

1-1 By: Johnson S.B. No. 1822
1-2 (In the Senate - Filed March 3, 2025; March 13, 2025, read
1-3 first time and referred to Committee on Health & Human Services;
1-4 March 31, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 8, Nays 1; March 31, 2025,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Kolkhorst	X		
1-10	Perry	X		
1-11	Blanco	X		
1-12	Cook	X		
1-13	Hall		X	
1-14	Hancock	X		
1-15	Hughes	X		
1-16	Miles	X		
1-17	Sparks	X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1822 By: Blanco

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to the use of artificial intelligence-based algorithms in
1-22 utilization review conducted for certain health benefit plans.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subchapter D, Chapter 4201, Insurance Code, is
1-25 amended by adding Section 4201.156 to read as follows:

1-26 Sec. 4201.156. ARTIFICIAL INTELLIGENCE-BASED ALGORITHMS.

1-27 (a) An issuer of a health insurance policy or a health maintenance
1-28 organization that is the issuer of a health benefit plan shall
1-29 publish on a publicly accessible part of the issuer's Internet
1-30 website and provide in writing to each insured or enrollee, and to
1-31 any physician or health care provider contracting with the issuer
1-32 or providing services to an insured or enrollee, a written
1-33 disclosure regarding whether the issuer or the issuer's utilization
1-34 review agent uses artificial intelligence-based algorithms in
1-35 conducting utilization review.

1-36 (b) An issuer described by Subsection (a) or a utilization
1-37 review agent for an issuer described by Subsection (a) shall ensure
1-38 that any artificial intelligence-based algorithm used by the issuer
1-39 or agent in conducting utilization review and the training data
1-40 sets the algorithm uses:

1-41 (1) have minimized the risk of bias based on an
1-42 individual's race, color, religion, ancestry, age, sex, gender,
1-43 national origin, or disability; and

1-44 (2) comply with evidence-based clinical guidelines.

1-45 (c) Not later than December 31 of each year, an issuer
1-46 described by Subsection (a) or a utilization review agent for an
1-47 issuer described by Subsection (a) shall submit to the department
1-48 for review, in the form and manner prescribed by the commissioner,
1-49 an artificial intelligence compliance statement. The statement
1-50 must:

1-51 (1) summarize the function and scope of an artificial
1-52 intelligence-based algorithm used for utilization review;

1-53 (2) provide a logic or decision tree of an artificial
1-54 intelligence-based algorithm used for utilization review;

1-55 (3) provide a description of each training data set
1-56 used by an artificial intelligence-based algorithm for utilization
1-57 review, including the source of the data;

1-58 (4) attest that the artificial intelligence-based
1-59 algorithm and the algorithm's training data sets comply with
1-60 Subsection (b); and

(5) describe the issuer's or agent's process for overseeing and validating the artificial intelligence-based algorithm's performance and compliance with Subsection (b).

(d) If the commissioner has reason to believe that an issuer described by Subsection (a) or utilization review agent for an issuer described by Subsection (a) is not in compliance with this section, the commissioner may require additional documentation or conduct an inspection of:

(1) any artificial intelligence-based algorithm used by the issuer or agent in conducting utilization review; and

(2) each training data set the artificial intelligence-based algorithm uses.

(e) Information submitted to the department under this section is confidential and not subject to disclosure under Chapter 552, Government Code.

SECTION 2. This Act takes effect September 1, 2025.

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