

1 H.814

2 Introduced by Representatives Cina of Burlington, Berbeco of Winooski,  
3 Burrows of West Windsor, Critchlow of Colchester, Galfetti of  
4 Barre Town, Logan of Burlington, McFaun of Barre Town,  
5 McGill of Bridport, Page of Newport City, Pouech of  
6 Hinesburg, Priestley of Bradford, Rachelson of Burlington,  
7 Sibilia of Dover, and Tomlinson of Winooski

8 Referred to Committee on

9 Date:

10 Subject: Health; human services; mental health; artificial intelligence;  
11 neurological rights; health insurance

12 Statement of purpose of bill as introduced: This bill proposes to address  
13 certain applications of artificial intelligence in health and human services,  
14 including regulating mental health chatbots, requiring notice when generative  
15 artificial intelligence is used for patient communications relating to patient  
16 clinical information, and limiting the use of artificial intelligence in utilization  
17 review. The bill would provide neurological rights to individuals by creating  
18 privacy standards for neural data and by prohibiting electronic devices from  
19 bypassing the conscious decision making of individuals who have not provided  
20 consent. The bill would also modify the membership of the Artificial  
21 Intelligence Advisory Council, extend the Council's duration until 2030, and

1 require the Council and the Director of the Division of Artificial Intelligence  
2 to report on the ethical and responsible use of artificial intelligence technology  
3 in health care, human services, and education.

4 An act relating to neurological rights and the use of artificial intelligence  
5 technology in health and human services

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

7 ~~Sec. 1. INTENT~~

8 ~~It is the intent of the General Assembly to:~~

9 ~~(1) protect human rights, promote equity, increase efficiency, enhance~~  
10 ~~accessibility, create transparency, and guarantee accountability in health care~~  
11 ~~and human services through the ethical and responsible use of artificial~~  
12 ~~intelligence technology;~~

13 ~~(2) maximize the benefits and minimize the risks of the use of artificial~~  
14 ~~intelligence in health care and human services;~~

15 ~~(3) promote the ethical and responsible use of augmented intelligence in~~  
16 ~~service delivery, coverage determinations, and access to health care and human~~  
17 ~~services;~~

18 ~~(4) prevent harm from the use of augmented and other artificial~~  
19 ~~intelligence in health care and human services,~~

1 ~~(5) improve the experience of patients, providers, and payers through~~  
2 ~~the use of augmented and other artificial intelligence; and~~

3 ~~(6) improve quality of care, drive positive health outcomes, and~~  
4 ~~cultivate population health through the use of augmented and other artificial~~  
5 ~~intelligence.~~

6 Sec. 2. 18 V.S.A. chapter 42C is added to read:

7 CHAPTER 42C. NEUROLOGICAL RIGHTS

8 § 1891. PURPOSE; INDIVIDUAL RIGHTS

9 The State of Vermont recognizes that each individual has the right to:

10 (1) mental and neural data privacy;

11 (2) the freedom of thought;

12 (3) cognitive liberty;

13 (4) change an individual's decision regarding neurotechnology and the  
14 right to determine by what means to change that decision;

15 (5) be afforded protection from neurotechnological interventions of the  
16 mind and from unauthorized access to or manipulation of an individual's brain  
17 activity; and

18 (6) be afforded protection from unauthorized neurotechnological  
19 alterations in mental functions critical to personality.

20 § 1892. DEFINITIONS

21 As used in this chapter.

1 ~~(1) “Brain computer interface” means a device that enables its user to~~  
2 interact with a computer by means of brain activity only.

3 ~~(2) “Conscious decision making” means an individual making a~~  
4 deliberate decision with awareness and intention.

5 ~~(3) “Consciousness bypass” means the use of neurotechnology to~~  
6 manipulate brain activity by applying electrical or optical stimuli without the  
7 conscious awareness of the individual whose brain activity is being  
8 manipulated.

9 ~~(4) “Neural data” means information that is generated by the~~  
10 measurement of the activity of an individual’s central or peripheral nervous  
11 systems and that can be processed by or with the assistance of a device.

12 ~~(5) “Neurotechnology” means the assembly of methods and instruments~~  
13 that enable a direct connection of technical components with the nervous  
14 system of an individual.

15 ~~(6) “Written informed consent” means the written consent given~~  
16 voluntarily by an individual with capacity, on the individual’s own behalf or  
17 on behalf of another in the role of an agent, guardian, or surrogate, after being  
18 fully informed of the nature, benefits, risks, and consequences of the proposed  
19 agreement.

