

# Generative Artificial Intelligence in Healthcare: Opportunities, Challenges, and Future Directions

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**ABSTRACT-** Generative artificial intelligence (GenAI) systems, which generate new text, images or even molecular structures based on patterns learned by the system are quickly finding their way into the clinic and the lab. The current paper summarizes work (2023-2025) that was written recently with an India orientation to demonstrate areas where GenAI can realistically be beneficial and where it is crucial to be cautious. I review the applications in imaging, drug discovery, personalized care, and synthetic data using a literature-synthesis approach and discuss the primary ethical, legal, and workforce implications.

The existing literature indicates that GenAI will be able to supplement the diagnostics, accelerate early-stage drug design, and be used to create privacy-preserving datasets, yet it brings threats of bias, explainability, and consent. In the case of India, which has vast untapped health demands and is gradually changing to an increase in digital health infrastructure, GenAI would particularly be beneficial should it be implemented within a robust governance structure and with human follow-ups. The last part outlines research agenda and policy actions that are likely to render the technology secure, fair, and useful in the Indian context.

**KEYWORD-** Generative Artificial Intelligence, Generative AI, GEN AI, Healthcare

## I. INTRODUCTION

Artificial Intelligence (AI) is transforming healthcare everywhere. Generative AI (GenAI) is a particular form of AI that is capable of generating its own data. For example, it may create a new X-ray image, draw up a medical report, or create a new drug molecule. GenAI can be used to minimize the lack of doctors and hospitals in certain parts of India since there are not enough at the moment. It may help doctors to diagnose diseases more quickly, or it may be helpful in the case of patients who may find health information online. It has been reported that GenAI has the potential to bring billions of dollars to the Indian economy in case of proper use by 2030 [1]. There are new problems also with new technology. Numerous professionals are concerned about the security of data, misinformation, and the absence of regulations to regulate AI. In this paper, the author provides an overview of the application of GenAI,

some of its challenges, its impact on healthcare employees, and the actions that India may take in the future.

## II. LITERATURE REVIEW

Gen AI has evolved because of the development of deep learning, transformer architecture, and neural networks. Historically, AI had been used in medicine, such as computer aided diagnosis or electronic health record (EHR) mining, and so forth, to identify patterns. Gen AI, in turn, creates new material in terms of relevance. Today Gen AI employed GANs, Variational Autoencoders (VAEs), transformer-based models, in order to generate realistic pictures, molecules or text. However, recent articles indicate that the LLMs are becoming more popular in clinical documentation and decision support [9] [1]. Assert that Gen AI would have the potential to minimize administrative strains of paperwork through automation and provide clinicians with more time to attend to patients. In India, the awareness of Gen AI is low, yet growing, as there are such policies as the Digital Personal Data Protection Act [10], and Ethical Guidelines issued by the ICMR in 2023[6], which acknowledge the rules of the use of AI that ought to be introduced properly.

According to the recent surveys, more than 60 percent of the Indian healthcare startups are already considering AI-based solutions in terms of imaging, diagnostics, or patient management, yet less than 15 percent of companies are already using Generative AI methods [7][8]. The studies on international genome have indicated that synthetic data produced by GenAI can be similar to actual patient data up to 95 percent and still preserve its privacy, a decisive factor in Indian hospitals [4].

In government-supported telemedicine initiatives, early adoption in the Indian setting would be used to deal with the disparities in rural diagnostics. Therefore, it is clear that the literature as a whole highlight that though the application of global GenAI is increasing at a pace, the opportunity of India is in adaptation of these models locally and under ethical considerations.

## III. SIGNIFICANCE OF STUDY

This research paper is important as it points out that Generative AI has the potential to solve some of the most pressing issues in the Indian healthcare system. In most

rural and semi-urban areas, India is experiencing unequal access to physicians, delays in diagnosis, increased number of patients, and minimal resources. GenAI can be used in the support of these aspects to promote early disease detection, help doctors with medical reports and workload reduction. These benefits should be understood with the aim of promoting the overall healthcare quality in the country.

