



53 Baxter Boulevard, Suite 202 | Portland, ME 04101  
Phone: 866-554-5380 | Fax: 207-775-5727 | TTY: 877-434-7598  
aarp.org/me | me@aarp.org | twitter: @aarpmaine  
facebook.com/aarpmaine | instagram.com/aarpme

April 8, 2025

**AARP Maine in support of LD 1301 An Act to Prohibit the Use of Artificial Intelligence in the Denial of Health Insurance Claims**

Greetings Senator Bailey, Representative Mathieson, and members of the Committee on Health Coverage, Insurance and Financial Services. My name is Bridget Quinn, Associate State Director of Advocacy and Outreach for AARP Maine.

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. On behalf of our nearly 200,000 members statewide, thank you for the opportunity to share testimony today. Today I am offering testimony in support of LD 1301.

AI is rapidly changing and evolving, and we understand the desire to explore how it could be used to increase quality and efficiency in healthcare. However, without safeguards the use of AI could produce biased results and inaccurate decisions that can harm consumers.

An AARP survey from 2024 found that older adults are open to having their providers utilize AI. However, they still want a human in the loop. The vast majority (82%) of older adults say if a healthcare provider uses AI, the provider should make the final decision on the most appropriate diagnosis or treatment for the patient.<sup>1</sup> We argue that the same should be true for their insurance provider.

AARP is pleased to see the inclusion of language outlined in lines 25-27 that begin with "a denial, delay, modification or adjustment of health care services." We believe these lines specifically will benefit older Mainers around the state who are receiving complex medical care by a qualified professional, and we believe that the review of their insurance claims should be held to the same high standards as their physical care.

The use of AI in processing insurance claims creates a situation where a computational algorithm could be used to override the real-world knowledge of medical professionals, which could negatively affect patient outcomes and result in mistakes. Additionally, the bill language regarding the qualification of humans reviewing these insurance claims will ensure that acceptance or denial decisions are being made correctly by a clinical peer.

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<sup>1</sup> Lampkin, Cheryl L. *AI in Health Care: Thoughts and Opinions Among the 50-Plus*. Washington, DC: AARP Research, August 2024. <https://doi.org/10.26419/res.00802.001>

This bill is a step in the right direction, and we offer a few policy considerations that in our view will strengthen this legislation. First, lines 18 and 19 state that determinations derived from the use of artificial intelligence must be open to inspection. We see an opportunity to strengthen consumer protections by requiring full disclosure of the reasons for an adverse coverage decision made or informed by an AI or algorithmic tool, including comprehensive and accessible information about the factors or criteria utilized in making the decision. Rhode Island, with similar legislation, used the following language:

- “Insurers shall provide notice to enrollees and healthcare providers when AI has been used to issue an adverse determination and provide a clear and timely process for appealing the determination.”

Lines 22 and 23 can be amended to better protect consumers as well. Lines 22 and 23 state, “Data under this paragraph may not be used beyond its intended and stated purpose.” Our read is that collectors of data will decide the intended and stated purposes, which could change. To strengthen this language, we recommend it be amended to “may not be used for any purpose other than this medical purpose.”

We also would like to raise concerns regarding lines 20-22 starting with “Use of artificial intelligence pursuant to this paragraph.” We are concerned the language is broad and undefined. An example of other state policy that we believe would be appropriate to add to this legislation is that from Rhode Island on transparency and accountability. I have provided that language to the end of my testimony.

Thank you for the opportunity to testify today and for your consideration on this complicated matter. AARP Maine urges you to support LD 1301. Should you have any questions, I can be reached at [bquinn@aarp.org](mailto:bquinn@aarp.org) or at 207-272-8563.

Bridget Quinn  
AARP Maine

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STATE OF RHODE ISLAND  
IN GENERAL ASSEMBLY  
JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO INSURANCE -- THE TRANSPARENCY AND ACCOUNTABILITY IN  
ARTIFICIAL INTELLIGENCE USE BY HEALTH INSURERS TO MANAGE COVERAGE  
AND CLAIMS ACT

Introduced By: Senators Ujifusa, Lawson, Bell, Gu, Zurier, Mack, Acosta, DiMario,  
Burke, and Lauria

Date Introduced: January 23, 2025

Referred To: Senate Artificial Intelligence & Emerging Tech

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27-83-3. Requirements.

(a) Transparency.

(1) Insurers shall publicly disclose how they use AI to manage claims and coverage, including underlying algorithms, data used, and resulting determinations.

(2) Insurers shall submit to the office of the health insurance commissioner and the executive office of health and human services, upon request, all information, including documents and software, that permits enforcement of this chapter.

(3) Insurers shall maintain documentation of AI decisions for at least five (5) years.

(4) Insurers shall provide notice to enrollees and healthcare providers when AI has been

used to issue an adverse determination and provide a clear and timely process for appealing the determination.

(b) Accountability.

(1) Insurers shall not rely exclusively on AI or automated decision tools to deny, reduce, or alter coverage or claims for medically necessary care.

(2) Adverse determinations shall be reviewed by physicians or other licensed healthcare professionals who are qualified in the appropriate specialties, without conflicts of interest or incentives to confirm adverse determinations, and who have the authority to reverse adverse determinations based on their clinical judgment.

(3) Insurers shall conduct on-going monitoring, audits and oversight of all employees and third parties using AI on their behalf to manage enrollee coverage or claims, including taking actions to ensure:

(i) Enrollee medically necessary care has not been delayed, denied or limited;

(ii) Financial and administrative burdens on enrollees and healthcare providers are reasonable and minimized;

(iii) Private enrollee health information is protected as required under state and federal privacy laws; and

(iv) AI use does not violate enrollee rights under state and federal laws prohibiting discrimination, including those based on age, race, sex, sexual orientation, and pre-existing conditions.