§ 1802. NEURAL DATA PRIVACY

(a) Prohibition. Subject to the limited exceptions provided in this section, no person shall:

(1) collect or record an individual's neural data gathered from a brain-computer interface; or

(2) share with a third party an individual's neural data gathered from a brain-computer interface.

(b) Consent to collect. A person shall not collect or record an individual's neural data gathered from a brain-computer interface unless the person:

(1) provides the individual with a written notice explaining how the person will use the individual's neural data; and

(2) thereafter receives written informed consent from the individual to collect or record the individual's neural data.

(c) Consent to share. A person shall not share with a third party an individual's neural data gathered from a brain-computer interface unless the person:

(1) provides the individual with a written request for the individual's neural data to be shared with a third party and for what purposes, including the name and address of the third party; and

(2) thereafter receives written informed consent from the individual to share the individual's neural data with the third party.

(d) Revocation of consent.

(1) An individual who has provided written informed consent allowing a person to collect, record, or share the individual's neural data pursuant to this section has the right to revoke consent at any time thereafter by providing written notice to the person initially receiving the consent. This revocation of consent notice shall be as easy or easier for the individual to provide as compared to the requirements for initially providing consent.

(2) A person who receives written notice from an individual revoking consent pursuant to subdivision (1) of this subsection shall:

(A) destroy all records of the individual's neural data not later than 10 days after receiving the notice; and

(B) in the case of the revocation of consent to share an individual's neural data, immediately:

(i) cease sharing an individual's neural data with all third parties upon receipt of the notice; and

(ii) inform all third parties with whom the person has shared the individual's neural data that the individual has revoked consent.

§ 1894. CONSCIOUSNESS BYPASS LIMITATIONS

(a) Specific consent required.

(1) A person shall not allow a brain-computer interface it manufactures to be used to bypass the conscious decision making of an individual unless the

1 ~~person has received specific, written informed consent from the individual. As~~  
2 used in this section, “specific” means written consent for each and every  
3 category of action performed by the brain-computer interface.

4 (2) A person receiving written informed consent from an individual  
5 shall keep a record of the individual’s consent.

6 (3) Consent obtained by using a consciousness bypass is not informed  
7 consent.

8 (b) Revoking consent.

9 (1) An individual who has provided specific, written informed consent  
10 allowing a brain-computer interface to be used to bypass the conscious  
11 decision making of the individual pursuant to this section has the right to  
12 revoke consent at any time thereafter by providing notice to the person initially  
13 receiving the consent. This revocation of consent notice shall be as easy or  
14 easier for the individual to provide as compared to the requirements for  
15 initially providing consent.

16 (2) An individual’s agent, guardian, or surrogate has the right to revoke  
17 consent on behalf of the individual pursuant to subdivision (1) of this  
18 subsection.

1 ~~§ 1805. PENALTY; ENFORCEMENT~~

2 ~~(a) A violation of this chapter shall constitute an unfair or deceptive act or~~  
3 ~~practice in commerce under 9 V.S.A. chapter 63, Vermont's Consumer~~  
4 ~~Protection Act.~~

5 ~~(b) A person who violates this chapter shall be subject to a civil penalty of~~  
6 ~~not more than \$10,000.00 for each violation.~~

7 ~~(c) The Attorney General shall have the same authority to make rules,~~  
8 ~~conduct civil investigations, enter into assurances of discontinuance, and bring~~  
9 ~~civil actions as provided under 9 V.S.A. chapter 63, subchapter 1. Consumers~~  
10 ~~shall have the same rights and remedies as provided under 9 V.S.A. chapter 63,~~  
11 ~~subchapter 1.~~

12 Sec. 3. 18 V.S.A. chapter 233 is added to read:

13 CHAPTER 233. ARTIFICIAL INTELLIGENCE IN HEALTH CARE

14 Subchapter 1. General Provisions

15 § 9751. DEFINITIONS

16 As used in this subchapter:

17 (1) "Artificial intelligence" means a machine-based system that makes  
18 predictions, recommendations, or decisions influencing real or virtual  
19 environments.

