

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3577 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Daniel Pae

Reading Clerk

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3577

By: Pae

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8 PROPOSED COMMITTEE SUBSTITUTE

9 An Act relating to health insurance; creating the
10 Artificial Intelligence Utilization Review Act;
11 providing definitions; mandating a notice for
12 artificial intelligence use in review; mandating
13 human review of specialist's denials; providing civil
14 liability; providing penalties; providing caps on
15 penalties; providing for codification; and providing
16 an effective date.

17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 6980.1 of Title 36, unless there
20 is created a duplication in numbering, reads as follows:

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

23 SECTION 2. NEW LAW A new section of law to be codified
24 in the Oklahoma Statutes as Section 6980.2 of Title 36, unless there
is created a duplication in numbering, reads as follows:

1 As used in this act:

2 1. "Artificial intelligence-based algorithms" means any
3 artificial system that performs tasks under varying and
4 unpredictable circumstances without significant human oversight or
5 that can learn from experience and improve performance when exposed
6 to data sets;

7 2. "Commissioner" means the Oklahoma Insurance Commissioner;

8 3. "Covered person" means a policyholder, subscriber, or other
9 individual who is entitled to receive health care services under a
10 health insurance policy;

11 4. "Department" means the Oklahoma Insurance Department;

12 5. "Health care provider" means a licensed hospital or health
13 care facility, medical equipment supplier, or person who is
14 licensed, certified, or otherwise regulated to provide health care
15 services under the laws of Oklahoma;

16 6. "Health care service" means any covered treatment,
17 admission, procedure, medical supplies and equipment, or other
18 services, including behavioral health, prescribed or otherwise
19 provided or proposed to be provided by a health care provider to a
20 covered person for the diagnosis, prevention, treatment, cure, or
21 relief of a health condition, illness, injury, or disease under the
22 terms of a health insurance policy;

1 7. "Health insurance policy" means a policy, subscriber
2 contract, certificate, or plan issued by an insurer that provides
3 medical or health care coverage. The term does not include:

- 4 a. an accident-only policy,
- 5 b. a credit-only policy,
- 6 c. a long-term care or disability income policy,
- 7 d. a specified disease policy,
- 8 e. a Medicare supplement policy,
- 9 f. a TRICARE policy, including a Civilian Health and
10 Medical Program of the Uniformed Services (CHAMPUS)
11 supplement policy,
- 12 g. a fixed indemnity policy,
- 13 h. a hospital indemnity policy,
- 14 i. a dental-only policy,
- 15 j. a vision-only policy,
- 16 k. a workers' compensation policy,
- 17 l. an automobile medical payment policy,
- 18 m. a homeowner's insurance policy, or
- 19 n. any other similar policies providing for limited
20 benefits;

21 8. "Insurer" means an entity licensed by the Department that
22 offers, issues, or renews an individual or group health insurance
23 policy. The term does not include an entity operating as a Medical
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1 Assistance Program or Children's Health Insurance Program (CHIP)
2 Managed Care Plan;

3 9. "Medical Assistance" or "CHIP Managed Care Plan" means a
4 health care plan that uses a gatekeeper to manage the utilization of
5 health care services by medical assistance or CHIP enrollees and
6 integrates the financing and delivery of health care services;

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

11 11. "Utilization review" means a set of formal techniques
12 designed to monitor the use of or evaluate the medical necessity,
13 appropriateness, efficacy, or efficiency of health care services,
14 procedures, or settings, including prior authorization, second
15 opinion, certification, concurrent review, case management,
16 discharge planning, or retrospective review, in order to make a
17 determination regarding coverage of the service under the terms of a
18 health insurance policy or an agreement with the Department of Human
19 Services.

20 SECTION 3. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 6980.3 of Title 36, unless there
22 is created a duplication in numbering, reads as follows:

23 A. An insurer shall disclose to a health care provider, all
24 covered persons, and the general public if artificial intelligence-

1 based algorithms are used, not used, or will be used in the
2 insurer's utilization review process. An insurer shall disclose
3 information about the use or lack of use of artificial intelligence-
4 based algorithms in the utilization review process on the insurer's
5 publicly accessible Internet website.

6 B. An insurer shall submit the artificial intelligence-based
7 algorithms and training data sets that are being used or will be
8 used in the utilization review process to the Department for
9 transparency. The insurer shall submit an attestation to the
10 Department, annually by December 31, in the manner and form
11 prescribed by the Department on its website certifying that these
12 artificial intelligence-based algorithms and training data sets have
13 minimized the risk of bias based on the covered person's race,
14 color, religious creed, ancestry, age, sex, gender, national origin,
15 handicap or disability, and adhere to evidence-based clinical
16 guidelines.

17 SECTION 4. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 6980.4 of Title 36, unless there
19 is created a duplication in numbering, reads as follows:

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

1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 6980.5 of Title 36, unless there
3 is created a duplication in numbering, reads as follows:

4 A. 1. A violation of this act shall be deemed to be an unfair
5 method of competition and an unfair or deceptive act or practice.

6 2. Upon satisfactory evidence of a violation of this act by an
7 insurer or other person, one or more of the following penalties may
8 be imposed at the Oklahoma Insurance Commissioner's discretion:

9 a. suspension or revocation of the license of the insurer
10 or other person,

11 b. refusal, for a period not to exceed one (1) year, to
12 issue a new license to the insurer or other person,

13 c. a fine of not more than Five Thousand Dollars
14 (\$5,000.00) for each violation of this act, or

15 d. a fine of not more than Ten Thousand Dollars
16 (\$10,000.00) for each willful violation of this act.

17 B. 1. Fines imposed against an insurer under subsection A of
18 this section may not exceed Five Hundred Thousand Dollars
19 (\$500,000.00) in the aggregate during a single calendar year.

20 2. Fines imposed against any other person under subsection A of
21 this section may not exceed One Hundred Thousand Dollars
22 (\$100,000.00) in the aggregate during a single calendar year.

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1 C. The enforcement remedies imposed under subsection A of this
2 section are in addition to any other remedies or penalties that may
3 be imposed under any other applicable law of this state.

4 SECTION 6. This act shall become effective November 1, 2024.

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