1   H.776

2   Introduced by Representatives Priestley of Bradford, Burrows of West

3   Windsor, Chapin of East Montpelier, Cole of Hartford,

4   Donahue of Northfield, Graning of Jericho, Headrick of

5   Burlington, Holcombe of Norwich, McCann of Montpelier,

6   McGill of Bridport, Mrowicki of Putney, Nugent of South

7   Burlington, Ode of Burlington, Olson of Starksboro, Pouech of

8   Hinesburg, Rachelson of Burlington, Scheu of Middlebury,

9   Sweeney of Shelburne, Tomlinson of Winooski, and Torre of

10   Moretown

11   Referred to Committee on

12   Date:

13   Subject: Health; health insurance; artificial intelligence; coverage decisions

14   Statement of purpose of bill as introduced: This bill proposes to regulate the

15   use of artificial intelligence in health care coverage decisions.

16   An act relating to the use of artificial intelligence in health care coverage
17   decisions

1   It is hereby enacted by the General Assembly of the State of Vermont:

2   Sec. 1. 18 V.S.A. § 9423 is added to read:

3   § 9423. USE OF ARTIFICIAL INTELLIGENCE IN COVERAGE

4   DECISIONS

5   (a) A health plan, as defined in section 9418 of this title, that uses an

6   artificial intelligence, algorithm, or other software tool for the purpose of

7   utilization review, or that contracts with or otherwise works through an entity

8   that uses an artificial intelligence, algorithm, or other software tool for the

9   purpose of utilization review, shall ensure all of the following:

10   (1) The artificial intelligence, algorithm, or other software tool bases its

11   determination on the following information, as applicable:

12   (A) an insured's medical or other clinical history;

13   (B) the specific clinical circumstances as presented by the requesting

14   health care provider; and

15   (C) other relevant clinical information contained in the insured's

16   medical or other clinical record.

17   (2) The artificial intelligence, algorithm, or other software tool does not

18   base its determination solely on a group dataset.

19   (3) The artificial intelligence, algorithm, or other software tool is fairly

20   applied, including in accordance with any applicable regulations and guidance

21   issued by the U.S. Department of Health and Human Services.

1   (4) The artificial intelligence, algorithm, or other software tool is

2   configured and applied in a standard, consistent manner for all health plans and

3   insureds so that the resulting decisions are the same for all patients with similar

4   clinical presentation and considerations.

5   (5) The artificial intelligence, algorithm, or other software tool is open

6   to inspection for audit or compliance reviews by the Department of Financial

7   Regulation and by other State agencies and departments pursuant to applicable

8   State and federal law.

9   (6) Disclosures pertaining to the use of the artificial intelligence,

10   algorithm, or other software tool in the utilization review process and the

11   nature and degree of human review and oversight are contained in the health

12   plan's written policies and procedures to the extent required by the Department

13   of Financial Regulation.

14   (7) The artificial intelligence, algorithm, or other software tool's

15   performance, use, and outcomes are reviewed and revised at least quarterly to

16   maximize accuracy and reliability.

17   (8) The artificial intelligence, algorithm, or other software tool does not

18   directly or indirectly cause harm to the insured.

19   (b) The artificial intelligence, algorithm, or other software tool utilized by a

20   health plan shall not deny, delay, or modify a determination of whether to

21   authorize the coverage of health care services. An adverse coverage

1   determination shall be made only by a licensed human health care provider

2   who is competent to evaluate the specific clinical issues involved in the health

3   care services requested by a treating health care provider by reviewing and

4   considering the requesting provider's recommendation; the insured's medical

5   or other clinical history, as appropriate; and the specific clinical circumstances.

6   Sec. 2. EFFECTIVE DATE

7   This act shall take effect on July 1, 2026.