ8	How do AI-driven personalized insurance plans impact cost containment and patient outcomes?
RQ9	What ethical and regulatory challenges are associated with using AI in healthcare insurance practices?

I. Methodology

The overall methodology for conducting this research was as follows:

i. Search Strategy

A systematic literature review was conducted on the role of artificial intelligence and machine learning in transforming healthcare economics regarding cost-effectiveness and value-based care. A search strategy was implemented, which followed PRISMA guidelines to ensure methodological rigour [25,72,74]. PubMed and Scopus databases have been searched for articles published in the period between January 1, 2014, and September 1, 2024, using a combination of keyword and Medical Subject Headings (MeSH) to identify relevant articles related to AI, ML, healthcare economics, and cost-effectiveness [26,73,75]. Keywords included "artificial intelligence," "machine learning," "deep learning," "cost," "budget," "value-based care," "quality-adjusted life years (QALYs)," and "resource allocation.". Keywords of the search were used for the title and abstract, and economic-related words in only the title. The research question was fine-tuned in consultation with information specialists to ensure it captured the required studies and was piloted.

ii. Inclusion and exclusion criteria

Articles were eligible for inclusion if they satisfied one or more of the below mentioned:

- Economic evaluations of AI/ML applications in health services management include, but are not limited to, cost-effectiveness of care, value-based healthcare, or resource allocation in health service delivery.
- Reported quantitative or qualitative economic outcomes.
- Focused on healthcare delivery systems, interventions, or management practices.
- Published in English and appeared in peer-reviewed journals between 2016 and 2021.

Studies were excluded if they:

- Did not address the economic aspects of AI or ML.
- Focused on non-healthcare domains.
- Were non-original research, such as editorials, opinion pieces, or conference abstracts.
- Lacked sufficient detail to evaluate the role of AI or ML in healthcare economics.

Two independent reviewers screened titles and abstracts, with some studies undergoing full-text review. Disagreements were resolved through discussion or consultation with a third reviewer.

iii. Data Extraction

Data were drawn out using a structured form designed for this review. General information, such as study title, authors, year of publication, and location, was noted down. Specific data included:

- AI/ML Details: Type of AI or ML model (e.g., neural networks, support vector machines), application domain (e.g., diagnostics, predictive modelling, or operational efficiency), and care pathway phase (prevention, diagnosis, treatment, prognosis, or follow-up).
- Economic Analysis: Type of analysis conducted (e.g., cost-effectiveness, budget impact), intervention and comparator, economic outcomes reported (e.g., QALYs, DALYs, cost savings), and perspective of analysis (payer, provider, or societal).
- Barriers and Opportunities: Challenges in implementing AI/ML in healthcare economics and ideas on how it can be leveraged in optimizing resource utilization.

This study used two independent reviewers to extract data to minimize bias. The disagreement achieved a consensus.

iv. Results

There were 156 unique articles from the search results after the deletion of duplicates. 120 were excluded from these articles after reviewing titles and abstracts. A total of 36 were screened for full-text inclusion, and 7 met the inclusion criteria. The final dataset comprises 7 studies on diverse healthcare domains like cost-effectiveness analysis, value-based care, and resource allocation. The extracted data portrayed the increasing integration of AI and ML in healthcare economics, with key trends, barriers, and future directions. The results were synthesized to provide a comprehensive understanding of how AI and ML are transforming healthcare economics, particularly improving cost efficiency, enhancing value-based care, and addressing inequalities in healthcare resource distribution. A PRISMA flow diagram is illustrated in fig. 2.

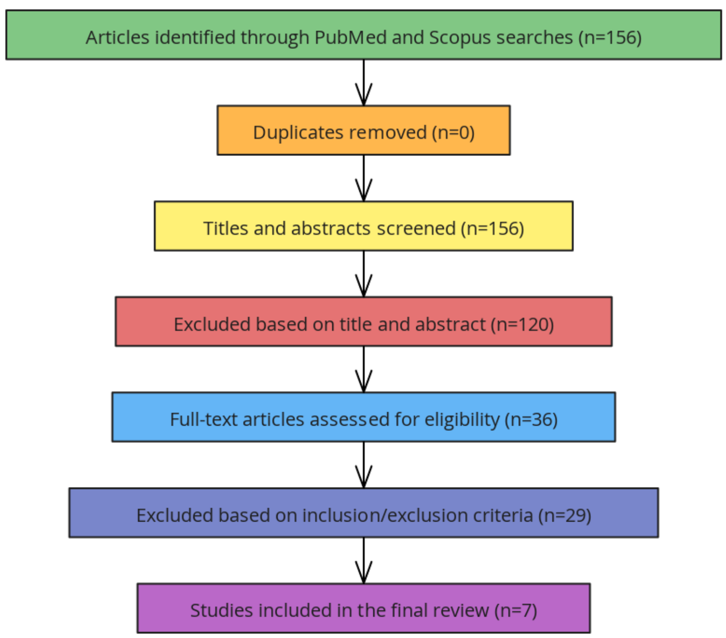

Fig. 2. The PRISMA Flowchart for articles selection and screening

II. Findings from Literature

The extensive search helped us in concluding the following points.

