2026 Regular Session

SENATE BILL NO. 246

BY SENATORS LUNEAU AND BARROW

HEALTH/ACC INSURANCE. Establishes requirements for health insurance issuers using artificial intelligence or automated decision systems. (8/1/26)

1   AN ACT

2   To amend and reenact R.S. 22:1260.44(E)(2) and to enact R.S. 22:1260.49 and 2401(4),

3   relative to the use of artificial intelligence and automated decision systems by

4   insurers; to provide for definitions; to provide for notice; to provide for utilization

5   review and determination by a human; to provide for appeals; to provide for

6   applicability; and to provide for related matters.

7   Be it enacted by the Legislature of Louisiana:

8   Section 1. R.S. 22:1260.44(E)(2) is hereby amended and reenacted and R.S.

9   22:1260.49 and 2401(4) are hereby enacted to read as follows:

10   §1260.44. Timeframes for determinations; concurrent review; retrospective review;

11   adverse determination

12   *   *   *

13   E.(1)   *   *   *

14   (2) A health insurance issuer shall include in its written or electronic

15   notification of an adverse determination all of the reasons for the determination,

16   including the clinical rationale, ~~and~~ the instructions for initiating an appeal or

17   reconsideration of the determination**, and whether artificial intelligence or an**

1   **automated decision system, as defined in R.S. 22:1260.49, was used in the**

2   **determination process**.

3   *   *   *

4   **§1260.49. Right to human review of health insurance claims**

5   **A.(1) "Artificial intelligence" as used in this Section means an**

6   **engineered or machine-based system that varies in its level of autonomy, can**

7   **receive input, and can, for explicit or implicit objectives, generate or infer how**

8   **to generate outputs, including but not limited to predictions, simulations, and**

9   **recommendations that can influence physical or virtual environments.**

10   **(2) "Automated decision system" as used in this Section means any**

11   **computational process derived from machine learning, statistical modeling, data**

12   **analytics, or artificial intelligence that issues simplified output, including but**

13   **not limited to a score, classification, or recommendation, that is used to assist**

14   **or replace human discretionary decision making and materially impacts a**

15   **natural person.**

16   **B. The provisions of this Section are applicable to insurers, pharmacy**

17   **benefit managers, or an independent review agent or organization that does**

18   **either of the following:**

19   **(1) Uses artificial intelligence or an automated decision system for**

20   **utilization review.**

21   **(2) Contracts with a carrier that uses artificial intelligence or an**

22   **automated decision system for the purpose of utilization review.**

23   **C.(1) No entity subject to this Section shall utilize an artificial**

24   **intelligence or an automated decision system that does any of the following:**

25   **(a) Engages in discrimination that is prohibited by federal or state law.**

26   **(b) Violates regulations or guidance disseminated by the United States**

27   **Department of Health and Human Services.**

28   **(c) Delays, denies, or modifies healthcare services.**

29   **(2) Artificial intelligence or an automated decision system used in the**

1 **determination process shall not base its determination or determination**

2 **recommendation solely on a group data set.**

3 **(3) Artificial intelligence or an automated decision system shall base its**

4 **determination or determination recommendation on any the following:**

5 **(a) The insured's medical or other clinical history.**

6 **(b) Individual clinical circumstances as presented by a requesting**

7 **provider.**

8 **(c) Other relevant clinical information contained in the insured's medical**

9 **or other clinical history.**

10 **D.(1)(a) An entity subject to this Section shall not replace the role of a**

11 **healthcare provider in the determination process with artificial intelligence or**

12 **an automated decision system.**

13 **(b) Any adverse determination shall be signed by a licensed physician**

14 **who personally reviewed the medical record and is responsible for the clinical**

15 **judgment.**

16 **(2) An entity subject to this Section shall do all of the following:**

17 **(a) Require independent judgment from human utilization review**

18 **personnel in the utilization review process before making an adverse**

19 **determination for either of the following:**

20 **(i) Any claim submitted by a provider based on medical necessity.**

21 **(ii) Any claim submitted by a provider for a procedure requiring prior**

22 **authorization.**

23 **(b) Comply with applicable regulations and guidance for artificial**

24 **intelligence or automated decision system use issued by the United States**

25 **Department of Health and Human Services.**

26 **(c) Review the performance, use, and outcomes of an artificial**

27 **intelligence or an automated decision system at a minimum of once per quarter,**

28 **and revise the policies and procedures as needed to ensure compliance with this**

29 **Section.**

1   **(d) Use patient data within its intended and stated purpose consistent**

2   **with the federal Health Insurance Portability and Accountability Act of 1996,**

3   **as applicable.**

4   **(3)(a) A health insurance issuer shall disclose to the enrollee and the**

5   **department when artificial intelligence or an automated decision system was**

