

By: Johnson

S.B. No. 1822

A BILL TO BE ENTITLED

AN ACT

relating to the use of artificial intelligence-based algorithms in utilization review conducted for certain health benefit plans.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter D, Chapter 4201, Insurance Code, is amended by adding Section 4201.156 to read as follows:

Sec. 4201.156. ARTIFICIAL INTELLIGENCE-BASED ALGORITHMS.

(a) An issuer of a health insurance policy or a health maintenance organization that is the issuer of a health benefit plan shall publish on a publicly accessible part of the issuer's Internet website and provide in writing to each insured or enrollee, and to any physician or health care provider contracting with the issuer or providing services to an insured or enrollee, a written disclosure regarding whether the issuer or the issuer's utilization review agent uses artificial intelligence-based algorithms in conducting utilization review.

(b) An issuer described by Subsection (a) or a utilization review agent for an issuer described by Subsection (a) shall ensure that any artificial intelligence-based algorithm used by the issuer or agent in conducting utilization review and the training data sets the algorithm uses:

(1) have minimized the risk of bias based on an individual's race, color, religion, ancestry, age, sex, gender, national origin, or disability; and

1 (2) comply with evidence-based clinical guidelines.

2 (c) Not later than December 31 of each year, an issuer
3 described by Subsection (a) or a utilization review agent for an
4 issuer described by Subsection (a) shall submit to the department
5 for review, in the form and manner prescribed by the commissioner,
6 an artificial intelligence compliance statement. The statement
7 must:

8 (1) summarize the function and scope of an artificial
9 intelligence-based algorithm used for utilization review;

10 (2) provide a logic or decision tree of an artificial
11 intelligence-based algorithm used for utilization review;

12 (3) provide a description of each training data set
13 used by an artificial intelligence-based algorithm for utilization
14 review, including the source of the data;

15 (4) attest that the artificial intelligence-based
16 algorithm and the algorithm's training data sets comply with
17 Subsection (b); and

18 (5) describe the issuer's or agent's process for
19 overseeing and validating the artificial intelligence-based
20 algorithm's performance and compliance with Subsection (b).

21 (d) If the commissioner has reason to believe that an issuer
22 described by Subsection (a) or utilization review agent for an
23 issuer described by Subsection (a) is not in compliance with this
24 section, the commissioner may require additional documentation or
25 conduct an inspection of:

26 (1) any artificial intelligence-based algorithm used
27 by the issuer or agent in conducting utilization review; and

1 (2) each training data set the artificial
2 intelligence-based algorithm uses.

3 (e) Information submitted to the department under this
4 section is confidential and not subject to disclosure under Chapter
5 [552](#), Government Code.

6 SECTION 2. This Act takes effect September 1, 2025.