i. Applications of AI and ML to improve cost-effectiveness in healthcare delivery systems

Artificial intelligence (AI) and machine learning (ML) are transforming healthcare delivery systems, presenting innovative solutions to improve cost-effectiveness while enhancing quality and efficiency. The idea is that big data thinking must be developed, even though big data technology can present new issues and foundations for tax management [9]. Accurate data collection, or at the very least, determining the right amount of the sum of negative externalities, is essential to obtaining the best tax. Therefore, big data must be used by governments (national, regional, municipal, and/or any other political efforts) to decipher what goes wrong and determine solutions for the future [27].

Predictive analytics is a significant application of AI and ML in healthcare cost-effectiveness. These tools analyze patient data, including demographics, medical histories, and real-time health metrics, to forecast potential health events such as hospital readmissions, disease progression, or treatment outcomes [28], [29].

AI and ML add accuracy and speed while lowering diagnostic costs. Tools developed by AI can be used in radiology, pathology, and laboratory diagnostics to analyze medical images and test results with accuracy like or superior to human experts [30]. Algorithms trained on imaging data may detect anomalies like tumors, fractures, or organ abnormalities, which helps reduce errors in diagnosis and allows disease management early. This saves on unnecessary follow-up tests and care delays, resulting in high-cost savings [29], [30].

Healthcare operational efficiency is another area were AI and ML lead to cost-effectiveness. Predictive models optimize hospital operations such as staffing, bed management, and inventory control so that resources are available when needed without excess [28], [29]. AI systems also improve workflow efficiency by automating administrative tasks such as appointment scheduling, billing, and claims processing. For example, natural language processing (NLP) can extract relevant data from electronic health records (EHRs) to automatically document information, saving time and letting healthcare providers care for patients instead of administrative work [30].

AI and ML also have a major role in drug development and clinical trials. Traditionally expensive and time-consuming, AI finds potential candidates through the analysis of molecular data and simulations of drug interactions [31]. This same AI helps optimize the designs of clinical trials by identifying the right patients and predicting the results of trials. All this contributes to shortening the timeframe and costs of launching new therapies to the advantage of healthcare systems [28], [29].

Telemedicine and remote patient monitoring increase cost-effectiveness through AI-powered platforms [32]. Wearable devices connected with ML algorithms monitor health metrics in real time and help in the early detection of problems and timely interventions [33]. Telemedicine platforms equipped with AI triage systems can efficiently utilize healthcare resources by providing patients with proper care while avoiding unnecessary emergency room visits [34].

The last aspect AI-driven tools provide is cost-effectiveness analysis, an essential component of healthcare decision-making [20]. Integrating treatment costs, health outcomes, and patient preferences in a data source allows the ML models to produce elaborate details about the economic implications of interventions [21]. This would empower policymakers and healthcare providers to make evidence-based decisions and maximize health outcomes relative to cost [22].

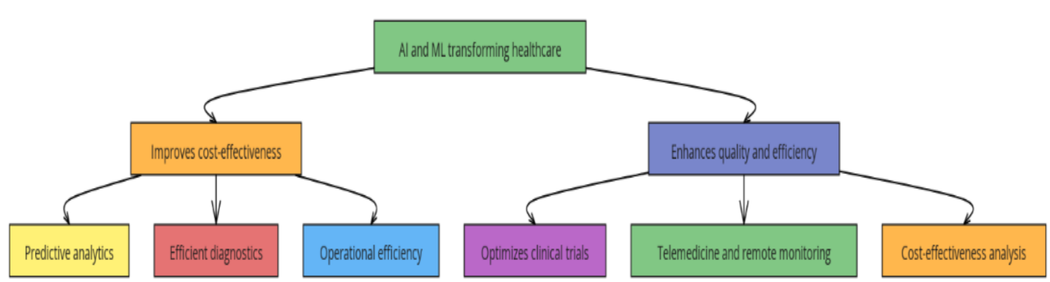

Fig. 3. Role of AI and ML to improve cost-effectiveness in healthcare delivery systems

ii. Role of AI and ML to develop value-based care models in healthcare economics

Value-based care has been the transformative model in healthcare economics, improving patient outcomes over service volume while shifting away from a fee-for-service model toward efficiency and quality [35]. Artificial intelligence and machine learning increasingly play a key role in enhancing VBC models by enabling data-driven insights, real-time decision-making, and predictive capabilities toward optimizing healthcare delivery and economics [36]. At the core of VBC is measuring and understanding patient outcomes relative to the price of achieving those outcomes [37]. AI and ML perform incredibly well in dealing with vast, complex data, including electronic health records, imaging data, genomic information, etc., thereby identifying patterns, making predictive outcomes, and delivering actionable information [38].