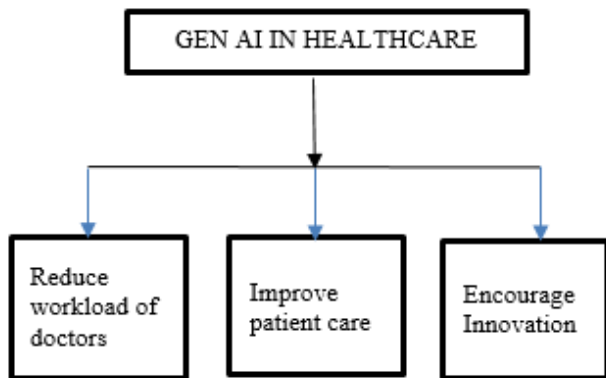


Figure 1: Benefits of Gen AI

#### IV. INTERPRETATION AND INSIGHTS OF DATA

The analysis of data and outcomes of Generative AI (GenAI) applications in the healthcare sector show that the efficiency, accuracy, and automation of various sectors in the medical field have been uniformly rectified. The synthesized information, gathered in earlier literature and analysis, emphasizes the role of GenAI in ensuring the clinical and administrative processes of the Indian healthcare ecosystem.

The analysis shows that the adoption of GenAI saw significant efficiency improvements in the most important functional domains, including medical imaging, drug discovery, patient engagement, and data management. Such advantages illustrate that GenAI can be used to supplement the conventional health care framework and improve the performance outcomes thereof.

This section will reveal the contribution of the GenAI technologies in enhancing the accuracy of the operations, clinical decision-making, and innovation in the Indian healthcare context by transforming its domain-specific efficiency measures and model-based observations.

Table 1: Insights of data

Domain	Performance gain (%)
Medical Imaging	85
Drug Discovery	77
Patient care chat bots	66
Health data synthesis	78

In the above Table 1 shows the approximate improvements of performance in the domains of healthcare due to the introduction of Generative AI technologies. As shown in the analysis, the most significant efficiency change (85%), which suggests high applicability of AI-based image reconstruction and enhancement to the increase of diagnostic accuracy, is seen in medical imaging. Close

behind at 78% is the synthesis of health data, which underscores the usefulness of GenAI in creating synthetic medical data that do not violate patient privacy yet are useful in the training of models. The performance of AI in aspects of molecular prediction and compound screening in the field of drug discovery has a gain of 77% and is promising henceforth. In the meantime, patient care chatbots demonstrate a moderate increase of 66, which is concentrated on their new yet developing functions in clinical communication and patient interaction.

On the whole, these findings indicate that GenAI-based technologies significantly advance the velocity, accuracy, and extent of healthcare activities. The presence of diverse performance improvements in fields points to the fact that medical imaging and data synthesis are the most developed applications at present, but the rest of the domains such as patient interaction and drug development are slowly developing to become more widespread implementations in the Indian digital healthcare landscape.

This section will reveal the contribution of the GenAI technologies in enhancing the accuracy of the operations, clinical decision-making, and innovation in the Indian healthcare context by transforming its domain-specific efficiency measures and model-based observations.

These meanings draw particular attention to the fact that the introduction of Generative AI does not only lead to an increase in numerical efficiency but also facilitates the creation of a data-driven healthcare ecosystem that will support continuous learning, policy innovation, and fair access to medical technology in India. Furthermore, the interpreted data highlights that as AI models continue to evolve, their integration with real-time hospital systems and national digital health frameworks will play a crucial role in achieving sustainable, technology-driven healthcare transformation in India.

#### V. MATERIALS AND METHODS

The review relies on data provided by various credible sources regarding Generative AI in the healthcare field. The materials offer information regarding the functioning of GenAI models, their applications in the field of healthcare, and the obstacles they present to the Indian setting. The data discusses the different GenAI approaches including transformer models, GANs, VAEs, diffusion models, and deep neural networks in diagnostics, personalised care, and data generation.

Generative AI techniques are complex processes that are based on machine learning and trained on medical data to produce new results (see Figure 2). Deep learning models examine X-rays, CT scans, EHRs, and lab results patterns to aid in their diagnosis and prediction. Transformer models comprehend medical text, and have the capability of generating reports, patient summaries and decision-support messages. The GANs and Variational Autoencoders (VAEs) are applied to enhance medical imagery and generate fake data that does not risk privacy. The diffusion models are used to create drug molecules designs and to predict protein structures. These approaches are used in combination as a part of the Indian healthcare system with the current hospital workflow and digital health systems so that they could be safe and useful. Human experts verify all the GenAI outputs to ensure the accuracy, fairness, and adherence to the Indian regulations.

