BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	**HB 3577**
Version:	**Introduced**
Request Number:	**9035**
Author:	**Rep. Pae**
Date:	**2/19/2024**
Impact:	**$0**

Research Analysis

House Bill 3577, as introduced, establishes the "Artificial Intelligence Utilization Review Act (AURA)," which requires insurers to disclose the use or non-use of artificial intelligence-based algorithms in their utilization review process to healthcare providers, covered persons, and the general public. The measure requires the disclosure to be made on the insurer's website. The insurer is also required to submit these algorithms and training data sets to the Oklahoma Insurance Department. Specialists participating in utilization reviews using AI algorithms must document individual clinical records before making denial decisions. Violators are subject to penalties, including fines, license suspension or revocation, and refusal to issue new licenses. Fines are capped at $500,000 for insurers and $100,000 for other individuals per calendar year.

Prepared By: Matthew Brenchley

Fiscal Analysis

HB 3577 requires health insurers to disclose to health care providers and individuals whether or not artificial intelligence-based algorithms are being used in the insurer's utilization review process. The insurer must disclose the information on their website and submit the algorithms and training data sets being used in their utilization review process to the Oklahoma Insurance Department (OID).

OID is responsible for enforcing the provisions of this measure and may impose a penalty up to five thousand dollars ($5,000) for each violation or up to ten thousand dollars ($10,000) for each intentional violation. OID is a non-appropriated state agency and confirmed the fees above are expected to cover any increased administrative costs, not requiring additional budgetary resources. As a result, this measure has no direct impact on the state budget or appropriations.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.