1 ~~(2) “Artificial intelligence technology” means a computer system~~  
2 ~~application, or other product that uses or incorporates one or more forms of~~  
3 ~~artificial intelligence.~~

4 ~~(3) “Confidential communication” means information obtained by a~~  
5 ~~licensed mental health provider, including information obtained by the~~  
6 ~~provider’s examination of the client or patient, that is:~~

7 ~~(A)(i) transmitted between the client or patient and the licensed~~  
8 ~~mental health provider in the course of the treating relationship; or~~

9 ~~(ii) transmitted among the client or patient, the licensed mental~~  
10 ~~health provider, and individuals who are participating in the diagnosis and~~  
11 ~~treatment under the direction of the licensed mental health provider, including~~  
12 ~~members of the client’s or patient’s family; and~~

13 ~~(B) made in confidence, for the diagnosis or treatment of the client or~~  
14 ~~patient by the licensed mental health provider, and by a means not intended to~~  
15 ~~be disclosed to third parties other than those individuals who are:~~

16 ~~(i) present to further the interests of the client or patient in the~~  
17 ~~consultation, examination, or review;~~

18 ~~(ii) reasonably necessary for the transmission of the~~  
19 ~~communications; or~~

20 ~~(iii) participating in the diagnosis and treatment of the client or~~  
21 ~~patient under the direction of the licensed mental health provider.~~

1 ~~(4) “Covered entity” has the same meaning as in 45 C.F.R. § 160.103.~~

2 ~~(5) “Generative artificial intelligence” means an artificial intelligence~~  
3 ~~technology system that:~~

4 ~~(A) is trained on data;~~

5 ~~(B) is designed to simulate human conversation with a consumer~~  
6 ~~through one or more of the following:~~

7 ~~(i) text;~~

8 ~~(ii) audio; or~~

9 ~~(iii) visual communication; and~~

10 ~~(C) generates nonscripted outputs similar to outputs created by a~~  
11 ~~human, with limited or no human oversight.~~

12 ~~(6) “Health care provider” has the same meaning as in 45 C.F.R.~~  
13 ~~§ 160.103.~~

14 ~~(7) “Health plan” has the same meaning as in 45 C.F.R. § 160.103.~~

15 ~~(8) “Individually identifiable health information” means any~~  
16 ~~information, whether oral or recorded in any form or medium, that relates to~~  
17 ~~the physical or mental health or condition of an individual.~~

18 ~~(9)(A) “Mental health chatbot” means an artificial intelligence~~  
19 ~~technology that:~~

20 ~~(i) uses generative artificial intelligence to engage in interactive~~

21 ~~conversations with a user of the mental health chatbot similar to the~~

1 ~~confidential communications that an individual would have with a licensed~~  
2 mental health provider; and

3 (ii) a supplier represents, or a reasonable person would believe,  
4 can or will provide psychotherapy or help a user manage or treat mental health  
5 conditions.

6 (B) “Mental health chatbot” does not include artificial intelligence  
7 technology that only:

8 (i) provides scripted output, such as guided meditations or  
9 mindfulness exercises; or

10 (ii) analyzes an individual’s input for the purpose of connecting  
11 the individual with a human mental health provider.

12 (10) “Mental health provider” means an individual who is:

13 (A) a physician licensed pursuant to 26 V.S.A. chapter 23 or 33 who  
14 is engaged in the practice of psychotherapy;

15 (B) an advanced practice registered nurse licensed pursuant to  
16 26 V.S.A. chapter 28 who specializes in psychiatric or mental health nursing;

17 (C) a physician assistant licensed pursuant to 26 V.S.A. chapter 31  
18 who specializes in psychiatric or mental health care;

19 (D) a psychologist licensed pursuant to 26 V.S.A. chapter 55;

20 (E) a social worker licensed pursuant to 26 V.S.A. chapter 61,

1 ~~(E) an alcohol and drug abuse counselor licensed pursuant to 26~~

2 ~~V.S.A. chapter 62;~~

3 ~~(G) a clinical mental health counselor licensed pursuant to 26 V.S.A.~~

4 ~~chapter 65;~~

5 ~~(H) a marriage and family therapist licensed pursuant to 26 V.S.A.~~

6 ~~chapter 76; or~~

7 ~~(I) a psychoanalyst licensed pursuant to 26 V.S.A. chapter 77.~~

8 ~~(11) “Personal data” means information that is linked or can be~~  
9 ~~reasonably linked to an identified individual or an identifiable individual.~~

10 ~~(12) “Scientific research development” means research:~~

11 ~~(A) conducted by a researcher affiliated with:~~

12 ~~(i) an institution of higher education;~~

13 ~~(ii) a research organization; or~~

14 ~~(iii) a health care facility; and~~

15 ~~(B) that is approved by an institutional review board and is~~  
16 ~~conducted in accordance with applicable ethics requirements for human~~  
17 ~~subject research.~~

