AN ACT

Providing for disclosure by health insurers of the use of
artificial intelligence-based algorithms in the utilization
review process.

The General Assembly of the Commonwealth of Pennsylvania
hereby enacts as follows:

Section 1. Short title.

This act shall be known and may be cited as the Artificial
Intelligence Utilization Review (AURA) Act.

Section 2. Definitions.

The following words and phrases when used in this act shall
have the meanings given to them in this section unless the
context clearly indicates otherwise:

"Artificial intelligence-based algorithms." Any artificial
system that performs tasks under varying and unpredictable
circumstances without significant human oversight or that can
learn from experience and improve performance when exposed to
data sets.
"Commissioner." The Insurance Commissioner of the Commonwealth.

"Covered person." A policyholder, subscriber or other individual who is entitled to receive health care services under a health insurance policy.

"Department." The Insurance Department of the Commonwealth.

"Health care provider." A licensed hospital or health care facility, medical equipment supplier or person who is licensed, certified or otherwise regulated to provide health care services under the laws of this Commonwealth.

"Health care service." Any covered treatment, admission, procedure, medical supplies and equipment or other services, including behavioral health, prescribed or otherwise provided or proposed to be provided by a health care provider to a covered person for the diagnosis, prevention, treatment, cure or relief of a health condition, illness, injury or disease under the terms of a health insurance policy.

"Health insurance policy." A policy, subscriber contract, certificate or plan issued by an insurer that provides medical or health care coverage. The term does not include:

1. An accident only policy.
2. A credit only policy.
3. A long-term care or disability income policy.
4. A specified disease policy.
5. A Medicare supplement policy.
6. A TRICARE policy, including a Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) supplement policy.
7. A fixed indemnity policy.
8. A hospital indemnity policy.
(9) A dental only policy.

(10) A vision only policy.

(11) A workers' compensation policy.


(13) A homeowner's insurance policy.

(14) Any other similar policies providing for limited benefits.

"Insurer." The following:

(1) An entity licensed by the department that offers, issues or renews an individual or group health insurance policy that is offered or governed under:

   (i) The act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, including section 630 and Article XXIV thereof.


   (iii) 40 Pa.C.S. Ch. 61 (relating to hospital plan corporations) or 63 (relating to professional health services plan corporations).

(2) The term does not include an entity operating as a Medical Assistance or CHIP Managed Care Plan.

"Medical Assistance or CHIP Managed Care Plan." A health care plan that uses a gatekeeper to manage the utilization of health care services by medical assistance or children's health insurance program enrollees and integrates the financing and delivery of health care services.

"Specialist." A health care provider whose practice is not limited to primary health care services and who has additional
postgraduate or specialized training, has board certification or practices in a licensed specialized area of health care.

"Utilization review." The term shall mean the same as defined under section 2102 of The Insurance Company Law of 1921.

Section 3. Insurer requirements.

(a) Duty to disclose.--An insurer shall disclose to a health care provider, all covered persons and the general public if artificial intelligence-based algorithms are used, not used or will be used in the insurer's utilization review process. An insurer shall disclose information about the use or lack of use of artificial intelligence-based algorithms in the utilization review process on the insurer's publicly accessible Internet website.

(b) Transparency.--An insurer shall submit the artificial intelligence-based algorithms and training data sets that are being used or will be used in the utilization review process to the department for transparency. The department shall implement a process that allows the department to certify that these artificial intelligence-based algorithms and training data sets have minimized the risk of bias based on the covered person's race, color, religious creed, ancestry, age, sex, gender, national origin, handicap or disability and adhere to evidence-based clinical guidelines.

Section 4. Specialist requirements.

A specialist who participates in a utilization review process for an insurer that initially uses artificial intelligence-based algorithms for a utilization review shall open and document the utilization review of the individual clinical records or data prior to the individualized documented decision of a denial.

Section 5. Enforcement.
(a) Penalties.--

(1) A violation of this act shall be deemed to be an unfair method of competition and an unfair or deceptive act or practice under the act of July 22, 1974 (P.L.589, No.205), known as the Unfair Insurance Practices Act.

(2) Upon satisfactory evidence of a violation of this act by an insurer or other person, one or more of the following penalties may be imposed at the commissioner's discretion:

(i) Suspension or revocation of license of the insurer or other person.

(ii) Refusal, for a period not to exceed one year, to issue a new license to the insurer or other person.

(iii) A fine of not more than $5,000 for each violation of this act.

(iv) A fine of not more than $10,000 for each willful violation of this act.

(b) Limitations on fines.--

(1) Fines imposed against an insurer under subsection (a) may not exceed $500,000 in the aggregate during a single calendar year.

(2) Fines imposed against any other person under subsection (a) may not exceed $100,000 in the aggregate during a single calendar year.

(c) Additional remedies.--The enforcement remedies imposed under this subsection are in addition to any other remedies or penalties that may be imposed under any other applicable law of this Commonwealth, including:


(2) The act of December 18, 1996 (P.L.1066, No.159),
known as the Accident and Health Filing Reform Act.


(d) Administrative procedure.--This section shall be subject to 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of Commonwealth agencies). A party against whom penalties are assessed in an administrative action may appeal to Commonwealth Court as provided in 2 Pa.C.S. Ch. 7 Subch. A (relating to judicial review of Commonwealth agency action).

Section 6. Effective date.

This act shall take effect in 60 days.