Predictive analytics, one of the hallmarks of ML, would be particularly transformative in the chronic disease management arena [37]. With patient data, ML algorithms identify individuals at risk of experiencing complications or disease progression, prompting early interventions. The above approach is in tandem with the principles of VBC, which focuses on prevention rather than costly interventions, such as hospitalizations and emergency care [35], [37].

AI contribution in VBC is to benchmark the performance of the providers. Through advanced AI algorithms, efficiency and effectiveness between providers can be compared by processing the data present in EHR and other metrics [38]. Highlighting and providing the opportunity for improvement via data-driven feedback, accountability, and encouragement of aligned value-based care goals are further created. It will ensure that quality healthcare is maintained and resources are used for those interventions that deliver the highest value [38].

A subset of AI, NLP refers to natural language processing that refines VBC by providing insights derived from unstructured data in medical records [39]. This helps determine gaps in care or what needs improvement, making informed decisions to ensure alignment with the goals of being patient-centric and financially sustainable for care delivery [40]. AI also contributes through cost savings in terms of operational efficiencies. For instance, optimizing hospital staffing with tools powered by AI prediction ensures adequate resource allocation without wastage due to overstaffing. Similarly, AI-managed supply chains can prevent running out of or having excess medical supplies, thereby saving money while maintaining care quality [41].

AI supports fair value-based care by identifying disparities in access and outcomes. Its geospatial analysis identifies underserved populations, and their targeted resource allocation will benefit and promote equity across the board. It follows the economics of optimal resource distribution for maximum societal utility. Herewith, AI and ML in VBC present challenge models. The most critical barriers are data interoperability, privacy concerns, and a need for robust governance frameworks. Overcoming these barriers will be critical to unleashing AI's full potential to transform healthcare economics through value-based care.

iii. ML Techniques in the optimization of resource distribution in healthcare delivery

Optimizing resource utilization in healthcare requires robust decision-making tools, and the potential of AI and ML to transform decision-making is emerging [42]. Among the best techniques used are predictive analytics, utilizing historical data to predict resource demand [43].

Reinforcement learning (RL) is another significant approach, particularly in dynamic resource allocation scenarios, such as real-time patient triage in emergency environments [44]. The RL models are adaptive, learning optimal strategies for resource deployment to maximize patient outcomes with minimal wastage [45]. NLP has become very resourceful in analyzing unstructured healthcare data, such as electronic health records (EHRs). It helps identify trends in patient data, such as high-risk cases or frequent procedures, that may help at the point of focused resource allocation [46]. Together, these techniques make healthcare systems work more accurately and efficiently. However, challenges in terms of data quality, integration into existing systems, and equitable distribution of resources are significant areas for further research and development.

iv. Barriers to integrating AI and ML into healthcare economics

Patient privacy, patient data ownership, and compliance with regulations like HIPAA and GDPR leave question marks on adopting AI in healthcare. Errors here would open the way for litigation and loss of public confidence. Another challenge lies in interoperability [50]. AI solutions must integrate seamlessly with healthcare systems like EHRs and billing platforms. However, disparate systems and standards make this integration complex and costly [49], [50].

Finally, workforce resistance to AI adoption prevents progress. Many healthcare professionals question AI's reliability and view it threatening their autonomy or jobs. Education about the benefits of AI and its potential roles as a supporting tool can improve this resistance. More effective policy and practice and the elimination of barriers require a collaborative effort among policymakers, technologists, and providers. Investment in data infrastructure, precise regulation, and action can help ensure equity and effectiveness in integrating healthcare economics.

v. Comparison of AI-driven models of cost-effectiveness analysis with traditional methods

AI-driven models have revolutionized cost-effectiveness analyses (CEA) by introducing capabilities that surpass traditional methods in terms of accuracy and scope [51]. Traditional CEAs rely on static decision-tree models or Markov simulations, which are limited in processing real-time or large-scale data. AI-driven models, in contrast, use dynamic algorithms that adapt to new data, enabling continuous refinement of cost-effectiveness predictions [52].