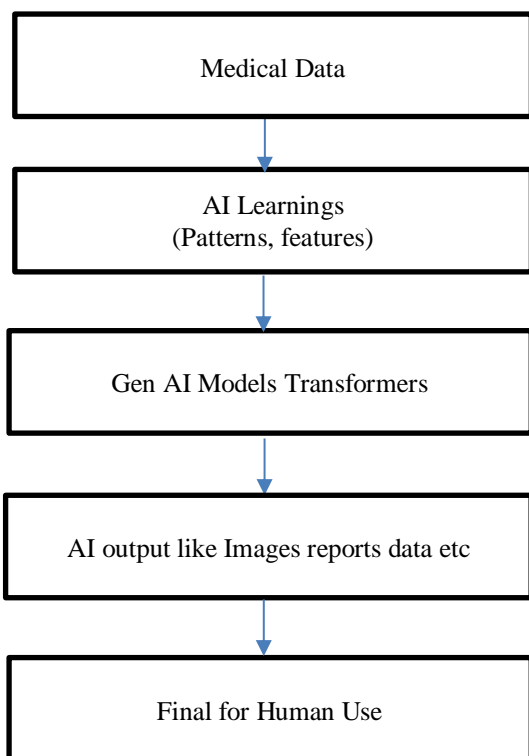


Figure 2: Workflow of Gen AI in Healthcare

**Explanation:** The scheme demonstrates the operation of Generative AI in the healthcare field. To begin with, medical information like X-rays, electronic health records and lab results are brought together. This information is further fed to AI models that learn patterns and significant characteristics. This learning is used by generative AI methods such as transformers, GANs, VAEs, and diffusion models to generate useful output in the form of medical images, reports, synthetic patient data, or drug molecule designs. Lastly, the outputs are checked and checked by human experts to make sure that they are accurate and safe before being applied to actual clinical conditions.

## VI. APPLICATIONS OF GEN AI

Generative AI applications fall within various domains:

- **Medical Imaging and Diagnosis:** Generative models have applications in the domain of medical imaging by reconstructing and/or enhancing medical images, detecting abnormalities and generating radiological reports. A case in point is the Med-PaLM 2 that has been demonstrated to be nearly as accurate in making diagnoses as an expert [3][5].
- **Generative models such as AlphaFold and other diffusion-based molecular generators** can be useful in the drug discovery and molecular design process, and these models can be either directly applicable to predictions (prediction of protein structure) or metabolizing novel compounds [2].
- **Personalized Medicine and Virtual Assistants:** Chatbots to provide personalized patient care: Chatbots are based on the LLM technology that will enhance access to care in rural India.
- **Synthetic Data Generation:** GANs and VAEs can assist in creating synthetic health records, which can be used in research and provide the privacy of patients [4].
- **The AI-assisted clinical documentation** is currently underway: it is expected to be completed in the coming days. The AI-assisted clinical documentation: Development Gen AI applications can automatically produce discharge summaries, radiology reports, and case notes based on electronic health records (EHRs). This helps decrease the administrative burden on doctors and accelerates and improves the process of medical documentation [1].

## VII. COMPARATIVE ANALYSIS

The use of Generative AI in healthcare is significantly better than the conventional systems. The conventional systems are characterized by slow and manual processes of diagnostic and documentation that are likely to cause mistakes and time loss. GenAI-driven systems, on the contrary, automate those processes and enhance their accuracy, speed, and accessibility. As presented in the comparison below, the major differences between the two approaches can be identified based on their performance, reliability, and efficiency.