18 ~~(13) “Supplier” means a seller, lessor, assignor, offeror, broker, or other~~  
19 ~~person who regularly solicits, engages in, or enforces consumer transaction,~~  
20 ~~regardless of whether the person deals directly with the consumer.~~

1 ~~(14) "User input" means content provided to a mental health chatbot by~~  
2 ~~a Vermont user.~~

3 ~~(15) "Vermont user" means an individual located in Vermont at the time~~  
4 ~~the individual accesses or uses a mental health chatbot.~~

5 § 9752. NOTICE OF USE OF GENERATIVE ARTIFICIAL  
6 INTELLIGENCE

7 (a) Except as provided in subsection (b) of this section, any health care  
8 provider that uses generative artificial intelligence to generate written or verbal  
9 patient communications relating to patient clinical information shall ensure  
10 that those communications include both of the following:

11 (1) A disclaimer that indicates to the patient that the communication  
12 was generated by generative artificial intelligence.

13 (A) For written communications involving physical and digital  
14 media, including letters, emails, and other occasional messages, the disclaimer  
15 shall appear prominently at the beginning of each communication.

16 (B) For written communications involving continuous online  
17 interactions, including chat-based telehealth, the disclaimer shall be  
18 prominently displayed throughout the interaction.

19 (C) For audio communications, the disclaimer shall be provided  
20 verbally at the start and end of the interaction.

1 ~~(D) For video communications, the disclaimer shall be prominently~~  
2 displayed throughout the interaction.

3 (2) Clear instructions describing how a patient may contact a human  
4 health care provider; an employee of the health care facility, clinic, physician's  
5 office, or office of a group provider; or other appropriate person.

6 (b) If a communication is generated by generative artificial intelligence and  
7 read and reviewed by a licensed human health care provider, the requirements  
8 of subsection (a) of this section shall not apply.

9 (c) In addition to the enforcement authority set forth in section 9753 of this  
10 chapter, a violation of this section by a licensed health care provider is subject  
11 to the jurisdiction of the Office of Professional Regulation and the Board of  
12 Medical Practice, as applicable.

13 § 9753. VIOLATIONS; ENFORCEMENT AUTHORITY

14 The Attorney General may impose an administrative penalty of not more  
15 than \$2,500.00 for each violation of this chapter. In addition, and in addition  
16 to any other remedy provided by law, the Attorney General may file an action  
17 in Superior Court for a violation of this chapter. The Attorney General shall  
18 have the same authority to investigate and obtain remedies as if the action  
19 were brought under the Vermont Consumer Protection Act, 9 V.S.A. chapter  
20 63. Each violation of this chapter constitutes a separate violation for which the  
21 Attorney General may obtain relief.

~~Subchapter 2. Artificial Intelligence Applications Relating to Mental Health~~

§ 9761. PROTECTION OF PERSONAL INFORMATION OF MENTAL

HEALTH CHATBOT USERS

(a)(1) Except as provided in subdivision (2) of this subsection, a supplier of a mental health chatbot shall not sell to or share with any third party any:

(A) individually identifiable health information of a Vermont user; or

(B) user input of a Vermont user.

(2) The prohibition set forth in subdivision (1) of this subsection shall not apply to individually identifiable health information that is:

(A) requested by a health care provider with the consent of the Vermont user;

(B) provided to a health plan of a Vermont user upon request of the Vermont user; or

(C) shared in compliance with subsection (b) of this section.

(b)(1) A supplier may share individually identifiable health information necessary to ensure the effective functionality of the mental health chatbot with another person with whom the supplier has a contract related to such functionality.

(2) When sharing information pursuant to subdivision (1) of this subsection, the supplier and the other person shall comply with all applicable privacy and security provisions of 45 C.F.R. Part 160 and 45 C.F.R. Part 164,

1 ~~Subparts A and E, as if the supplier were a covered entity and the other person~~  
2 ~~were a business associate, as those terms are defined in 45 C.F.R. § 160.103.~~

3 § 9762. RESTRICTIONS ON ADVERTISING TO MENTAL HEALTH

4 CHATBOT USERS

5 (a) A supplier shall not use a mental health chatbot to advertise a specific  
6 product or service to a Vermont user in a conversation between the Vermont  
7 user and the mental health chatbot unless the mental health chatbot:

8 (1) clearly and conspicuously identifies the advertisement as an  
9 advertisement; and

10 (2) clearly and conspicuously discloses to the Vermont user any:

11 (A) sponsorship;

12 (B) business affiliation; or

13 (C) agreement that the supplier has with a third party to promote,  
14 advertise, or recommend the product or service.