For example, ML models, such as Gradient Boosting and Support Vector Machines, can analyze many datasets simultaneously, including patient demographics, treatment outcomes, and operational costs [53], [54].

The AI-driven models can also capture RWE. With EHR data, wearables, and patient registries, the AI model creates insight reflecting the real world and is unlike traditional methods, which often are limited to clinical trial data alone [55]. AI models also perform best in predictive analytics, that is, simulating the long-term effects of interventions. For example, in several decades, they can predict the impact on health and the economy caused by preventive measures, such as vaccinations [56]. However, despite these advantages, it also has challenges. They need high-quality, representative datasets and advanced computational power. Moreover, they need interpretation expertise because their nature might lead to opaque decision-making processes [57].

vi. Improvement of Cost containment and outcome for the patients with AI-driven personalized insurance plans

AI-driven personalized insurance plans apply machine learning algorithms and big data analytics to tailor health insurance coverage to individual health profiles [58]. Such a revolutionary method is aimed at the best optimization of cost containment based on the personal healthcare needs that are being predicted with coverage plans tailored according to the expected medical expenses. Analyzing data based on medical history, genetic information, lifestyle factors, and social determinants of health, AI can effectively classify people into risk categories, allowing insurers to allocate resources appropriately [59].

Personalized plans will benefit patients. Some will get targeted coverage, reducing the out-of-pocket burden and providing access to relevant medical services [60]. For instance, individuals with chronic conditions can get plans that focus more on preventive care and the disease itself, minimizing the possible cost of hospitalization in acute exacerbations of these diseases. Healthy ones enjoy lower premiums owing to lower risk profiles [61]. From a broader view, this paradigm shift in insurance can help contain the costs of healthcare systems. It will predict high-risk patients and intervene in preventive measures, so insurers will not be burdened with expensive treatments. Personalized plans also prevent overutilization or misuse of healthcare services, which makes health economics more sustainable [62].

However, it poses some challenges: potential algorithm design biases could lead to coverage inequities [63]. For instance, algorithms trained on incomplete or skewed data can disadvantage marginalized populations. There is also privacy concerns since insurers handle sensitive patient information [63]. Despite these challenges, AI-driven personalized insurance plans hold transformative potential to improve patient outcomes and contain costs by aligning resources with precise healthcare needs, paving the way for a more efficient and equitable healthcare ecosystem [62], [63].

vii. Ethical and regulatory challenges in using AI in healthcare insurance practices

The amount of personal health data needed for AI algorithms—such as genetic, lifestyle, and socioeconomic information—is too large and increases the risks of breaches and unauthorized use [64], [65]. Patients may hesitate to share sensitive information, fearing misuse or lack of privacy protection. Another challenge is transparency in AI decision-making. Most AI algorithms are "black boxes," meaning it becomes difficult for insurers, regulators, or patients to understand how decisions, such as risk categorization or premium determination, are made. This lack of transparency can undermine trust in AI-driven systems [66].

III. Challenges and Future Directions of AI Innovation in Healthcare Economics

Artificial intelligence has profoundly impacted healthcare, opening promising avenues for better patient outcomes, optimizing operational workflows, and reducing costs [5]. However, as healthcare systems around the world embrace AI, its economic implications and associated challenges become increasingly apparent. Figure 4 represents how AI application in healthcare is going to be from the present uses like medical imaging and chatbots up to the future potential uses such as fully autonomous robotic surgery and an artificial clinician. This path shows the significant potential of AI but also indicates the significant challenges that need to be overcome for its economic feasibility [10].

i. Key Issues in AI Implementation towards Healthcare Economics

a. High Setup Costs and Running Expense

AI systems are capital-intensive in terms of infrastructure, data storage, computational power, and skilled personnel. For example, a clinical decision support system that uses AI requires not only training complex algorithms but also integrating them with existing EHRs, which can be cost-prohibitive for smaller hospitals or clinics [41].

b. Data-Related Issues

AI relies on large, high-quality datasets to perform well. However, healthcare data is often fragmented, siloed, and inconsistent. Interoperability between systems and institutions still poses a significant challenge that limits the scalability of AI. Furthermore, biases within training datasets can lead to uneven AI recommendations, which would worsen healthcare disparities [7], [19], [50].

c. Maintenance and Continuous Learning

AI models require constant updates and retraining to remain relevant as medical knowledge evolves [62]. This adds to ongoing costs and necessitates a team of data scientists and healthcare professionals to monitor and refine these systems, further complicating their economic feasibility [63].

