

TL;DR: Yes—your distinction is substantially right, especially for **public K–12 education**. A company can reach millions of families with an AI tutor, but that does not give it access to school funding, authority to award credit, or the ability to replace everything schools provide. **The most promising adaptation of the healthcare model is to combine widely available AI instruction with local human support and recognized pathways to credentials or employment.**

There is also an important qualification: education outside formal schooling—adult learning, tutoring, job training—is often **easier** to enter than healthcare. The difficulty rises sharply when an alternative seeks to replace a publicly funded school or an accredited degree.

 1. The fundamental difference: what money buys and who controls it

Both sectors separate the person receiving the service from the person or institution paying for it. But they do so differently.

Healthcare spending reached **\$5.3 trillion in 2024**. Public elementary and secondary school spending alone was approximately **\$984 billion in fiscal 2024**, excluding higher education and private education. These are different scopes, but they establish the scale. [CMS](#), [Census Bureau](#)

Structural question	Healthcare	Public K–12 education	Higher education
Who pays?	Insurers, governments, employers, patients	Primarily state and local governments	Students, families, governments, employers, donors
What is generally purchased?	Visits, procedures, prescriptions, or responsibility for a patient’s care	A continuing package of schooling and services	Courses, credentials, and an institutional experience
Who selects the provider?	Patients, constrained by coverage, networks, and availability	Families within residence, enrollment, and school-choice rules	Primarily students, constrained by admission and affordability

Structural question	Healthcare	Public K–12 education	Higher education
Can a new provider sell one component?	Often: a consultation or prescription service	Easily as supplemental tutoring; harder as a publicly funded substitute	Often for learning; harder for recognized degree credit
Main institutional barriers	Licensure, payment rules, networks, clinical infrastructure	Funding, school authorization, attendance rules, curriculum, graduation requirements	Accreditation, financial-aid eligibility, credit recognition, reputation

Education is primarily a state and local responsibility. In FY2024, states supplied **45.2%** of public-school revenue and local sources **43.2%**. [Department of Education](#), [Census Bureau](#)

The economic consequence is substantial: **a family choosing an outside tutor generally does not redirect its child’s public-school funding to that tutor**. A consumer business therefore needs a separate payer or an authorized route into public funding.

2. Healthcare companies are routing around particular institutions—not the entire healthcare system

AT&T’s approach bypasses some traditional routes for finding and accessing care. It still relies on licensed clinicians, pharmacies, laboratories, and payment arrangements. Telehealth providers also face state-specific licensing requirements. [HHS](#)

Its advantage is principally **distribution**: an existing customer relationship can reduce the expense and friction of introducing a service.

The education equivalent could be a telecommunications company offering tutoring to every subscribing household. That is entirely plausible. But the comparison changes when the offer becomes “replace your child’s school.”

A virtual consultation can complete a discrete service. A tutoring session usually completes only one part of a child’s educational needs.

Healthcare’s hardest activities—emergency treatment, surgery, complex care—remain difficult to replace digitally. The relevant comparison is therefore between *specific functions* in each sector, rather than between two whole systems.

3. Schools combine several services that an AI tutor does not replace

A school provides instruction alongside supervision, relationships, peer interaction, meals, activities, assessment, and pathways to graduation. It also supports parents' ability to work.

Some responsibilities are enforceable public obligations. For example, IDEA makes a free appropriate public education available to eligible children with disabilities and provides for special education and related services. [Department of Education: IDEA](#)

This creates a major economic constraint:

Reducing the cost of instruction does not reduce the cost of the entire school by the same percentage.

An AI-based alternative may appear inexpensive because it supplies only instruction while families supply space, supervision, motivation, transportation, and specialist support.

That can be a useful arrangement for some families. It is not yet an equivalent replacement for a public school serving everyone.

4. School districts are powerful gatekeepers—but their power has boundaries

Districts can control purchasing, classroom deployment, staffing, schedules, and recognition of work within their schools. States establish broader requirements.

They generally do not control every learning activity a family undertakes outside school. Consequently, an alternative can:

- Reach families directly with supplemental learning.
- Operate through community organizations or employers.
- Support legally established homeschooling or private schooling.
- Work through an authorized charter or other public-school arrangement.
- Partner with a district to gain access to its funding and enrolled students.

Those routes have different obligations. In New Mexico, for example, homeschooling is a recognized option, but parents assume responsibility for education and must satisfy state requirements. An online public school is a different institutional arrangement. [New Mexico Public Education Department](#)

Funding can also become more portable through specific policies. Arizona's education savings account program permits eligible spending on tuition, tutoring, curricula, and other educational expenses. That illustrates a route around district purchasing, but **it depends on public policy rather than technology alone.** [Arizona Department of Education](#)

5. Higher education's strongest protection is recognition

A learner may acquire substantial knowledge outside a university. The harder question is whether an employer, university, or licensing body will recognize it.

Three things must be distinguished:

- **Learning:** acquiring knowledge and skills.
- **Verification:** demonstrating those capabilities credibly.
- **Recognition:** having that demonstration accepted for admission, credit, employment, or licensure.

AI may greatly improve the first. It does not automatically solve the other two.

