Consumers for Affordable Health Care

on a mission to ensure all Mainers have access to
high-quality, affordable, comprehensive health care

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To the Joint Standing Committee on Health Coverage, Insurance, and Financial Services

Testimony in Support of:
LD 1301, An Act to Prohibit Artificial Intelligence in the Denial of Health Insurance Claims

April 8, 2025

Senator Bailey, Representative Mathieson, and members of the Committee on Health Coverage, Insurance, and Financial Services,

My name is Jakob Giron, a Policy Advocate at Consumers for Affordable Health Care (CAHC). CAHC is a nonpartisan, nonprofit organization that advocates the right to quality, affordable healthcare for every person in Maine. I am here to testify in support of LD 1301, An Act to Prohibit Artificial Intelligence in the Denial of Health Insurance Claims.

As designated by Maine's Attorney General, CAHC serves as Maine's Health Insurance Consumer Assistance Program. Our toll-free Consumer Assistance HelpLine fielded nearly 7,300 calls and emails last year from people needing help finding, understanding, and enrolling in insurance coverage, appealing a denied claim for coverage, or with accessing or affording health care services.

Mainers often reach out to CAHC after an insurance claim has been denied, often for uncertain or unspecified reasons. It is unclear, however, whether and to what extent Artificial Intelligence has been employed in coverage denials. However, some of the nation's largest insurers, including Cigna, Humana[1] and UnitedHealth[2], face class-action lawsuits because they allegedly used AI to deny health insurance claims inappropriately. Consumers rightly prefer that a qualified medical reviewer – not an algorithm – decide whether their insurance company is obliged to cover health care their physician determines they need.

Providers, that is to say, educated, practicing professionals, share these concerns and are justifiably apprehensive that automation and predictive technology might overshadow or supersede sound medical judgement. In a 2024 survey released by the American Medical Association (AMA), physicians were asked about their experiences dealing with Prior Authorizations. Over 60% of respondents expressed concerns that AI may be impacting Prior Authorization approval rates, and 1 in 3 said Prior Authorizations are often or always denied. In fact, 75% of respondents indicated that they had seen a 'significant increase' in Prior Authorization denials over the last 5 years (2019-2024).[3]

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[1] https://www.healthcarefinancenews.com/news/humana-sued-allegedly-using-ai-medicare-advantage-denials
[2] https://www.documentcloud.org/documents/24166450-class-action-v-unitedhealth-and-navihealth/
[3] https://www.ama-assn.org/system/files/prior-authorization-survey.pdf

We believe it is important to have a qualified health care professional involved in the review of health care claims. The Journal of American Medical Association reported that bias in the development and use of algorithms can lead to worse outcomes for racial and ethnic minoritized groups and other historically marginalized populations, such as individuals with lower income.[4] While we recognize the potential benefits that advancements in technology can bring, their utilization must include guardrails to protect the health of *everyone* who seeks care and ensure adequate coverage for the care received.

The use of automated tools, such as algorithms, may have a role in health care, such as scheduling. It is wholly inappropriate in the review of health care claims. Health care delivery is an extremely complex, nuanced endeavor. The decisions often have profound implications for patients. Health insurance companies should not be permitted to reduce consumers to mathematical propositions.

LD 1301 ensures a denial, delay, modification, or adjustment of health care services based on medical necessity undergoes proper review by a "clinical peer competent to evaluate the specific clinical issues involved in the health care services requested by the enrollee's provider," a medical professional who is acquainted with a consumer's medical history. The bill provides this important protection, while at the same time maintaining the practice of utilizing the benefits of Artificial Intelligence in an ethical and non-discriminatory manner.

We thank the sponsor for bringing this legislation forward to protect consumers and urge the committee to support its passage.

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[4]AMANetworkOpen.2023;6(12):e2345050.doi:10.1001/jamanetworkopen.2023.45050; Guiding Principles to AddresstheImpactofAlgorithmBias onRacialandEthnicDisparitiesinHealthandHealthCare,