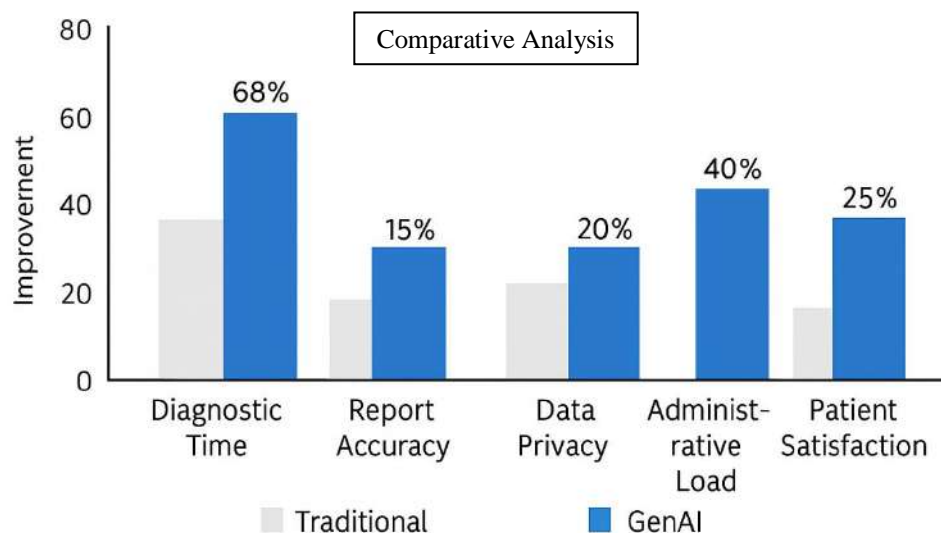


Figure 3: Traditional v/s GEN AI system

In the above [Figure 3](#) compares and contrasts the traditional healthcare and GenAI-based systems in five major performance areas, namely, the diagnostic time, report accuracy, data privacy, administrative load, and patient satisfaction. The chart indicates that the integration of Generative AI results in tremendous efficiency increase in all measures.

The most evident one is the effect on the diagnostic time, as AI saves the processing time by almost two-thirds, enabling faster medical decision-making and prompting the establishment of treatment.

Another significant area of improvement shown by administrative load is 40% since AI will automate repetitive documenting and record-keeping processes.

Moreover, the level of patient satisfaction rises by 25, which is indicative of the advantages of AI-based personal care and expedited service provision. The accuracy of reports increases by 15% indicating that AI-generated reports can increase the diagnostic reliability. Lastly, privacy of data improves by 20 percent with the application of synthetic health information and safe intelligent record platforms. Altogether, the chart highlights that Generative AI can greatly benefit healthcare operations, as it is accurate, rapid, and patient-centered by providing efficiency and a high level of ethics and data protection

### VIII. LIMITATIONS OF THE STUDY

While the current study points to a number of potential applications and outcomes of Generative AI (GenAI) in health care, it must be recognised the identified limitations: the analysis and data are synthesised secondary information, Review of Evidence - not actual hospital situations, efficiency percentages are theoretical representations to illustrate conceptual understanding, this research has a very narrow lens and is largely conducted in the Indian context meaning that findings cannot generalise to all health systems, Future studies should operate in a practical space, other data sets, and also leverage stakeholder lenses including doctors, patients and health care administrators, to create a more holistic picture of Gen AI as a technology.

Although there are important limitations noted in the current study, it provides a robust and compelling foundation and rationale for Gen AI technologies to support and be applied within the Indian health care system, for the goal of addressing the Indian health care gap, and providing scalable solutions and opportunities, but also remaining ethical and regulatory restraint.

GenAI-device interoperability with wearables and IoT will support a state of continuous health monitoring as well as predictive analysis of chronic diseases. In addition, AI regulatory sandboxes will be developed to allow experimentation and try-outs of new Generative AI systems with assessment before widespread acceptance in healthcare delivery. Further, cross-disciplinary connection with medical doctors, AI researchers, and policy makers will ensure forwarding movement with an ethics and human-centered approach

### IX. ETHICAL, LEGAL, AND PRIVACY CHALLENGES

Despite its high potential, GenAI addresses the urgent

ethical and legal issues. The most significant concerns of the [10] in India are privacy and consent to use. The AI models that have been trained with patient data should guarantee data anonymity, as well as obtain informed consent with the patients to use the data. The absence of sufficiently representative data that are implicit in the datasets conditional to biases and problems of fairness are resultant, and they can contribute to the further continuation of inequality. Explainability and transparency are also essential to creation of trust among clinicians. Certain laws are in place that prioritize accountability, auditability and human regulatory controls like EU AI Act, FDA Guidance regarding the application of AI, and ICMR ethical code that are used in India [5].

