

[View this email in your browser](#)



Health Systems Initiative

HSI Newsletter: April 2026

In this issue, we feature [Prof. Anna Stansbury's](#) research on the evidence for an increase in workplace injuries following a [minimum-wage increase](#), as well as [StackAI's](#) VP of Healthcare and Sloan alum Shani Fargun's seminar on the case for [unsexy AI](#). In addition, we highlight [newly funded research](#) and HSI Advisory Board Member [Jason Helgerson's](#) February 11th seminar.

Under [Events](#), we have two HSI lunchtime seminars in April. On April 21st, the [CEO](#) of [GW RhythmX](#) will discuss Precision Care AI (register [here](#)). On April 28th, the [founder](#) of Harp Healthcare Advisors will reflect on healthcare in a rapidly changing world (register [here](#)).

We are also pleased to share a few highlights about the [MIT Health and Life Science Collaborative](#) (HEALS). First, HEALS is featured in the [latest issue of MIT Spectrum](#), which includes an article about [Kate Kellogg's work on how AI is \(and isn't\) improving healthcare](#). And on May 6, the MIT HEALS seminar series will feature a fireside chat with Professor Robert Langer (register [here](#)). Details are in [Events](#), below.

As always, if you have any questions or suggestions, please contact us at healthsystems@mit.edu.

NEWS

The Real Opportunity for AI in Healthcare Isn't Where You Think



At a recent HSI seminar, [Shani Fargun](#), VP Healthcare at [StackAI](#) made a deliberately unglamorous case for the future of artificial intelligence in healthcare. Not predictive diagnostics. Not breakthrough clinical tools. Something far less exciting on the surface: administrative work (also

known as Unsexy AI).

For years, the dominant narrative around AI in healthcare has focused on its potential to transform clinical decision-making. Yet, according to Shani, the most immediate and measurable value lies elsewhere entirely. The real opportunity, she argued, is in reducing the operational friction that defines modern healthcare systems.

And there is a lot of friction.

Despite decades of digitization, healthcare operations remain deeply fragmented. Data is spread across electronic health records, call centers, billing systems, and internal tools that rarely communicate with one another. Much of the actual work still relies on manual processes and unstructured information, such as emails, PDFs, and call transcripts. In one of the more striking reminders of how little has changed, the majority of U.S. hospitals still rely on fax machines to transmit medical records.

If that sounds like an industry ripe for automation, it is. But the reality is more complicated.

One of the more surprising points from the seminar was not that healthcare organizations are experimenting with AI, but how little they are getting out of it. While a large majority have launched AI initiatives, roughly 95% fail to deliver meaningful returns on investment or progress beyond the pilot stage. The issue, it turns out, is not a lack of technical capability. It is everything else.

To learn how StackAI helps companies get the most out of AI, click [here](#).

[Back to Top](#)

Minimum Wage Increases and Workplace Injuries: Evidence on Firm Responses to Higher Labor Costs

Debates over minimum wage policy have historically centered on a relatively narrow set of outcomes, most notably employment effects and wage gains. This focus, while analytically expedient, risks obscuring a broader set of firm responses that operate through non-wage aspects of work.



A recent study co-authored by [Professor Anna Stansbury](#) contributes to a growing literature that examines these non-wage margins. Specifically, the paper investigates how minimum wage increases affect workplace health and safety, an outcome that is both economically meaningful and, until recently, underexamined.

Using administrative data on more than 13 million workers' compensation claims in California between 2000 and 2019, the authors document a consistent, quantitatively meaningful relationship: increases in the minimum wage are associated with higher workplace injury rates.

The headline estimate is straightforward. A 10% increase in the minimum wage leads to approximately two to three additional injuries per 1,000 low-wage workers annually. While modest in absolute terms, this effect scales considerably when aggregated across large labor markets and is concentrated among workers whose pay is close to the minimum wage.

How Firms Adjust to Higher Minimum Wages

The central contribution of the paper lies less in the magnitude of the effect than in its interpretation. Standard models of minimum wage policy tend to emphasize employment adjustments, implicitly assuming that firms respond to higher labor costs primarily through hiring decisions.

However, firms possess a broader set of adjustment mechanisms. They can alter scheduling, benefits, capital intensity, and, crucially, the pace and organization of work itself.

Specifically, as labor costs increase, firms may respond by increasing output per worker to recoup those higher labor costs, effectively accelerating the pace and pressure of production. The evidence presented in this study is most consistent with

from flu and pneumonia and a 4–5% decrease in hospital readmissions. As adoption expanded, these improvements are estimated to have contributed to approximately 27,000 lives saved annually, likely driven by better care coordination and more effective public health response.

