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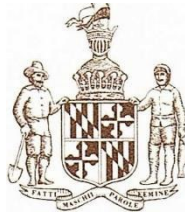
Health and Government Operations Committee

*Subcommittees*

Public Health and Minority Health Disparities, Chair

Elder and Long-Term Care

Maternal, Infant, and Child Health



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## **THE MARYLAND GENERAL ASSEMBLY**

ANNAPOLIS, MARYLAND 21401

### **HB1385- Health Insurance - Use of Artificial Intelligence - Human Evaluation**

March 12, 2026

Chair Bagnall, Vice Chair Cullison, and Members of the Health Committee:

**House Bill 1385** revisits legislation passed in 2025 (HB820) which put use and reporting requirements on health insurers, Pharmacy Benefit Managers, and claim reviewers with respect to the use of AI and automated systems in benefits denial or approval determinations. As artificial intelligence becomes increasingly embedded in health care decision-making, the State recognizes it has a responsibility to ensure that innovation does not come at the expense of patient outcomes. Given that up to 80% of service denials are reversed on appeal, as AI and automated algorithmic systems become more widely used throughout the decision making process, **HB820** clarifies that the human-in-the-loop is not there to rubber stamp the automated processes and decisions but rather to bring the uniquely human perspective to the critical, impactful steps of the utilization review process.

I am offering an amendment specifying that the human-in-the-loop be a person of the same specialty as the provider whose treatment decisions are under review.

**HB1385** additionally requires outcome reviews of the utilization review outcomes are based inclusive of the medical history, clinical circumstances, and other relevant clinical information and not solely on diagnoses, treatment codes, and generalized group datasets. Every patient presents with unique biological, social, and clinical complexities that cannot be fully captured by automated systems alone.

**HB1385** safeguards patient privacy by ensuring that patient data is not used beyond its intended and stated purpose, consistent with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA). With coverage decisions that override provider recommendations and made by those with no personal knowledge of the specific patient rely increasingly AI processing of large data sets, strong consumer protection is essential.

Artificial intelligence has tremendous potential to enhance efficiency and consistency in health care. However, without appropriate oversight, it also carries risks of unintended harm. **HB1385** strikes a balance, allowing responsible use and protections to better ensure that patient care rather than maximizing profits is the prime directive.

I urge a favorable report.

*Terri L. Hill, M.D.*