

March 10, 2026

The Honorable Heather Bagnall  
Chair  
House Health Committee  
Maryland House of Delegates  
241 Taylor House Office Building  
6 Bladen Street  
Annapolis, MD 21401

*RE: HB 1385 (Hill) - Health Insurance - Use of Artificial Intelligence - Human Evaluation*

Dear Chair Bagnall and Members of the Committee,

On behalf of TechNet, I'm writing to share comments on HB 1385.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes 104 dynamic American businesses ranging from startups to the most iconic companies on the planet and represents five million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance.

TechNet and its member companies agree with the principle that artificial intelligence should not replace licensed clinicians in utilization review determinations, and that human oversight is a critical safeguard. Subsection (E) in this bill appropriately limits the human evaluation requirement to audits and compliance reviews, not every individual utilization decision, which are workable and proportionate standards for industry. However, the bill does not specify who is responsible for conducting the licensed professional review — the carrier, the pharmacy benefits manager, the private review agent, or the AI vendor — creating ambiguity that could result in duplicative or conflicting obligations across the supply chain. We recommend clarifying that the obligation to provide a licensed professional reviewer rests with the deploying entity, such as the carrier or private review agent, and not the AI tool vendor.

Second, the quarterly performance review mandate creates operational burdens without proportionality. Subsection (F) requires every quarterly performance review to include human evaluation of real-world health outcomes — with no materiality threshold, no risk-tiering, and no exception for low-risk or well-validated tools. This is operationally burdensome for entities using multiple or third-party AI tools and

we recommend the sponsor add a "reasonable effort" standard and risk-tiered review frequency.

HB 1385 requires AI tools to be "open to inspection for audit or compliance reviews by the Commissioner". The term "open for inspection" is vague and could result in the disclosure of proprietary data. Instead, we recommend the focus be on testing the AI tool and regular monitoring. We also suggest adding explicit trade secret and proprietary information protections, and limiting inspection scope to outputs and performance metrics, not underlying model architecture.

Additionally, the bill has a vendor and third-party accountability gap. We recommend limiting Subsection (F)(2) improvement obligations to entities that develop and control the AI tool; for deployers using third-party tools, we suggest substituting a contractual notification obligation to the vendor. Finally, should the bill advance, we request a phased implementation timeline of at least a year.

Thank you for your consideration of our comments and please don't hesitate to reach out with any questions.

Sincerely,



Margaret Durkin  
TechNet Executive Director, Pennsylvania & the Mid-Atlantic