

HOUSE BILL 697

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By: **Delegates Woods, Acevero, Alston, Conaway, Crutchfield, Ghrist, Holmes, Ivey, Kaiser, Kaufman, R. Lewis, J. Long, Martinez, McCaskill, Pasteur, Phillips, Roberson, Roberts, Ruff, Ruth, Simmons, Solomon, Taveras, Taylor, Valderrama, Wells, and Williams**

Introduced and read first time: January 24, 2025

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Artificial Intelligence, Adverse Decisions, and Grievances –**
3 **Reporting Requirements**

4 FOR the purpose of requiring a health insurance carrier to submit quarterly reports to the
5 Maryland Insurance Commissioner on certain information related to the carrier's
6 use of artificial intelligence or automated decision-making systems; altering the
7 information related to adverse decisions and grievances carriers are required to
8 report to the Commissioner; and generally relating to health insurance, artificial
9 intelligence, adverse decisions, and grievances.

10 BY adding to

11 Article – Insurance

12 Section 15–147

13 Annotated Code of Maryland

14 (2017 Replacement Volume and 2024 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article – Insurance

17 Section 15–10A–06

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 – Insurance**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 15-147.

2 ON A QUARTERLY BASIS, EACH CARRIER SHALL SUBMIT TO THE
3 COMMISSIONER A REPORT ON THE CREATION, DEPLOYMENT, AND USE OF
4 ARTIFICIAL INTELLIGENCE OR AUTOMATED DECISION-MAKING SYSTEMS BY THE
5 CARRIER, INCLUDING INFORMATION ON:

6 (1) WHEN AND FOR WHAT PURPOSE THE ARTIFICIAL INTELLIGENCE
7 OR AUTOMATED DECISION-MAKING SYSTEM IS BEING USED;

8 (2) THE PERSON RESPONSIBLE FOR TRAINING THE ARTIFICIAL
9 INTELLIGENCE OR AUTOMATED DECISION-MAKING SYSTEM;

10 (3) THE MAJOR SOURCES OF DATA, EXPERTISE, AND METHODS USED
11 TO TRAIN THE ARTIFICIAL INTELLIGENCE OR AUTOMATED DECISION-MAKING
12 SYSTEM;

13 (4) ADDITIONAL GUIDANCE USED BY THE ARTIFICIAL INTELLIGENCE
14 OR AUTOMATED DECISION-MAKING SYSTEM TO MAKE RECOMMENDATIONS,
15 INCLUDING OUTCOMES AND HOW THEY ALIGNED WITH HUMAN EXPECTATIONS AND
16 VALUES; AND

17 (5) TESTS PERFORMED TO IDENTIFY BIAS IN THE ARTIFICIAL
18 INTELLIGENCE OR AUTOMATED DECISION-MAKING SYSTEM AND THE STEPS TAKEN
19 TO PROACTIVELY ADDRESS ANY ISSUES OF BIAS, INCLUDING ANY NEW DATA SETS
20 USED TO TRAIN THE ARTIFICIAL INTELLIGENCE OR AUTOMATED DECISION-MAKING
21 SYSTEM.

22 15-10A-06.

23 (a) On a quarterly basis, each carrier shall submit to the Commissioner, on the
24 form the Commissioner requires, a report that describes:

25 (1) the number of members entitled to health care benefits under a policy,
26 plan, or certificate issued or delivered in the State by the carrier;

27 (2) the number of clean claims for reimbursement processed by the carrier,
28 AGGREGATED BY ZIP CODE, RACE, ETHNICITY, GENDER, AND AGE OF MEMBERS;

29 (3) the activities of the carrier under this subtitle, including:

30 (I) THE NUMBER OF GRIEVANCES FILED WITH THE CARRIER,
31 AGGREGATED BY ZIP CODE, RACE, ETHNICITY, GENDER, AND AGE OF MEMBERS;

1 **[(i)] (II)** the outcome of each grievance filed with the carrier,
2 **AGGREGATED BY ZIP CODE, RACE, ETHNICITY, GENDER, AND AGE OF MEMBERS;**

3 **[(ii)] (III)** the number and outcomes of cases that were considered
4 emergency cases under § 15-10A-02(b)(2)(i) of this subtitle;

5 **[(iii)] (IV)** the time within which the carrier made a grievance
6 decision on each emergency case;

7 **[(iv)] (V)** the time within which the carrier made a grievance
8 decision on all other cases that were not considered emergency cases;

9 **[(v)] (VI)** the number of grievances filed with the carrier that
10 resulted from an adverse decision involving length of stay for inpatient hospitalization as
11 related to the medical procedure involved;

12 **[(vi)] (VII)** the number of adverse decisions issued by the carrier
13 under § 15-10A-02(f) of this subtitle, whether the adverse decision involved a prior
14 authorization or step therapy protocol, and the type of service at issue in the adverse
15 decisions, **AGGREGATED BY ZIP CODE, RACE, ETHNICITY, GENDER, AND AGE OF**
16 **MEMBERS;**

17 **[(vii)] (VIII)** the number of adverse decisions overturned after a
18 reconsideration request under § 15-10B-06 of this title; **[and]**

19 **[(viii)] (IX)** the number of requests made and granted under §
20 15-831(c)(1) and (2) of this title; and

21 **(X) THE MONETARY VALUE OF EACH GRIEVANCE DECISION**
22 **MADE BY THE CARRIER AND THE OUTCOME OF THE DECISION;**

23 **(4) THE AVERAGE HOLD TIME AND THE AVERAGE TOTAL TIME FOR**
24 **CALLS MADE TO THE CARRIER'S GRIEVANCE AND APPEAL CALL CENTERS,**
25 **AGGREGATED BY EMERGENCY AND NONEMERGENCY CASES;**

26 **[(4)] (5)** the number and outcome of all other cases that are not subject to
27 activities of the carrier under this subtitle that resulted from an adverse decision involving
28 the length of stay for inpatient hospitalization as related to the medical procedure involved;
29 **AND**

30 **(6) THE MONETARY VALUE OF CASES FOR WHICH AN ADVERSE**
31 **DECISION WAS ISSUED THAT ARE NOT SUBJECT TO THE ACTIVITIES OF THE CARRIER**
32 **UNDER THIS SUBTITLE.**

33 (b) The Commissioner shall:

- 1 (1) compile an annual summary report based on the information provided:
2 (i) under subsection (a) of this section; and
3 (ii) by the Secretary under § 19–705.2(e) of the Health – General
4 Article;
5 (2) report any violations or actions taken under § 15–10B–11 of this title;
6 and
7 (3) provide copies of the summary report to the Governor and, subject to §
8 2–1257 of the State Government Article, to the General Assembly.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2025.