As Introduced

136th General Assembly Regular Session 2025-2026

H. B. No. 579

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Representative Schmidt

To amend section 3902.50 and to enact section

3902.80 of the Revised Code to regulate the use of artificial intelligence by health insurers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:	
Section 1. That section 3902.50 be amended and section	4
3902.80 of the Revised Code be enacted to read as follows:	5
Sec. 3902.50. As used in sections 3902.50 to 3902.72	6
3902.80 of the Revised Code:	7
(A) "Ambulance" has the same meaning as in section 4765.01	8
of the Revised Code.	9
(B) "Clinical laboratory services" has the same meaning as	10
in section 4731.65 of the Revised Code.	11
(C) "Cost sharing" means the cost to a covered person	12
under a health benefit plan according to any copayment,	13
coinsurance, deductible, or other out-of-pocket expense	14
requirement.	15
(D) "Covered" or "coverage" means the provision of	16
benefits related to health care services to a covered person in	17
accordance with a health benefit plan.	18
(E) "Covered person," "health benefit plan," "health care	19

services," and "health plan issuer" have the same meanings as in	20
section 3922.01 of the Revised Code.	21
(F) "Drug" has the same meaning as in section 4729.01 of	22
the Revised Code.	23
(G) "Emergency facility" has the same meaning as in	24
section 3701.74 of the Revised Code.	25
(H) "Emergency services" means all of the following as	26
described in 42 U.S.C. 1395dd:	27
(1) Medical screening examinations undertaken to determine	28
whether an emergency medical condition exists;	29
(2) Treatment necessary to stabilize an emergency medical	30
condition;	31
(3) Appropriate transfers undertaken prior to an emergency	32
medical condition being stabilized.	33
(I) "Health care practitioner" has the same meaning as in	34
section 3701.74 of the Revised Code.	35
section 3701.74 of the Revised Code.	33
(J) "Pharmacy benefit manager" has the same meaning as in	36
section 3959.01 of the Revised Code.	37
(K) "Prior authorization requirement" means any practice	38
implemented by a health plan issuer in which coverage of a	39
health care service, device, or drug is dependent upon a covered	40
person or a provider obtaining approval from the health plan	41
issuer prior to the service, device, or drug being performed,	42
received, or prescribed, as applicable. "Prior authorization	43
requirement" includes prospective or utilization review	44
procedures conducted prior to providing a health care service,	45
device, or drug.	46

(L) "Unanticipated out-of-network care" means health care	47
services, including clinical laboratory services, that are	48
covered under a health benefit plan and that are provided by an	49
out-of-network provider when either of the following conditions	50
applies:	51
(1) The covered person did not have the ability to request	52
such services from an in-network provider.	53
(2) The services provided were emergency services.	54
Sec. 3902.80. (A) As used in this section, "provider" has	55
the same meaning as in section 1751.01 of the Revised Code.	56
(B)(1) Each health plan issuer, annually, on or before the	57
first day of March, shall file a report with the superintendent	58
of insurance covering all of the following information:	59
(a) Each provider in the health plan issuer's network;	60
(b) The number of covered persons enrolled in health	61
benefit plans issued by the health plan issuer in this state in	62
the preceding calendar year;	63
(c) Whether the health plan issuer used, is using, or will	64
use artificial intelligence-based algorithms in utilization	65
review processes for those health benefit plans and, if so, all	66
of the following information:	67
(i) The algorithm criteria;	68
(ii) Data sets used to train the algorithm;	69
(iii) The algorithm itself;	70
(iv) Outcomes of the software in which the algorithm is	71
used;	72
(v) Data on the amount of time a human reviewer spends	73

examining an adverse determination prior to signing off on each	74
such determination.	75
(2) The health plan issuer shall submit the report in a	76
form prescribed by the superintendent. An officer of the health	77
plan issuer shall verify the contents of the report.	78
(3) The superintendent shall publish a copy of the report	79
on the web site of the department of insurance. The health plan	80
issuer shall publish a copy of the report on the health plan	81
issuer's publicly accessible web site.	82
(C)(1) No health plan issuer shall make a decision	83
regarding the care of a covered person, including the decision	84
to deny, delay, or modify health care services based on medical	85
necessity, based solely on results derived from the use or	86
application of artificial intelligence.	87
(2) A determination of medical necessity under a health	88
benefit plan must meet both of the following requirements:	89
(a) The determination is made by a licensed physician or a	90
provider that is qualified to evaluate the specific clinical	91
issues involved in the requested health care services.	92
(b) The determination takes into consideration the	93
requesting provider's recommendation, the covered person's	94
medical or other clinical history, and individual clinical	95
<u>circumstances.</u>	96
(3) Any physician who participates in a determination of	97
medical necessity or a utilization review process on behalf of a	98
health plan issuer shall open and document the review of the	99
individual clinical records or data prior to making an	100
individualized documented decision.	101

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(4) Any decision to deny, delay, or modify health care	102
services covered under a health benefit plan in which an	103
artificial intelligence-based algorithm is used shall be	104
accompanied by a plain language explanation of the rationale	105
used in making the decision.	106
(D) The superintendent may audit a health plan issuer's	107
use of an artificial intelligence-based algorithm at any time	108
and may contract with a third party for the purposes of	109
conducting such an audit.	110
(E) This section applies to health benefit plans issued,	111
amended, or renewed on or after the effective date of this	112
section.	113
Section 2. That existing section 3902.50 of the Revised	114
Code is hereby repealed.	115