ii. Future Directions of AI in Healthcare Economics

a. Collaborative and Interoperable AI Systems

Standardized data-sharing protocols can reduce fragmentation and improve interoperability. Initiatives such as Fast Healthcare Interoperability Resources (FHIR) promote seamless data exchange, which is critical for the scalability of AI tools [44]. Collaborative AI ecosystems could enable hospitals and smaller clinics to share costs and benefits.

b. Cost-Benefit Optimization

AI systems need to be assessed economically not just in terms of the front-end investment but also long-term returns. For example, tools such as predictive analytics and population health management could show immediate returns in reducing hospital readmission and ensuring optimal resource usage [45].

c. Incorporating AI into Remote Healthcare

As shown in Figure 4, the next 5-10 years will most likely see the extension of AI into remote health management, clinical decision support, and virtual health coaching. These applications can drastically reduce operational costs through the decentralization of care delivery, enabling patients to receive timely interventions without visiting healthcare facilities [46].

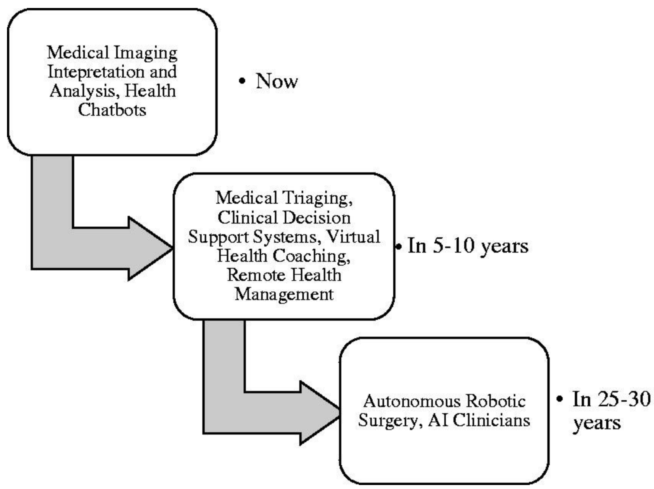

Fig. 4. This figure depicts the progression of AI applications in healthcare over time

d. Ethical AI and Transparent Frameworks

The need to establish transparent guidelines on the use of AI. Ethical AI principles focusing on fairness, accountability, and explainability will guide development and deployment. For example, XAI helps clinicians understand and trust AI-driven recommendations for better adoption.

e. Upskilling the Workforce

Educating healthcare professionals on AI tools and their interpretation is where the seamless gap between technology and practice could be bridged. Universities and institutions should include AI literacy in curricula of medicine and nursing to prepare future practitioners for AI-driven workflows [46].

f. Robust Economic Models

Healthcare systems require strong models for ROI on AI. Such models must include qualitative advantages, such as patient satisfaction and clinician efficiency, along with quantitative measures like reduced costs and improved clinical outcomes.

iii. Long-Term Vision: 25-30 Years Ahead

The long-term vision, as envisioned in Figure 4, will see AI transform healthcare into an era of autonomous robotic surgeries and AI clinicians. This vision, though exciting, presents several challenges to be overcome.

- Autonomous Systems and Accountability: Fully autonomous AI raises complex questions of accountability and liability. Regulatory bodies must clearly define rules regarding the deployment of such systems.
- Economic Shift in Healthcare Workforce: AI would widely change the workforce within healthcare. While there are new roles to be formed about AI oversight and maintenance, traditional roles would lessen; thus, there would need to be proactive planning on the workforce.
- Global Accessibility: On the other hand, these cutting-edge technologies must reach low- and middle-income countries. Innovative financing models and partnerships will need to be designed to make AI affordable and impactful worldwide.

AI and ML hold vast transformative potential for healthcare economics; however, some challenges must be addressed to achieve all the benefits. AI systems require massive amounts of high-quality data to function properly. Health care data is often segmented across multiple systems and institutions, reducing its usability and application. Privacy concerns and regulatory restrictions further complicate data sharing and integration. Machine learning models are only as unbiased as the data on which they are trained. If training datasets reflect existing disparities, AI systems risk perpetuating or exacerbating healthcare access and outcomes inequities. Ensuring fairness requires meticulous dataset curation and ongoing monitoring of AI systems.

V. Conclusion

Healthcare economics has played an essential role in determining healthcare delivery's efficiency, effectiveness, and equity. Integrating AI and machine learning with this field offers unprecedented opportunities for improvements in cost-effectiveness, value-based care, and addressing disparities. Even though these innovations contain challenges that involve thoughtful consideration and collaborative solutions, AI can pave the way for a more efficient, equitable, and sustainable healthcare system. Ultimately, it contributes toward the betterment of healthcare economics.

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