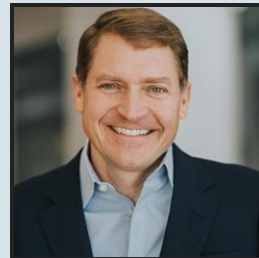
Taken together, the newly funded projects reflect HSI's focus on generating practical evidence about how AI affects workers and organizations in real-world settings. At the same time, ongoing research on health information technology continues to demonstrate the measurable impact that data infrastructure and care coordination can have on patient outcomes.

Learn more about HSI funded research projects on AI, Work and Healthcare outcomes; click [here](#).

[Back to Top](#)

Rethinking What Actually Drives Change in Healthcare

The February 11, 2026, HSI lunchtime seminar featured a wide-ranging presentation on healthcare system transformation. One theme stood out: meaningful change may be less about new technology and more about incentives.



Drawing on his experience leading New York's Medicaid redesign, the speaker, [Jason Felgerson](#), Founder and CEO of [HSG](#) and [MIT Sloan HSI Advisory Board Member](#), emphasized that many persistent challenges in healthcare stem from how services are paid for. Fee-for-service models reward volume over outcomes, encouraging overuse of high-cost care while underinvesting in possibly more effective, community-based services.

Efforts to address these issues through large-scale reform can produce measurable improvements. For example, New York's Medicaid initiative successfully reduced avoidable hospitalizations by focusing on care coordination, service integration, and targeted investment in primary care. However, even well-funded, multi-year efforts had limited impact in other areas, such as emergency department use, highlighting how difficult it is to shift patient behavior and system dynamics.

Perhaps most notably, the seminar challenged the assumption that emerging

outcomes, patient experience, and overall costs remains uncertain.

The broader takeaway is that without addressing the underlying financial and structural incentives in the system, neither policy interventions nor new technologies are likely to deliver the scale of transformation many believe the system needs.

[Back to Top](#)

EVENTS

HSI Lunchtime Seminars

Precision AI Care at Scale

Presented by Deepthi Bathina, CEO, [GW RhythmX](#)

Tuesday, April 21, 2026, 11:30 AM – 1:30 PM EST

In person or on Zoom

E62-450, 100 Main Street, Cambridge, MA

Lunch will be provided in person. Email [Lisa Maloney](#) with any dietary concerns.

[Registration on Sloan Groups.](#)

Precision Care AI represents a fundamental shift in how healthcare knowledge is applied. For decades, clinical insight has been fragmented across records, guidelines, payer rules, and patient context, leaving clinicians to manually synthesize enormous amounts of information during a brief patient visit. Advances in AI now make it possible to integrate these disparate data streams and generate patient-specific insights in real time, within the clinician's workflow.

The result is a new paradigm where intelligence can continuously interpret clinical evidence, patient history, and system constraints to help guide care decisions. When applied responsibly and validated in real-world clinical settings, Precision Care AI has the potential to improve diagnostic accuracy, personalize treatment, reduce administrative burden, and allow clinicians to spend more time on the human aspects of care.

Reflections on Healthcare in a Rapidly Changing World

Presented by [Arpa Garay](#), '00, Founder, Harp Healthcare Advisors, LLC

Tuesday, April 28, 2026, 11:30 AM – 1:30 PM EST

In person or on Zoom

E62-450, 100 Main Street, Cambridge, MA

Lunch will be provided in person. Email [Lisa Maloney](#) with any dietary concerns.

[Registration on Sloan Groups.](#)

May 6, 2026 | 4:00 pm - 5:00 pm | Broad Auditorium

The next session in the MIT HEALS seminar series will feature a fireside chat with MIT Institute Professor Dr. Robert Langer. Dr. Langer is one of only 9 Institute Professors at MIT. His research has achieved extraordinary impact, with over 472,000 article citations and an h-index of 336, the highest ever for any engineer, and his patents have been licensed to over 400 companies. He is a co-founder of Moderna and has received both the United States National Medals of Science and Technology & Innovation (shared by only 3 living individuals), 45 honorary doctorates, and election to the National Academies of Medicine, Engineering, Sciences, and Inventors. [Register here.](#)

[Back to Top](#)



Copyright © 2026 MIT Sloan Health Systems Initiative, All rights reserved.

Want to change how you receive these emails?
You can [update your preferences](#) or [unsubscribe from this list](#).

