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March 12, 2026

The Honorable Heather Bagnall
Chair, House Health Committee
240 Taylor Office Building
Annapolis, MD 21401

House Bill 1385 – Health Insurance – Use of Artificial Intelligence – Human Evaluation

Dear Chair Bagnall,

The League of Life and Health Insurers of Maryland, Inc. respectfully opposes *House Bill 1385 – Health Insurance – Use of Artificial Intelligence – Human Evaluation* and urges the committee to give the bill an unfavorable report.

League members are opposed to HB 1385 because the legislation is already Maryland law. House Bill 820 from the 2025 Maryland General Assembly Session already ensures that all final decisions are made by a human. In the Maryland Insurance Administration’s (MIA) letter to the committee last year they clearly stated that, “House Bill 820 amends § 15-10A-06 of the Maryland Insurance Article to require carriers to include information as to whether Artificial Intelligence (AI), algorithms, and/or other software tools were used in making an adverse decision in their quarterly appeals and grievance reports that are submitted to the MIA. House Bill 820 also establishes parameters around how carriers, pharmacy benefit managers, and private review agents can use AI, algorithms, and other software tools in their utilization review process.”

The MIA continues, “As the use of AI continues to be developed and relied upon by carriers in making coverage decisions, the MIA supports House Bill 820, as it could assist the MIA in evaluating and contextualizing appeals and grievance data, and help to develop a framework to regulate and examine systems of AI to better protect consumers from erroneous decisions. The National Association of Insurance Commissioners’ (“NAIC”) consumer representatives recently shared a report on Artificial Intelligence and Health Insurance, specifically regarding the use of AI in utilization management, making recommendations for policymakers on enforcement. The MIA believes that this legislation is an important step in moving forward the recommendations made in this report in Maryland.”

It is clear from the NAIC Bulletin on AI that was adopted by Maryland prior to the 2025 Session as well as the passage of HB 820 that HB 1385 would be duplicative at best. AI tools are grounded in individual clinical circumstances, Maryland prohibits AI from serving as the final decision-maker (*human evaluation*

is already required), the framework mandates non-discrimination, and subjects these tools to Commissioner inspection. HB 1385's new subsections (E) and (F) layer additional requirements on top of consumer protection framework already established. Legislators should allow existing oversight mechanisms to function before imposing further mandates.

For these reasons, the League urges the committee to give House Bill 1385 an unfavorable report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew Celentano", with a long horizontal stroke extending to the right.

Matthew Celentano
Executive Director

cc: Members, House Health Committee