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Public Health and
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SUPPORT

HB820 HEALTH INSURANCE – UTILIZATION REVIEW – USE OF ARTIFICIAL INTELLIGENCE

March 27, 2025

Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the Environment Committee,

HB 820 ensures that the growing use of AI in healthcare decision-making is conducted transparently, grounded in evidence, and protective of patient rights. The bill establishes crucial safeguards for the use of artificial intelligence (AI), algorithms, and machine learning in utilization reviews conducted by health insurers, pharmacy benefits managers, and private review agents. It's an imperative, bipartisan bill that passed the house with no opposition **(135 - 0)**.

While AI and machine learning hold great potential in healthcare administration, the rise in their use—particularly in utilization reviews that determine patient access to care—has led to higher denial rates and associated cost savings, without clear evidence of improved patient outcomes. Unchecked, misapplications of these systems can result in inappropriate denials, delays in care, poorer outcomes, and exacerbation of health disparities.

To better minimize risks of misapplication and misuse of these powerful and potentially helpful tools, it is essential guardrails be created to ensure that cost-cutting goals are not prioritized at the expense of patient well-being. By establishing basic utilization intentionality, transparency, review, and reporting requirements, **HB820** provides a layer of protection, better ensures compliance with patient protection laws, and better ensures AI is used responsibly.

HB820:
- Requires AI-based decisions be based on a patient's medical history, clinical needs, and supporting documentation from their providers, avoiding one-size-fits-all determinations.
- Ensures that data aggregation and AI tools comply with all relevant healthcare access regulations.
- Prohibits AI from making final medical determinations in place of human professionals.
- Ensures AI-driven decisions are subject to regular audits and reviews.
- Requires quarterly assessments of the accuracy, reliability, and compliance with evolving healthcare standards.

As AI and machine learning become more integral to health care administration and delivery, **HB 820** helps ensure that these technologies are used responsibly, ethically, and with the primary goal of improving patient outcomes.

I urge a favorable report.