Accreditation is also tied to federal student-aid access: institutions generally must have recognized accreditation to participate, alongside other requirements. [Department of Education: Accreditation](#)

A practical alternative is to partner with an institution that already grants recognized credit. Arizona State University's Universal Learner program, for example, allows people to start online courses without a conventional application and subsequently pay to place successful coursework on an ASU transcript. Transfer acceptance still depends on the receiving institution. [ASU Universal Learner](#)

My interpretation: An established institution can become the bridge through which an alternative learning model gains legitimacy.

6. Where the healthcare strategy transfers most readily

The following are my strategic assessments, rather than forecasts of guaranteed success.

Education opportunity	How the healthcare approach could transfer	Principal obstacle
Adult skills and continuing education	Offer learning through an existing employer or consumer relationship	Sustained participation and demonstrated value
Supplemental K–12 tutoring	Bundle access with broadband, employment benefits, or community services	Who pays for human support and whether learning improves

Education opportunity	How the healthcare approach could transfer	Principal obstacle
Job-specific training	Employers sponsor instruction and assess practical capability	Employer acceptance and real employment opportunities
College preparation and individual courses	Combine AI support with a recognized credit provider	Credit acceptance and total cost
Homeschool or small-school support	Provide curriculum, tutoring, assessment, and administrative assistance	Supervision, quality, financing, and state requirements
Full public-school replacement	Establish an authorized school with comprehensive services	The full combination of funding, public obligations, staffing, and trust

Adult and workforce education offers the clearest initial opening, particularly where employers can assess competence directly. Regulated professions remain a harder case because statutory qualification requirements cannot simply be replaced by a skills portfolio.

7. The strongest adaptation would combine national technology with local institutions

For PSA, I would explore an education counterpart to neighborhood diagnostics and community navigation:

A community learning service combining AI tutoring, local learning coaches, independent assessment, and agreements with credential providers or employers.

The roles would be distinct:

Function	Possible provider
Practice, explanation, translation, and feedback	AI learning platform
Motivation, scheduling, and help when learners struggle	Local coach or educator
Space, connectivity, and group activities	Library or community organization

Function	Possible provider
Verification of learning	Independent assessor or educational partner
Credit, certification, or employment recognition	College, credentialing organization, or employer
Affordable access	Employer, philanthropy, public contract, or consumer-service sponsor

This is a proposed design, not a claim that PSA already has these arrangements.

A technology company contributes reach and software. A community organization contributes trust and practical assistance. An educational or employment partner contributes recognition.

Crucially, **recognition agreements should come before recruitment**. Learners should know exactly what successful participation will count toward.

8. The biggest challenges are financial, institutional, and human

First: finding a durable payer.

Public school has no tuition charge to the family. A new service must justify an additional expense or obtain sponsorship. A “free membership” is not sufficient if coaching, assessment, examinations, or credit remain unaffordable.

The educational benefits may also arrive years later and accrue to someone other than the sponsor. That makes the return harder to capture.

Second: producing learning rather than completed assignments.

AI can make work look better without making the learner more capable. A randomized study in a Turkish high school found that unrestricted GPT-4 assistance improved practice performance but harmed subsequent unaided performance; a tutor designed with instructional safeguards largely mitigated that harm. This is evidence from one setting, not a verdict on all AI education. [PNAS study](#)

An alternative should measure retained knowledge, independent performance, and the ability to apply skills in unfamiliar situations.

Third: sustaining participation.

Access to excellent explanations does not guarantee daily effort. Learners need routines, encouragement, feedback, and often a person who notices when they disappear. Human support may become the largest recurring expense.

Fourth: earning recognition and trust.

Families will hesitate to gamble with graduation or college eligibility. Employers may resist unfamiliar credentials. Independent assessments and explicit acceptance agreements matter more than a platform's own completion badge.

Fifth: serving learners with the greatest needs.

A system that works primarily for motivated adults or children with highly involved parents may increase inequality. Costs must include accessibility, language support, devices, connectivity, and appropriate specialist assistance.

Sixth: aligning corporate incentives with education.

A media platform benefits from engagement; education benefits from mastery, which may involve less screen time and more independent work. Those objectives can diverge.

Children's data also creates specific obligations. FTC guidance limits when schools can authorize collection under COPPA and distinguishes educational use from unrelated commercial purposes. [FTC guidance](#)

Seventh: managing the transition for existing institutions.

If enrollment or funding shifts away, buildings, transportation systems, and other costs do not immediately disappear. Alternatives can also attract students who are cheaper to serve, leaving existing schools with greater needs per remaining student. Opposition may therefore reflect both institutional self-protection and legitimate concerns about public capacity.

 9. My recommendation for PSA

I would begin with **one narrow adult-learning or workforce pathway**, supported by a local institution and an employer willing to recognize demonstrated competence. A relevant possibility would be foundational digital skills, communication, or administrative preparation for community-health work—with any formal occupational requirements handled through the appropriate partner.

The pilot should establish five things before expansion:

1. A specific capability learners will acquire.
2. A named organization that will recognize successful completion.
3. A reliable source of funding for technology **and human support**.
4. Independent assessment, including delayed retention.

5. A meaningful outcome: accepted credit, advancement, employment, or improved job performance.

A complementary K–12 experiment could offer supervised supplemental tutoring through a community site while children remain enrolled in their schools.

My central judgment is that AI can make instruction much more widely available, but institutional change will depend on who finances it, who supports the learner, and who accepts the results. PSA's distinctive contribution could be organizing those relationships locally—turning abundant digital instruction into an educational pathway people can actually complete and use.