15 (b) A supplier of a mental health chatbot shall not use a Vermont user's  
16 input to:

17 (1) determine whether to display an advertisement for a product or  
18 service to the Vermont user, unless the advertisement is for the mental health  
19 chatbot itself;

20 (2) determine a product, service, or category of product or service to  
21 advertise to the Vermont user, or

1 ~~(2) customize how an advertisement is presented to a Vermont user.~~

2 ~~(c) Nothing in this section shall be construed to prohibit a mental health~~  
3 ~~chatbot from recommending that a Vermont user seek psychotherapy or other~~  
4 ~~assistance from a licensed health care provider, including a specific licensed~~  
5 ~~health care provider.~~

6 ~~§ 9763. MENTAL HEALTH CHATBOT DISCLOSURE REQUIREMENTS~~

7 ~~(a) A supplier of a mental health chatbot shall cause the mental health~~  
8 ~~chatbot to clearly and conspicuously disclose to a Vermont user that the mental~~  
9 ~~health chatbot is an artificial intelligence technology and not a human.~~

10 ~~(b) The disclosure described in subsection (a) of this section shall be made:~~

11 ~~(1) before the Vermont user may access the features of the mental health~~  
12 ~~chatbot;~~

13 ~~(2) at the beginning of any interaction with the Vermont user if the~~  
14 ~~Vermont user has not accessed the mental health chatbot within the previous~~  
15 ~~seven days; and~~

16 ~~(3) any time a Vermont user asks or otherwise prompts the mental health~~  
17 ~~chatbot about whether artificial intelligence is being used.~~

18 ~~§ 9764. MENTAL HEALTH CHATBOTS; AFFIRMATIVE DEFENSE~~

19 ~~(a) It is an affirmative defense to liability in an action for unlawful or~~  
20 ~~unprofessional conduct brought against a supplier by the Office of Professional~~

1 ~~Regulation of the Board of Medical Practice if the supplier demonstrates that~~

2 ~~the supplier meets all of the following conditions:~~

3 ~~(1) the supplier created, maintained, and implemented a policy that~~  
4 ~~meets the requirements of subsection (b) of this section;~~

5 ~~(2) the supplier maintains documentation regarding the development~~  
6 ~~and implementation of the mental health chatbot that describes:~~

7 ~~(A) foundation models used in development;~~

8 ~~(B) training tools used;~~

9 ~~(C) compliance with federal health privacy regulations;~~

10 ~~(D) user data collection and sharing practices; and~~

11 ~~(E) ongoing efforts to ensure accuracy, reliability, fairness, and~~  
12 ~~safety;~~

13 ~~(3) the supplier filed the policy with the Office of the Attorney General;~~

14 ~~and~~

15 ~~(4) the supplier complied with all requirements of the filed policy at the~~  
16 ~~time of the alleged violation.~~

17 ~~(b) A policy described in subdivision (a)(1) of this section shall meet all of~~  
18 ~~the following requirements:~~

19 ~~(1) be in writing;~~

20 ~~(2) clearly state:~~

21 ~~(A) the intended purposes of the mental health chatbot, and~~

1 ~~(B) the abilities and limitations of the mental health chatbot;~~

2 (3) describe the procedures by which the supplier:

3 (A) ensures that qualified mental health providers licensed in

4 Vermont or in one or more other states, or both, are involved in the

5 development and review process;

6 (B) ensures that the mental health chatbot is developed and

7 monitored in a manner consistent with clinical best practices;

8 (C) conducts testing prior to making the mental health chatbot

9 publicly available and regularly thereafter to ensure that the output of the

10 mental health chatbot poses no greater risk to a user than that posed to an

11 individual in psychotherapy with a licensed mental health provider;

12 (D) identifies reasonably foreseeable adverse outcomes to and

13 potentially harmful interactions with users that could result from using the

14 mental health chatbot;

15 (E) provides a mechanism for a user to report any potentially harmful

16 interactions from use of the mental health chatbot;

17 (F) implements protocols to assess and respond to risk of harm to

18 users or other individuals;

19 (G) details actions taken to prevent or mitigate any such adverse

20 outcomes or potentially harmful interactions.

