

# STATE OF NEW YORK

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3991

2025-2026 Regular Sessions

## IN ASSEMBLY

January 30, 2025

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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:

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

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

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

9 § 3224-e. Requirements for usage of artificial intelligence in utilization  
10 review and management. (a) A health care service plan or specialized  
11 health care service plan that uses an artificial intelligence,  
12 algorithm, or other software tool for the purpose of utilization review  
13 or utilization management functions, or that contracts with or otherwise  
14 works through an entity that uses an artificial intelligence, algorithm,  
15 or other software tool for the purpose of utilization review or utilization  
16 management functions, shall comply with this section and shall  
17 ensure all of the following:

18 (1) The artificial intelligence, algorithm, or other software tool  
19 bases its determination on the following information, as applicable:  
20 (i) An enrollee's medical or dental history;  
21 (ii) Individual clinical circumstances as presented by the requesting  
22 provider; and  
23 (iii) Other relevant clinical information contained in the enrollee's  
24 medical or dental record.

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

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

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

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

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

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

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

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

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

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

32     § 3. This act shall take effect immediately.