Al Cutrona
State Senator
33rd District

Committees
Small Business & Economic Opportunity – Chair
Addiction & Community Revitalization
Education
Housing
Judiciary

Ohio Senate
Senate Building
1 Capitol Square
Columbus, Ohio 43215
(614) 466-8285

October 28, 2025

Senate Financial Institutions, Insurance & Technology Committee
Senate Bill 164 Sponsor Testimony

Chair Wilson, Vice Chair Lang, Ranking Member Craig, and members of the Senate Financial Institutions, Insurance & Technology Committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 164.

Senate Bill 164 is a legislative measure that would regulate the use of artificial intelligence (AI) by health insurers.

Currently, what we are seeing play out in real-time, is an overreliance on AI, by health plans, to deny claims using prior authorization. These denials are occurring right out the gate, neglecting a reliable mechanism of proper human oversight. In speaking with physicians in my district, this is a huge concern. My constituents believe that the use of AI, in this manner, overrides clinical judgment and causes patient harm.

It is extremely important to note that this legislation does not prohibit the usage of AI in making these decisions, rather, it promotes transparency across the board and requires the element of human oversight when approving or denying certain claims. Moreover, this legislation specifies that no health plan issuer shall make a decision regarding the care of a covered person, including the decision to deny, delay, or modify health care services based on medical necessity, based solely on results derived from the use or application of AI.

In the name of transparency, this legislation further requires that each health plan issuer, annually, on or before the first day of March, shall file a report with the superintendent of insurance covering all of the following information: Each

provider in the health plan issuer's network; the number of covered persons enrolled in health benefit plans issued by the health plan issuer in this state in the preceding calendar year, whether the health plan issuer used, is using, or will use artificial intelligence-based algorithms in utilization review processes for those health benefit plans and, if so, all of the following information:

(i) The algorithm criteria;

(ii) Data sets used to train the algorithm;

(iii) The algorithm itself;

(iv) Outcomes of the software in which the algorithm is used;

(v) Data on the amount of time a human reviewer spends examining an adverse determination prior to signing off on each such determination.

This idea that AI is leading to an increased number of prior authorization denials is not a new phenomenon. In fact, a November 2024 report, issued by The National Association of Insurance Commissioners' (NAIC), examined the increasing usage of AI by health insurance plans to augment utilization management review and approval processes. In a consensus statement, the NAIC concluded that the rapid increase of AI usage in health care requires additional regulation to ensure that consumers are protected from potential harm and discrimination, and further, the report encourages states to pass laws creating transparency about health plans use of AI.

While it's safe to say that there are many positive advantages to the usage of AI tools, such as reducing administrative burdens and the potential to improve patient care, conversely, there are many burdensome, unintended consequences as a corollary to AI usage. As mentioned, AI can be a tool – but cannot be the only tool.

In closing, I would like to reiterate that this is not a mandate that overtly disallows the usage of AI when making these decisions, instead, this legislation promotes transparency by requiring review with a set of human eyes.

Chairman Wilson, and members of the Financial Institutions, Insurance & Technology Committee, thank you again for the opportunity to testify, and I welcome any questions you may have at this time.