1 (H) implements protocols to respond in real time to acute risk of  
2 physical harm;

3 (I) reasonably ensures regular, objective reviews of safety, accuracy,  
4 and efficacy, which may include internal or external audits;

5 (J) provides users any necessary instructions on the safe use of the  
6 mental health chatbot;

7 (K) ensures users understand that they are interacting with artificial  
8 intelligence;

9 (L) ensures users understand the intended purpose, capabilities, and  
10 limitations of the mental health chatbot;

11 (M) prioritizes user mental health and safety over engagement  
12 metrics or profit;

13 (N) implements measures to prevent discriminatory treatment of  
14 users; and

15 (O) ensures compliance with the security and privacy protections of  
16 45 C.F.R. Part 160 and 45 C.F.R. Part 164, Subparts A, C, and E, as if the  
17 supplier were a covered entity, and applicable consumer protection  
18 requirements, including sections 9761–9763 of this subchapter.

19 (c) To file a policy with the Office of the Attorney General under this  
20 section, a supplier of a mental health chatbot.

1 ~~(1) shall provide to the Office, in the form and manner prescribed by the~~

2 Office:

3 (A) the name and address of the supplier;

4 (B) the name of the mental health chatbot supplied by the supplier;

5 (C) the written policy described in subsection (b) of this section; and

6 (D) a \$100.00 filing fee; and

7 (2) may provide to the Office:

8 (A) any revisions to a policy filed under this section; and

9 (B) any other documentation that the supplier elects to provide.

10 (d) The affirmative defense described in this section applies only in an  
11 administrative or civil action alleging unlawful or unprofessional conduct by a  
12 mental health provider.

13 (e) Nothing in this section shall be construed to:

14 (1) prohibit the Attorney General, the Office of Professional Regulation,  
15 or the Board of Medical Practice from bringing an action alleging unlawful or  
16 unprofessional conduct against the supplier of a mental health chatbot, or

17 (2) recognize a mental health chatbot as a licensed mental health  
18 provider.

~~Subchapter 3. Artificial Intelligence Applications Relating to Health Insurance~~

§ 9171. USE OF ARTIFICIAL INTELLIGENCE IN UTILIZATION

REVIEW

(a) A health plan, as defined in section 9418 of this title, that uses an artificial intelligence, algorithm, or other software tool for the purpose of utilization review or utilization management functions, based in whole or in part on medical necessity, or that contracts with or otherwise works through an entity that uses artificial intelligence, algorithm, or other software tool for the purpose of utilization review or utilization management functions, based in whole or in part on medical necessity, shall ensure all of the following:

(1) The artificial intelligence, algorithm, or other software tool bases its determination on the following information, as applicable:

(A) a covered individual's medical or other clinical history;

(B) the specific clinical circumstances as presented by the requesting health care provider; and

(C) other relevant clinical information contained in the covered individual's medical or other clinical record.

(2) The artificial intelligence, algorithm, or other software tool does not base its determination solely on a group dataset.

1 (3) The artificial intelligence, algorithm, or other software tool's criteria  
2 and guidelines comply with 8 V.S.A. chapter 107, chapter 221 of this title, and  
3 other applicable State and federal laws.

4 (4) The artificial intelligence, algorithm, or other software tool does not  
5 supplant health care provider decision making.

6 (5) The use of the artificial intelligence, algorithm, or other software  
7 tool does not discriminate, directly or indirectly, against covered individuals in  
8 violation of State or federal law.

9 (6) The artificial intelligence, algorithm, or other software tool is fairly  
10 and equitably applied, including in accordance with any applicable regulations  
11 and guidance issued by the U.S. Department of Health and Human Services.

12 (7) The artificial intelligence, algorithm, or other software tool is open  
13 to inspection for audit or compliance reviews by the Department of Financial  
14 Regulation and by other State agencies and departments pursuant to applicable  
15 State and federal law.

16 (8) Disclosures pertaining to the use and oversight of the artificial  
17 intelligence, algorithm, or other software tool are contained in the health  
18 plan's written policies and procedures to the extent required by the Department  
19 of Financial Regulation.

