

Anne M. Gallaudet  
Scarborough, Maine

April 8, 2025

Re: LD 1301, An Act to Prohibit the Use of Artificial Intelligence in the Denial of Health Insurance

Senator Bailey, Representative Mathieson and Honorable Members of the Joint Committee on Health Coverage, Insurance and Financial Services

I appreciate this opportunity to address you on this important matter. My name is Anne Gallaudet. I am a resident of Scarborough, Maine. I am writing in support of LD 1301.

### **USE OF ARTIFICIAL INTELLIGENCE BY HEALTH INSURANCE**

**COMPANIES:** Artificial Intelligence (AI) is now widely used in health care insurance coverage. Clearly, AI offers the possibility of significant improvements in the administrative process.

There are significant ethical concerns about removing human oversight, especially physician involvement, from insurance claims decisions. Due to their very nature, AI-based algorithms discount a patient's particular circumstances and history. Moreover, AI-based algorithms are too often fraught with unchecked inaccuracies and biases that cause inappropriate denials.

Multiple lawsuits against Medicare Advantage plans have brought these concerns to the forefront in the courts and in the newspapers, e.g., AI *overriding* physicians' recommendation regarding their patients' medical care; unnecessarily requiring pre-authorization requests from physicians which burden medical offices and cause delay in approving health care, or if not received, being a basis for denial of approved health care; applying inaccuracies and bias in decision-making, and ignoring specific patient history. See for example:

<https://www.wbur.org/onpoint/2024/12/18/unitedhealth-ai-insurance-claims-healthcare>; <https://news.bloomberglaw.com/health-law-and-business/states-work-to-regulate-health-insurers-use-of-ai-to-deny-care>; <https://journals.library.columbia.edu/index.php/CBLR/announcement/view/760>

**AT THE FEDERAL LEVEL DEREGULATION OF AI:** With the issuance of Executive Order 14179 in January 2025, the federal focus now is to deregulate AI at the federal level to ensure the United States remains at the forefront of AI innovation. This shift in federal policy now leaves to the states the responsibility to 1) regulate the development and use of AI in health care coverage and 2) pressure insurers to provide more transparency about their AI software and how the AI is used to determine health care coverage and, thereby, not kept secret behind the corporate walls.

Maine has a crucial role to play in regulating the use of AI in the health insurance industry. We have a state with disproportionately older residents and rural residents facing inadequate healthcare access. Passing LD 1301 will help ensure meaningful prompt access to healthcare for all Mainers during these rapidly changing times. The last thing one needs at the time of a healthcare crisis is a wrongful denial of coverage with no clear way to seek and be assured of prompt redress. Worse the data shows that many claimants fail to appeal wrongful denials and thus the wrong denials go undiscovered, and claimants pay the price.

I do not have a ripe example of a relevant wrong at the hands of AI, but I have read about far too many. AI should be working to make it easier for people to access the healthcare to which their policies entitle them and not create almost unmountable roadblocks.

Lastly, I must compliment the bill drafter. I find this bill very easy to understand. Maybe down the road, I will find a flaw but for now, nice job!!

Thank you for considering my appeal. I urge you to vote "Ought to Pass" on LD 1301.

Anne Gallaudet,  
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