

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 579

Representative Schmidt

To amend section 3902.50 and to enact section 1
3902.80 of the Revised Code to regulate the use 2
of artificial intelligence by health insurers. 3

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

(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 services, including clinical laboratory services, that are covered under a health benefit plan and that are provided by an out-of-network provider when either of the following conditions applies:

(1) The covered person did not have the ability to request such services from an in-network provider.

(2) The services provided were emergency services.

Sec. 3902.80. (A) As used in this section, "provider" has the same meaning as in section 1751.01 of the Revised Code.

(B) (1) 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:

(a) Each provider in the health plan issuer's network;

(b) The number of covered persons enrolled in health benefit plans issued by the health plan issuer in this state in the preceding calendar year;

(c) 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 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
circumstances. 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

(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