HOUSE BILL 1385

J5 6lr2916

By: **Delegates Hill, Kaiser, Moreno, Palakovich Carr, Ruth, Schindler, Turner, White Holland, and Wu**
Introduced and read first time: February 13, 2026
Assigned to: Health

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Use of Artificial Intelligence – Human Evaluation**

3 FOR the purpose of requiring that certain audits and compliance reviews of an artificial
4   intelligence, algorithm, or other software tool used for utilization review include a
5   certain evaluation by a licensed health care professional; requiring that the review
6   and revision of the performance, use, and outcomes of an artificial intelligence,
7   algorithm, or other software tool used for utilization review include a certain human
8   evaluation and use of the findings of the evaluation for a certain purpose; and
9   generally relating to the use of artificial intelligence and health insurance.

10 BY repealing and reenacting, with amendments,
11   Article – Insurance
12   Section 15–10B–05.1
13   Annotated Code of Maryland
14   (2017 Replacement Volume and 2025 Supplement)

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

Article – Insurance

18 15–10B–05.1.

19   (a)   (1)   In this section the following words have the meanings indicated.

20   (2)   "Artificial intelligence" means an engineered or machine–based system
21 that varies in its level of autonomy and that can, for explicit or implicit objectives, infer
22 from the input it receives how to generate outputs that can influence physical or virtual
23 environments.

1   (3)   "Carrier" means:

2   (i)   an insurer;

3   (ii)   a nonprofit health service plan;

4   (iii)   a health maintenance organization;

5   (iv)   a dental plan organization; or

6   (v)   any other person that provides health benefit plans subject to
7   regulation by the State.

8   (b)   This section applies to:

9   (1)   a carrier that:

10   (i)   uses an artificial intelligence, algorithm, or other software tool
11   for the purpose of utilization review; or

12   (ii)   contracts with or otherwise works through an entity that uses an
13   artificial intelligence, algorithm, or other software tool for the purpose of utilization review;
14   and

15   (2)   a pharmacy benefits manager or private review agent that:

16   (i)   contracts with a carrier to provide utilization review on behalf of
17   the carrier; and

18   (ii)   uses an artificial intelligence, algorithm, or other software tool
19   for the purpose of conducting utilization review on behalf of the carrier.

20   (c)   Subject to subsection (d) of this section, an entity subject to this section shall
21   ensure that:

22   (1)   an artificial intelligence, algorithm, or other software tool bases its
23   determinations on:

24   (i)   an enrollee's medical or other clinical history;

25   (ii)   individual clinical circumstances as presented by a requesting
26   provider; or

27   (iii)   other relevant clinical information contained in the enrollee's
28   medical or other clinical record;

1   (2)   an artificial intelligence, algorithm, or other software tool does not base
2   its determinations solely on a group dataset;

3   (3)   the criteria and guidelines for using an artificial intelligence, algorithm,
4   or other software tool for making determinations comply with the requirements of this title;

5   (4)   an artificial intelligence, algorithm, or other software tool does not
6   replace the role of a health care provider in the determination process under § 15–10B–07
7   of this subtitle;

8   (5)   the use of an artificial intelligence, algorithm, or other software tool
9   does not result in unfair discrimination;

10   (6)   an artificial intelligence, algorithm, or other software tool is fairly and
11 equitably applied, including in accordance with any applicable regulations and guidance
12 issued by the federal Department of Health and Human Services;

13   (7)   an artificial intelligence, algorithm, or other software tool is open to
14 inspection for audit or compliance reviews by the Commissioner **IN ACCORDANCE WITH**
15 **SUBSECTION (E) OF THIS SECTION**;

16   (8)   written policies and procedures are included in the utilization plan
17 submitted under § 15–10B–05 of this subtitle, including how an artificial intelligence,
18 algorithm, or other software tool will be used and what oversight will be provided;

19   (9)   the performance, use, and outcomes of an artificial intelligence,
20 algorithm, or other software tool are reviewed and revised, if necessary and at least on a
21 quarterly basis, to maximize accuracy and reliability**, IN ACCORDANCE WITH**
22 **SUBSECTION (F) OF THIS SECTION**;

23   (10)   patient data is not used beyond its intended and stated purpose,
24 consistent with the federal Health Insurance Portability and Accountability Act of 1996, as
25 applicable; and

26   (11)   an artificial intelligence, algorithm, or other software tool does not
27 directly or indirectly cause harm to an enrollee.

28 (d)   An artificial intelligence, algorithm, or other software tool may not deny,
29 delay, or modify health care services.

30 **(E)   AN AUDIT OR COMPLIANCE REVIEW OF AN ARTIFICIAL INTELLIGENCE,**
31 **ALGORITHM, OR OTHER SOFTWARE TOOL UNDER SUBSECTION (C)(7) OF THIS**
32 **SECTION SHALL INCLUDE THE HUMAN EVALUATION OF A PATIENT'S MEDICAL**
33 **RECORDS BY A LICENSED HEALTH CARE PROFESSIONAL THAT TAKES INTO**
34 **CONSIDERATION THE PATIENT'S SPECIFIC CIRCUMSTANCES AND ALLOWS THE**
35 **LICENSED HEALTH CARE PROFESSIONAL TO QUESTION, MODIFY, OR OVERRIDE A**

1   **DETERMINATION MADE BY THE ARTIFICIAL INTELLIGENCE, ALGORITHM, OR OTHER**
2   **SOFTWARE TOOL.**

3   **(F)   A REVIEW OF THE PERFORMANCE, USE, AND OUTCOMES OF ARTIFICIAL**
4   **INTELLIGENCE, ALGORITHM, OR OTHER SOFTWARE TOOLS UNDER SUBSECTION**
5   **(C)(9) OF THIS SECTION SHALL INCLUDE:**

6   **(1)   A HUMAN EVALUATION OF THE REAL–WORLD HEALTH OUTCOMES**
7   **OF DECISIONS MADE BY THE ARTIFICIAL INTELLIGENCE, ALGORITHM, OR OTHER**
8   **SOFTWARE TOOL; AND**

9   **(2)   USE OF THE FINDINGS MADE BY THE EVALUATION REQUIRED**
10 **UNDER ITEM (1) OF THIS SUBSECTION TO IMPROVE THE ARTIFICIAL INTELLIGENCE,**
11 **ALGORITHM, OR OTHER SOFTWARE TOOL AND MAKE THE DECISIONS OF THE**
12 **ARTIFICIAL INTELLIGENCE, ALGORITHM, OR OTHER SOFTWARE TOOL SAFER, MORE**
13 **ACCURATE, AND MORE RESPONSIVE TO PATIENT NEEDS.**

14   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2026.