

HOUSE BILL 1314

J5, J2, J3

5lr3188

By: **Delegates Miller, Alston, Buckel, Hornberger, McComas, Rose, and Tomlinson**
Introduced and read first time: February 7, 2025
Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Care – Prior Authorizations – Prohibiting Fees and Use of Artificial**
3 **Intelligence**

4 FOR the purpose of prohibiting certain insurers, nonprofit health service plans, and health
5 maintenance organizations from using artificial intelligence to automatically deny
6 prior authorizations; prohibiting health care providers from charging a fee to obtain
7 a prior authorization from a carrier or managed care organization; and generally
8 relating to prior authorizations.

9 BY adding to
10 Article – Health – General
11 Section 24–2501 and 24–2502 to be under the new subtitle “Subtitle 25. Fees for
12 Prior Authorizations – Prohibited”
13 Annotated Code of Maryland
14 (2023 Replacement Volume and 2024 Supplement)

15 BY adding to
16 Article – Insurance
17 Section 15–1012
18 Annotated Code of Maryland
19 (2017 Replacement Volume and 2024 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – Health – General**

23 **SUBTITLE 25. FEES FOR PRIOR AUTHORIZATIONS – PROHIBITED.**

24 **24–2501.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
2 INDICATED.

3 (B) "CARRIER" MEANS:

4 (1) A HEALTH INSURER;

5 (2) A NONPROFIT HEALTH SERVICE PLAN;

6 (3) A HEALTH MAINTENANCE ORGANIZATION; OR

7 (4) ANY OTHER ENTITY THAT PROVIDES HEALTH BENEFIT PLANS
8 SUBJECT TO REGULATION BY THE STATE.

9 (C) "HEALTH CARE PROVIDER" MEANS:

10 (1) A HEALTH CARE PRACTITIONER REGULATED UNDER THE HEALTH
11 OCCUPATIONS ARTICLE; OR

12 (2) A FACILITY THAT PROVIDES HEALTH CARE TO INDIVIDUALS.

13 (D) "PRIOR AUTHORIZATION" MEANS A UTILIZATION MANAGEMENT
14 TECHNIQUE THAT:

15 (1) IS USED BY CARRIERS AND MANAGED CARE ORGANIZATIONS;

16 (2) REQUIRES PRIOR APPROVAL FOR A PROCEDURE, TREATMENT,
17 MEDICATION, OR SERVICE BEFORE AN ENROLLEE IS ELIGIBLE FOR FULL PAYMENT
18 OF THE BENEFIT; AND

19 (3) IS USED TO DETERMINE WHETHER THE PROCEDURE, TREATMENT,
20 MEDICATION, OR SERVICE IS MEDICALLY NECESSARY.

21 24-2502.

22 A HEALTH CARE PROVIDER MAY NOT CHARGE A FEE TO OBTAIN A PRIOR
23 AUTHORIZATION FROM A CARRIER OR MANAGED CARE ORGANIZATION.

24 Article - Insurance

25 15-1012.

1 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
2 **INDICATED.**

3 **(2) “ARTIFICIAL INTELLIGENCE” HAS THE MEANING STATED IN §**
4 **3.5–801 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

5 **(3) “PRIOR AUTHORIZATION” HAS THE MEANING STATED IN § 1–230**
6 **OF THE HEALTH OCCUPATIONS ARTICLE.**

7 **(B) THIS SECTION APPLIES TO:**

8 **(1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT**
9 **PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS**
10 **ON AN EXPENSE–INCURRED BASIS UNDER HEALTH INSURANCE POLICIES THAT ARE**
11 **ISSUED OR DELIVERED IN THE STATE; AND**

12 **(2) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE**
13 **HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS UNDER**
14 **CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.**

15 **(C) AN ENTITY SUBJECT TO THIS SECTION MAY NOT USE ARTIFICIAL**
16 **INTELLIGENCE TO AUTOMATICALLY DENY A PRIOR AUTHORIZATION.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
18 policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or
19 after January 1, 2026.

20 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 January 1, 2026.