



Mike Tipping
Senator, District 8

THE MAINE SENATE
132nd Legislature

3 State House Station
Augusta, Maine 04333

Senator Bailey, Representative Gramlich and members of the Health Coverage, Insurance and Financial Service Committee,

My name is Mike Tipping, I represent Senate District 8 in Penobscot County and I'm proud to present **LD 1301, An Act to Prohibit the Use of Artificial Intelligence in the Denial of Health Insurance Claims.**

Maine health care providers, and providers across the country, are increasingly reporting that artificial intelligence and other algorithmic or automatic review and denial of health insurance claims and pre-authorization are supplanting the judgment of trained medical professionals and leading to unwarranted denials of care.

According to a survey released by the American Medical Association last month, a large majority of physicians are "concerned that health plans' use of AI is increasing prior authorization denials, exacerbating avoidable patient harms and escalating unnecessary waste."

This bill takes two important steps to protect Maine patients and regulate the practices of insurance companies. First, it requires that carriers only use AI, algorithms and other software in a way that takes patients' medical history and individual circumstances into account. It can't discriminate against patients based on their personal characteristics and it must be disclosed and the software open to inspection.

Second, it requires that any denial, delay, modification or adjustment of health care services be made by a human being, not a computer, and specifically a "clinical peer competent to evaluate the specific clinical issues involved in the health care services requested."

This requirement is important because a person following a checklist by rote can be just as irresponsible as a software program.

This policy is in line with protections put in place by other states across the country as legislatures work quickly to address the growing concern of AI and automatic health claim denials.

We've all heard stories of health claims being denied, and know the cost in human suffering that these denials often exact. We've also probably heard from physicians, who can tell when they get a claim denial letter written by a computer, that's not responsive to a patient's circumstances.

According to a study released this year by the Kaiser Family Foundation, 20% of claims in ACA marketplace plans are now being denied, with much higher rates from certain insurers. About half of these denials are overturned upon appeal, but only about 1% of patients appeal a denial - many don't know that they can.

At the same time, insurance company profits have dramatically increased. United Health alone made \$14.4 billion in profits last year.

It's time to stand for Maine patients and health care providers, make health care a little more human and put these basic protections into place. I appreciate your consideration of this bill.