1 ~~(9) The artificial intelligence, algorithm, or other software tool's~~  
2 ~~performance, use, and outcomes are periodically reviewed and revised to~~  
3 ~~maximize accuracy and reliability.~~

4 ~~(10) Patient data is not used beyond its intended and stated purpose,~~  
5 ~~consistent with chapter 42B of this title and with the security and privacy~~  
6 ~~protections of 45 C.F.R. Part 160 and 45 C.F.R. Part 164, Subparts A and E, as~~  
7 ~~applicable.~~

8 ~~(11) The artificial intelligence, algorithm, or other software tool does~~  
9 ~~not directly or indirectly cause harm to the covered individual.~~

10 ~~(b) Notwithstanding subsection (a) of this section, the artificial~~  
11 ~~intelligence, algorithm, or other software tool shall not deny, delay, or modify~~  
12 ~~health care services based in whole or in part on medical necessity. A~~  
13 ~~determination of medical necessity shall be made only by a licensed human~~  
14 ~~health care provider who is competent to evaluate the specific clinical issues~~  
15 ~~involved in the health care services requested by a treating health care provider~~  
16 ~~by reviewing and considering the requesting provider's recommendation; the~~  
17 ~~covered individual's medical or other clinical history, as appropriate; and the~~  
18 ~~specific clinical circumstances.~~

19 ~~(c) This section shall apply to utilization review or utilization management~~  
20 ~~functions that prospectively, retrospectively, or concurrently review requests~~  
21 ~~for covered health care services.~~

1 ~~Sec. 4. 3 V.S.A. § 5023 is amended to read:~~

2 § 5023. ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL

3 (a) Advisory Council. There is established the Artificial Intelligence  
4 Advisory Council to provide advice and counsel to the Director of the Division  
5 of Artificial Intelligence with regard to the Division's responsibilities to  
6 review all aspects of artificial intelligence systems developed, employed, or  
7 procured in State government. The Advisory Council, in consultation with the  
8 Director of the Division, shall also engage in public outreach and education on  
9 artificial intelligence.

10 (b) Members.

11 (1) Members. The Advisory Council shall be composed of the  
12 following members:

13 \* \* \*

14 (F) one member with experience in the field of ethics and human  
15 rights, appointed by the ~~Governor~~ National Association of Social Workers,  
16 Vermont Chapter;

17 (G) one member who is an academic at a postsecondary institute,  
18 appointed by the Vermont Academy of Science and Engineering;

19 (H) ~~the Commissioner of Health or designee~~ one member with  
20 experience in public education, appointed by the Vermont-National Education  
21 Association,

1 ~~(I) one member with experience in health care, appointed by the~~  
2 Vermont Medical Society;

3 (J) the Secretary of Human Services or designee;

4 (K) the Executive Director of Racial Equity or designee; and

5 ~~(L)~~ (L) the Attorney General or designee; and

6 (M) the State Treasurer or designee.

7 \* \* \*

8 (h) Repeal. This section shall be repealed on June 30, ~~2027~~ 2030.

9 Sec. 5. RESPONSIBLE AND ETHICAL USE OF ARTIFICIAL

10 INTELLIGENCE IN HEALTH CARE, HUMAN SERVICES, AND

11 EDUCATION; REPORT

12 (a) The Artificial Intelligence Advisory Council, in coordination with the  
13 Director of the Division of Artificial Intelligence, shall:

14 (1) review guidelines and recommendations from the American Medical  
15 Association, National Association of Social Workers, National Education  
16 Association, and other relevant professional organizations regarding the use of  
17 artificial intelligence in the fields of health care, human services, education,  
18 public participation, and public finance;

19 (2) research existing and potential uses of artificial intelligence in public  
20 participation processes and in public finance, and

1 ~~(3) create opportunities for public education and engagement in the~~  
2 ~~development of artificial intelligence policy.~~

3 (b) On or before January 15, 2027, the Artificial Intelligence Advisory  
4 Council, in coordination with the Director of the Division of Artificial  
5 Intelligence, shall submit a written report to the General Assembly:

6 (1) recommending any additional statutory changes necessary to further  
7 the purposes of this act;

8 (2) summarizing any additional ways that government can promote the  
9 ethical and responsible use of artificial intelligence technology in health and  
10 human services and in education;

11 (3) proposing pilot projects that improve public engagement in public  
12 finance using ethical and responsible artificial intelligence technology; and

13 (4) identifying any reasons for further delaying or removing the new  
14 2030 sunset of the Artificial Intelligence Advisory Council as set forth in Sec.  
15 4 of this act.

