

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 any physician or health care provider contracting with the issuer or providing services to an insured or enrollee, a 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 any artificial intelligence-based algorithm used by the issuer or
7 agent in conducting utilization review and each training data set
8 the algorithm uses. The issuer or agent must include with the
9 submission an attestation to the department that the algorithm and
10 training data sets comply with Subsection (b).

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