

HOUSE BILL 1314

J5, J2, J3

5lr3188

By: Delegates Miller, Alston, Buckel, Hornberger, McComas, Rose, and Tomlinson
Tomlinson, Bagnall, Bhandari, Chisholm, Cullison, Guzzone, Hutchinson,
S. Johnson, Kaiser, Kerr, Kipke, Lopez, Martinez, M. Morgan, Pena-Melnyk,
Reilly, Rosenberg, Ross, Szeliga, Taveras, White Holland, Woods, and
Worman

Introduced and read first time: February 7, 2025

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 3, 2025

CHAPTER _____

1 AN ACT concerning

2 **Health Care – Prior Authorizations – Prohibiting Fees ~~and Use of Artificial~~**
3 **~~Intelligence~~**

4 FOR the purpose of ~~prohibiting certain insurers, nonprofit health service plans, and health~~
5 ~~maintenance organizations from using artificial intelligence to automatically deny~~
6 ~~prior authorizations~~; prohibiting certain health care providers from charging a fee to
7 obtain a prior authorization from a carrier or managed care organization; and
8 generally relating to prior authorizations.

9 BY adding to

10 Article – Health – General

11 Section 24–2501 and 24–2502 to be under the new subtitle “Subtitle 25. Fees for
12 Prior Authorizations – Prohibited”

13 Annotated Code of Maryland

14 (2023 Replacement Volume and 2024 Supplement)

15 ~~BY adding to~~

16 ~~Article – Insurance~~

17 ~~Section 15–1012~~

18 ~~Annotated Code of Maryland~~

19 ~~(2017 Replacement Volume and 2024 Supplement)~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Health – General**

4 **SUBTITLE 25. FEES FOR PRIOR AUTHORIZATIONS – PROHIBITED.**

5 **24–2501.**

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (B) “CARRIER” MEANS:

9 (1) A HEALTH INSURER;

10 (2) A NONPROFIT HEALTH SERVICE PLAN;

11 (3) A HEALTH MAINTENANCE ORGANIZATION; OR

12 (4) ANY OTHER ENTITY THAT PROVIDES HEALTH BENEFIT PLANS
13 SUBJECT TO REGULATION BY THE STATE.

14 (C) “HEALTH CARE PROVIDER” MEANS:

15 (1) A HEALTH CARE PRACTITIONER REGULATED UNDER THE HEALTH
16 OCCUPATIONS ARTICLE; OR

17 (2) A FACILITY THAT PROVIDES HEALTH CARE TO INDIVIDUALS.

18 (D) “PRIOR AUTHORIZATION” MEANS A UTILIZATION MANAGEMENT
19 TECHNIQUE THAT:

20 (1) IS USED BY CARRIERS AND MANAGED CARE ORGANIZATIONS;

21 (2) REQUIRES PRIOR APPROVAL FOR A PROCEDURE, TREATMENT,
22 MEDICATION, OR SERVICE BEFORE AN ENROLLEE IS ELIGIBLE FOR FULL PAYMENT
23 OF THE BENEFIT; AND

24 (3) IS USED TO DETERMINE WHETHER THE PROCEDURE, TREATMENT,
25 MEDICATION, OR SERVICE IS MEDICALLY NECESSARY.

26 **24–2502.**

1 ~~AN IN-NETWORK~~ HEALTH CARE PROVIDER MAY NOT CHARGE A FEE TO
 2 OBTAIN A PRIOR AUTHORIZATION FROM A CARRIER OR MANAGED CARE
 3 ORGANIZATION.

4 ~~Article Insurance~~

5 ~~15-1012.~~

6 (A) (1) ~~IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
 7 ~~INDICATED.~~

8 (2) ~~“ARTIFICIAL INTELLIGENCE” HAS THE MEANING STATED IN §~~
 9 ~~3.5-801 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.~~

10 (3) ~~“PRIOR AUTHORIZATION” HAS THE MEANING STATED IN § 1-230~~
 11 ~~OF THE HEALTH OCCUPATIONS ARTICLE.~~

12 (B) ~~THIS SECTION APPLIES TO:~~

13 (1) ~~INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT~~
 14 ~~PROVIDE HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS~~
 15 ~~ON AN EXPENSE INCURRED BASIS UNDER HEALTH INSURANCE POLICIES THAT ARE~~
 16 ~~ISSUED OR DELIVERED IN THE STATE; AND~~

17 (2) ~~HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE~~
 18 ~~HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS UNDER~~
 19 ~~CONTRACTS THAT ARE ISSUED OR DELIVERED IN THE STATE.~~

20 (C) ~~AN ENTITY SUBJECT TO THIS SECTION MAY NOT USE ARTIFICIAL~~
 21 ~~INTELLIGENCE TO AUTOMATICALLY DENY A PRIOR AUTHORIZATION.~~

22 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all~~
 23 ~~policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or~~
 24 ~~after January 1, 2026.~~

25 SECTION ~~2.~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 26 January 1, 2026.