6   **used in any part of a coverage determination or utilization review.**

7   **(b) The health insurance issuer shall document the extent to which any**

8   **artificial intelligence or automated decision system influenced the**

9   **determination.**

10   **E.(1) Any insured has the right to appeal a determination that he has**

11   **learned was made with a recommendation from an artificial intelligence or an**

12   **automated decision system.**

13   **(2) Any adverse determination in which artificial intelligence or an**

14   **automated decision system materially contributed to the determination shall be**

15   **presumed invalid unless the health insurance issuer demonstrates that the**

16   **determination was independently reached through documented clinical**

17   **judgment without reliance upon algorithmic output.**

18   **(3) If an adverse determination is appealed on the basis of the use of an**

19   **artificial intelligence or an automated decision system, the insurer shall not use**

20   **an artificial intelligence or an automated decision system in any subsequent**

21   **review of the claim.**

22   **F.(1) An entity subject to this Section shall allow the commissioner to**

23   **inspect and audit the artificial intelligence or automated decision system for**

24   **compliance with this Section and review policies and procedures for how the**

25   **artificial intelligence or automated decision system is used in the determination**

26   **process.**

27   **(2) The commissioner may require submission and independent review**

28   **of any artificial intelligence or automated decision system used in utilization**

29   **review.**

1   **(3) Upon request of the commissioner, a health insurance issuer shall**

2   **disclose the data sources, training parameters, and validation methods used to**

3   **develop any artificial intelligence or automated decision system used in coverage**

4   **determinations.**

5   **(4) The health insurance issuer shall pay for any independent review that**

6   **the commissioner deems necessary.**

7   *   *   *

8   §2401. Requirements of federal laws and regulations; minimum requirements

9   Health insurance issuers shall implement effective processes for appeals of

10   coverage determinations and claims. The processes shall comply with any applicable

11   federal law or regulation. Under such processes, a health insurance issuer shall, at a

12   minimum:

13   *   *   *

14   **(4) Allow covered persons, upon request, to review and have copies of all**

15   **documents relevant to any artificial intelligence or an automated decision**

16   **system as defined in R.S. 22:1260.49(A)(1) used in the utilization review or**

17   **determination process.**

18   Section 2. The provisions of this Act shall apply to any new policy, contract,

19   program, or health coverage plan issued on or after January 1, 2027. Any policy, contract,

20   or health coverage plan in effect prior to January 1, 2027, shall convert to conform to the

21   provisions of this Act on or before the renewal date, but no later than January 1, 2028.

DIGEST
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Present law provides procedures for utilization review determinations by healthcare insurers.
Further provides for appeals from the utilization review decision. Proposed law retains
present law.

Present law requires a healthcare insurer to provide written or electronic notice to an insured
of an adverse utilization review determination and the reasons for the adverse determination.
Proposed law retains present law.

Coding: Words which are ~~struck through~~ are deletions from existing law;
words in **boldface type and underscored** are additions.

Proposed law requires a healthcare insurer to inform an insured if artificial intelligence or automated decision systems were used in the determination process.

Proposed law defines artificial intelligence.

Proposed law defines automated decision systems.

Proposed law provides requirements for the use of artificial intelligence or automated decision systems in utilization review.

Proposed law provides that artificial intelligence and automated decision systems shall not replace the role of a healthcare provider in the utilization review determination.

Proposed law requires independent judgment from human utilization review personnel before making an adverse determination for a claim based on medical necessity or a procedure requiring prior authorization.

Proposed law requires compliance with applicable regulations and guidance from the United States Department of Health and Human Services.

Proposed law requires compliance with the Health Insurance and Portability Act of 1996.

Proposed law provides that an insured has a right to appeal an adverse determination made with a recommendation from artificial intelligence or automated decision systems.

Proposed law forbids the use of artificial intelligence or automated decision systems in any subsequent review of an adverse determination that used artificial intelligence.

Proposed law allows an insured as part of the appeals process to review and have copies of all documents relevant to any artificial intelligence or automated decision systems used in the utilization review or determination process.

Effective August 1, 2026.

(Amends R.S. 22:1260.44(E)(2); adds R.S. 22:1260.49 and 2401(4))

Summary of Amendments Adopted by Senate

    Committee Amendments Proposed by Senate Committee on Insurance to the original bill

1.   Define "automated decision systems".

2.   Regulate the use of automated decision systems by health insurance issuers.

3.   Require a licensed physician to sign any adverse determination.

4.   Require disclosure when an artificial intelligence or automated decision system was used in any part of a coverage determination or utilization review.

5.   Invalidate an adverse determination in which an artificial intelligence or an automated decision system materially contributed to the determination unless the health insurance issuer demonstrates the determination was independently reached.

6.   Allow the commissioner to inspect and audit the artificial intelligence or automated decision system for compliance and require the health insurance

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issuer to disclose certain information.

7.   Allow the commissioner to require an independent review paid for by the health insurance issuer.

8.   Make proposed law applicable to policies issued after Jan. 1, 2027.

9.   Make technical changes.

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