

Executive summary

In a July 2026 Paubox survey of 151 healthcare leaders, 70% said their organization has found that an AI-built tool handled PHI without IT or security knowing.

This report covers AI-assisted development: healthcare staff using AI coding assistants to build tools, scripts, automations, and integrations, and how organizations govern that work. It draws on the same survey as The AI Build Benchmark [1], Paubox's report on adoption, and focuses on governance instead. Every respondent works at an organization that handles PHI electronically and uses AI coding assistants.

Healthcare leaders describe strong controls, and they also report what has already happened outside them:

- 85% say their organization's AI-built tools have handled, stored, or transmitted PHI.
- 87% say security, privacy, or compliance always or usually reviews PHI-handling AI code before deployment.
- 70% have found that an AI-built tool handled PHI without IT or security knowing.
- 54% say AI-generated code has contributed to hardcoded credentials or API keys, and 51% say it has contributed to PHI exposure.

Review and BAA checks only reach tools on IT's list, so an unlisted tool gets neither. That matters more now that HHS Office for Civil Rights (OCR) expects organizations to show they acted on the risks they document [2], because an unlisted tool never gets documented. So governing AI-assisted development starts with an inventory: a list of every AI-built tool and whether it touches PHI.

By the numbers

85%

say their organization's AI-built tools have handled, stored, or transmitted PHI

87%

say security, privacy, or compliance always or usually reviews PHI-handling AI code before deployment

70%

have found that an AI-built tool handled PHI without IT or security knowing

51%

say AI-generated code has contributed to PHI exposure

54%

say AI-generated code has contributed to hardcoded credentials or API keys



Give AI-built tools a **compliant** **way** to send PHI

When AI-built tools need to email a patient or a partner, the Paubox Email API sends it encrypted by default.

Start for free

