

H.B. 820: Health Insurance – Utilization Review – Use of Artificial Intelligence
House Health & Government Operations Committee Hearing
February 13, 2025
Favorable

Thank you for the opportunity to submit testimony in support of House Bill 820, which would protect Marylanders from discriminatory use of artificial intelligence in utilization review by their health insurance plans. The Legal Action Center (LAC) is a non-profit law and policy organization that fights discrimination, builds health equity, and restores opportunities for people with substance use disorders, arrest and conviction records, and HIV/AIDS. LAC convenes the Maryland Parity Coalition and works with its partners to ensure non-discriminatory access to mental health (MH) and substance use disorder (SUD) services through enforcement of the Mental Health Parity and Addiction Equity Act and other consumer protections that reduce health disparities.

Health insurance plans regularly use AI and automated systems to conduct utilization management activities, which can exacerbate existing biases in the health care system and lead to unintended harm,¹ especially when there is no live person making or reviewing an individualized medical necessity determination or when there are not sufficient guardrails in place to prohibit discrimination. For example, recent research has uncovered how some commercial insurers are using AI to deny routine therapy services in at least 18 states.² While AI has the potential to increase access to timely health care services, including for MH and SUD, it should not be used to systematically deny or interfere with care without appropriate clinical review and consideration of the patient's circumstances. We support the safeguards in AI in H.B. 820 to protect access to patient care, prohibit discrimination and harm, improve transparency, and preserve patient privacy.

Thank you for considering our views and for taking on this important issue. We urge a favorable report on H.B. 820.

Sincerely,

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¹ NORC, "Artificial Intelligence in Health Insurance: The Use and Regulation of AI in Utilization Management," NAIC (Nov. 2024), https://content.naic.org/sites/default/files/national_meeting/Final-CR-Report-AI-and-Health-Insurance-11.14.24.pdf.

² Annie Waldman, "How UnitedHealth's Playbook for Limiting Mental Health Coverage Puts Countless Americans' Treatment at Risk," ProPublica (Nov. 19, 2024), <https://www.propublica.org/article/unitedhealth-mental-health-care-denied-illegal-algorithm>.