16 Sec. 6. EFFECTIVE DATE

17 ~~This act shall take effect on July 1, 2026.~~

*Sec. 1. INTENT*

*It is the intent of the General Assembly to:*

*(1) protect human rights, promote equity, increase efficiency, enhance*  
*accessibility, create transparency, and guarantee accountability in health care*

and human services through the ethical and responsible use of artificial intelligence technology;

(2) maximize the benefits and minimize the risks of the use of artificial intelligence in health care and human services;

(3) promote the ethical and responsible use of augmented intelligence in service delivery, coverage determinations, and access to health care and human services;

(4) prevent harm from the use of augmented and other artificial intelligence in health care and human services;

(5) improve the experience of patients, providers, and payers through the use of augmented and other artificial intelligence; and

(6) improve quality of care, drive positive health outcomes, and cultivate population health through the use of augmented and other artificial intelligence.

*Sec. 2. 18 V.S.A. chapter 42C is added to read:*

CHAPTER 42C. NEUROLOGICAL RIGHTS

§ 1891. PURPOSE; INDIVIDUAL RIGHTS

The State of Vermont recognizes that each individual has the right to:

(1) mental and neural data privacy;

(2) the freedom of thought;

(3) nondiscrimination in the development and application of neurotechnologies;

(4) change an individual's decision regarding neurotechnology and the right to determine by what means to change that decision;

(5) be afforded protection from neurotechnological interventions of the mind and from unauthorized access to or manipulation of an individual's brain activity; and

(6) be afforded protection from unauthorized neurotechnological alterations in mental functions critical to personality.

Sec. 3. 3 V.S.A. § 5023 is amended to read:

§ 5023. ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL

(a) *Advisory Council.* There is established the Artificial Intelligence Advisory Council to provide advice and counsel to the Director of the Division of Artificial Intelligence with regard to the Division's responsibilities to review all aspects of artificial intelligence systems developed, employed, or procured in State government. The Advisory Council, in consultation with the Director of the Division, shall also engage in public outreach and education on artificial intelligence.

(b) *Members.*

(1) *Members.* The Advisory Council shall be composed of the following members:

\* \* \*

*(F) one member with experience in the field of ethics and human rights, appointed by the Governor National Association of Social Workers, Vermont Chapter;*

*(G) one member who is an academic at a postsecondary institute, appointed by the Vermont Academy of Science and Engineering;*

*(H) ~~the Commissioner of Health~~ Secretary of Human Services or designee;*

*(I) one member with experience in health care, appointed by the Vermont Medical Society;*

*(J) one member with experience in public education, appointed by the Vermont-National Education Association;*

*(K) the Executive Director of Racial Equity or designee; ~~and~~*

*~~(J)~~(L) the Attorney General or designee;*

*(M) the State Treasurer or designee; and*

*(N) one member with relevant knowledge and expertise, appointed by the Governor.*

\* \* \*

*(h) Repeal. This section shall be repealed on June 30, ~~2027~~ 2030.*

*Sec. 4. RESPONSIBLE AND ETHICAL USE OF ARTIFICIAL*

*INTELLIGENCE IN HEALTH CARE, HUMAN SERVICES, AND  
EDUCATION; REPORT*

*(a) The Artificial Intelligence Advisory Council, in coordination with the Director of the Division of Artificial Intelligence and in consultation with interested stakeholders, shall:*

*(1) review guidelines and recommendations from the American Medical Association, National Association of Social Workers, National Education Association, and other relevant professional organizations regarding the use of artificial intelligence in the fields of health care, human services, education, public participation, and public finance;*

*(2) research existing and potential uses of artificial intelligence in public participation processes and in public finance; and*

*(3) create opportunities for public education and engagement in the development of artificial intelligence policy.*

*(b) On or before January 15, 2027, the Artificial Intelligence Advisory Council, in coordination with the Director of the Division of Artificial Intelligence, shall submit a written report to the General Assembly:*

*(1) recommending any additional statutory changes necessary to further the purposes of this act, including:*

~~(4) protections for neurological rights and in relation to neurotechnologies.~~

(A) protections for neurological rights, protections related to neurotechnologies, and proposed definitions for relevant terminology;

(B) guidance on the use of generative artificial intelligence by regulated professions; and

(C) regulating the use of artificial and augmented intelligence in health insurance utilization review processes;

(2) summarizing any additional ways that government can promote the ethical and responsible use of artificial intelligence technology in health and human services and in education;

(3) proposing pilot projects that improve public engagement in public finance using ethical and responsible artificial intelligence technology; and

(4) identifying any reasons for further delaying or removing the new 2030 sunset of the Artificial Intelligence Advisory Council as set forth in Sec. 4 of this act.

**Sec. 5. EFFECTIVE DATE**

This act shall take effect on passage.