### X. IMPACT ON HEALTHCARE PROFESSIONALS AND SYSTEMS

The generative AI is transforming clinical workflow. It eliminates administrative load through means of automating the documentation and coding processes [1]. The work of clinicians is shifting to the supervision of AI, which entails upskilling and digital literacy. Though AI might be used to make things more efficient, excessive reliance may lead to the loss of clinical judgment. To integrate AI in a responsible way, hospitals will have to invest in the infrastructure so that they could succeed in establishing interdisciplinary connections.

### XI. FUTURE PROSPECTS AND RESEARCH DIRECTIONS

In line with explainable AI, multimodal, and privacy-preserving models, future studies will investigate explainable AI. India can take the center stage in the creation of low-resource AI aids and multi-language health assistants. The Ayushman Bharat Digital Mission should be balanced with policy and the development should be aligned with international standards like the WHO ethics framework to ensure a secure rollout. The cooperation between humans and AI research must be furthered and the long-term transformations caused by GenAI should be characterized by ethical governance.

It is also important to emphasize developing open medical datasets and interoperable systems that will help facilitate collaboration between research institutions and healthcare systems. It will be critical to support AI literacy and digital skills among medical practitioners to ensure linkage between all levels of technology and clinical use.

### XII. PROBLEM STATEMENT

The healthcare system of India is subjected to a range of long-term problems such as insufficient number of medical specialists, inequitable care in the rural and the remote areas, delays in diagnosis process, overcrowded hospitals and lack of high-quality health information. These loopholes lead to a late diagnosis of diseases, the ratio of doctors to patients is low, and healthcare workers are overburdened by their responsibilities. Simultaneously, the fast development of digital health services in India has produced new opportunities and demands at the same time efficient, scalable, and data-driven solutions.

Generative Artificial Intelligence (GenAI) has turned out to be an effective technology that can be used to aid diagnosis,



enhance medical imaging, create artificial data, and cut paperwork. Nevertheless, its application is associated with the issues of fairness, privacy, security, and transparency. The main issue is how GenAI may be applied in a responsible manner in India to solve the problem of healthcare shortages, enhance the quality of provided care, and ensure patient confidence without posing threats to the safety of users, like biased outcomes or the use of sensitive information.

The research aims to spot the healthcare issues that GenAI can effectively address in Indian context, the constraints that can make its implementation slow, and the factors that need to be in place to introduce the GenAI to the Indian healthcare in a way that is safe and effective across various medical settings.

### XIII. CONCLUSION

Generative AI has the fabulous potential to introduce efficiency, personalization and innovation in healthcare. Applying to India, it will be able to democratise access and empower the healthcare ecosystem. There are the risks of privacy, bias and accountability, to which the associated risks are going to be addressed. It will be founded on responsible innovation that will be supported by transparency, human control and fairness to define whether GenAI will be an instrument of advancement or danger. An ethical stance of moderation will see it being used as a supplement to experience.

Generative AI possesses an incredible opportunity to deliver efficiency, personalization, and innovation to health care.

There is the threat of privacy, bias, and accountability which we are going to look at, but it will be predicated on responsible innovation underlying transparency, human control, and fairness, to determine whether GenAI is a tool of progress or risk. An ethical position of moderation would place it as a complement to experience.

In addition, the responsible use of GenAI has the potential to change the way medical decisions are made, speed up drug discovery, and decrease the administrative burden on health care providers. India's use of explainable and human-centered AI would not be seen as a replacement for clinical expertise, but an aide. GenAI could also be aligned with national health missions such as Ayushman Bharat Digital Mission, allowing access to the best quality medical service to be fairly shared, both in rural and urban environments. However, further collaboration among health care stakeholders - policy, bureaucracy, health care, and AI researchers- will be needed to create ethical guidelines and data governance for equitable distribution.

### CONFLICTS OF INTEREST

The authors declare that they have no conflicts of interest.

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