Maine Medical Association

Maine Osteopathic Association

Maine AAP

TESTIMONY OF THE MAINE MEDICAL ASSOCIATION, THE MAINE OSTEOPATHIC ASSOCIATION AND THE MAINE CHAPTER, AMERICAN ACADEMY OF PEDIATRICS

In Support of

LD 1301, An Act to Prohibit the Use of Artificial Intelligence in the Denial of Health Insurance Claims, and LD 955, An Act to Ensure Human Oversight in Medical Insurance Payment Decisions

Joint Standing Committee on Health Coverage, Insurance, and Financial Services
Room 220, Cross Building, Augusta, Maine
Thursday, April 3rd, 2025

Good Afternoon, Senator Bailey, Representative Mathieson, and Members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services. My name is Anne Sedlack, and I am the Director of Advocacy at the Maine Medical Association. I am submitting this testimony in support of LD 1301, An Act to Prohibit the Use of Artificial Intelligence in the Denial of Health Insurance Claims, and LD 955, An Act to Ensure Human Oversight in Medical Insurance Payment Decisions on behalf of the Maine Medical Association, Maine Osteopathic Association and Maine Chapter American Academy of Pediatrics.

The Maine Medical Association (MMA) is a professional organization representing over 4,000 physicians, residents, and medical students in Maine. MMA's mission is to support Maine physicians, advance the quality of medicine in Maine, and promote the health of all Maine people. The Maine Osteopathic Association (MOA) is a professional organization representing more than 1,200 osteopathic physicians, residents, and medical students in Maine whose mission is to serve the Osteopathic profession of the State of Maine through a coordinated effort of professional education, advocacy, and member services to ensure the availability of quality osteopathic health care to the people of this State. The Maine Chapter of the American Academy of Pediatrics (Maine AAP) is a professional organization of 300 pediatricians and subspecialists across the state dedicated to improving the health and lives of children and adolescents in Maine.

The MMA, MOA, and Maine AAP's legislative committees have joined to advocate with one voice in support of LD 1301 and 955.

While AI continues to develop, it will likely continue to be a key tool in the healthcare community. AI could improve healthcare by streamlining specific administrative tasks and may even be helpful in other ways, such as providing preliminary diagnoses that clinicians can use to support their patients. However, the important thing to note that it is a tool that should never replace a clinician.

As such, the approval and denial of insurance claims is not an area in which AI should be allowed to be unregulated.

According to a new survey from the American Medical Association (AMA), roughly three in five physicians (61%) are concerned that health plans' use of AI is increasing prior authorization denials.[1] Prior authorization denials often lead to harm for patients that could have been prevented and create hurdles to patient access to safe, timely, and affordable treatment. Prior authorization denials have also been challenging for physicians, but now, with AI, the problem has gotten even worse. For years, we have contended that these AI tools are denying claims more than ever, but this was confirmed in a recent study by the U.S. Senate Permanent Subcommittee on Investigations, which found that in some cases, these AI tools denied at a rate 16 times higher than is typical.[2]

We will continue to advocate for reforming prior authorization to create a better healthcare environment that supports evidence-based clinical practices. Using these AI tools to deny insurance claims is moving in the opposite direction, and regulating their use and requiring human oversight in medical insurance payment decisions supports patient care and best clinical practices.

We appreciate the sponsors of both bills and want to note that whatever vehicle the Committee chooses to move forward with, we ask that the reporting requirements in Section 4 of LD 955 remain. We believe that transparency is key to ensuring that AI is being used appropriately to augment a clinician's expertise.

Thank you for considering the thoughts of Maine's physicians about LD 1301 and 955. We urge you to support these bills.

Thank you,

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[1] American Medical Association, *2024 AMA Prior Authorization Physician Survey* 2 (2024), https://www.ama-assn.org/system/files/2024-03/2024-ama-prior-authorization-physician-survey.pdf.
[2] U.S. Senate Permanent Subcommittee on Investigations, Refusal of Recovery: How Medicare Advantage Insurers Have Denied Patients Access to Post-Acute Care (October 17, 2024) https://www.hsgac.senate.gov/wp-content/uploads/2024.10.17-PSI-Majority-Staff-Report-on-Medicare-Advantage.pdf