STATE OF NEW YORK

3991

2025-2026 Regular Sessions

IN ASSEMBLY

January 30, 2025

Introduced by M. of A. FORREST -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to requirements for the usage of artificial intelligence in utilization review and management

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subsection (a) of section 107 of the insurance law is amended by adding a new paragraph 56 to read as follows:

(56) "Artificial intelligence" means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.

§ 2. The insurance law is amended by adding a new section 3224-e to read as follows:

§ 3224-e. Requirements for usage of artificial intelligence in utilization review and management. (a) A health care service plan or specialized health care service plan that uses an artificial intelligence, algorithm, or other software tool for the purpose of utilization review or utilization management functions, or that contracts with or otherwise works through an entity that uses an artificial intelligence, algorithm, or other software tool for the purpose of utilization review or utilization management functions, shall comply with this section and shall ensure all of the following:

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

(i) An enrollee's medical or dental history;

(ii) Individual clinical circumstances as presented by the requesting provider; and

(iii) Other relevant clinical information contained in the enrollee's medical or dental record.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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

(3) The use of the artificial intelligence, algorithm, or other software tool does not adversely discriminate, directly or indirectly, against an individual on the basis of race, color, religion, national origin, ancestry, age, sex, gender, gender identity, gender expression, sexual orientation, present or predicted disability, expected length of life, degree of medical dependency, quality of life, or other health conditions.

(4) The artificial intelligence, algorithm, or other software tool is fairly and equitably applied.

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

(6) Disclosures pertaining to the use and oversight of the artificial intelligence, algorithm, or other software tool are contained in the written policies and procedures.

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

(8) Patient data is not used beyond its intended and stated purpose, consistent with applicable state laws and the federal Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191).

(9) The artificial intelligence, algorithm, or other software tool does not directly or indirectly cause harm to the enrollee.

(b) Notwithstanding subsection (a) of this section, a denial, delay, or modification of health care services based on medical necessity shall be made by a licensed physician or other health care provider competent to evaluate the specific clinical issues involved in the health care services requested by the provider by considering the requesting provider's recommendation and based on recommendation, the enrollee's medical or dental history, as applicable, and individual clinical circumstances.

§ 3. This act shall take effect immediately.