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LC003250/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO INSURANCE -- THE TRANSPARENCY AND ACCOUNTABILITY IN
ARTIFICIAL INTELLIGENCE USE BY HEALTH INSURERS TO MANAGE COVERAGE
AND CLAIMS ACT

Introduced By: Senators Ujifusa, Gu, Ciccone, Lawson, Tikoian, DiMario, Valverde,
DiPalma, Zurier, McKenney, and Burke

Date Introduced: January 09, 2026

Referred To: Senate Artificial Intelligence & Emerging Tech

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 27 of the General Laws entitled "INSURANCE" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 84

4 THE TRANSPARENCY AND ACCOUNTABILITY IN ARTIFICIAL INTELLIGENCE USE
5 BY HEALTH INSURERS TO MANAGE COVERAGE AND CLAIMS ACT

6 **27-84-1. Short title and purpose.**

7 (a) This chapter shall be known and may be cited as "The Transparency and Accountability
8 in Artificial Intelligence Use by Health Insurers to Manage Coverage and Claims Act."

9 (b) The purpose of this chapter is to regulate the use of artificial intelligence ("AI") by
10 health insurers to ensure transparency, accountability and compliance with state and federal
11 requirements for non-administrative claims and coverage management.

12 **27-84-2. Definitions.**

13 As used in this chapter, the following terms shall have the following meanings, unless the
14 context clearly indicates otherwise:

15 (1) "Adverse benefit determination" means a decision not to authorize coverage for a
16 healthcare service, including a denial, reduction, or termination of, or a failure to provide or make
17 a payment, in whole or in part, for a benefit. A decision by a utilization-review agent to authorize
18 a healthcare service in an alternative setting, a modified extension of stay, or an alternative

1 treatment shall not constitute an adverse benefit determination if the review agent and ordering
2 provider are in agreement regarding the decision. "Adverse benefit determination" includes:

3 (i) "Administrative adverse benefit determination," meaning any adverse benefit
4 determination that does not require the use of medical judgment or clinical criteria such as a
5 determination of an individual's eligibility to participate in coverage, a determination that a benefit
6 is not a covered benefit, or any rescission of coverage; and

7 (ii) "Non-administrative adverse benefit determination," meaning any adverse benefit
8 determination that requires or involves the use of medical judgement or clinical criteria to
9 determine whether the service being reviewed is medically necessary and/or appropriate. This
10 determination includes the denial of treatments determined to be experimental or investigational,
11 and any denial of coverage of a prescription drug due to the fact that the drug is not on the insurer's
12 formulary.

13 (2) "Artificial intelligence" means a machine-based system that can, for a given set of
14 human-defined objectives, make predictions, recommendations or decisions influencing real or
15 virtual environments. Artificial intelligence systems use machine and human-based inputs to:

16 (i) Perceive real and virtual environments;

17 (ii) Abstract such perceptions into models through analysis in an automated manner; and

18 (iii) Use model inference to formulate options for information or action.

19 (3) "Enrollee" means an individual who has health insurance coverage through an insurer.

20 (4) "Insurer" means an insurance company licensed, or required to be licensed, by the State
21 of Rhode Island or other entity subject to the jurisdiction of the commissioner, that contracts or
22 offers to contract, or enters into an agreement to provide, deliver, arrange for, pay for, or reimburse
23 any of the costs of healthcare services, including, without limitation: a for-profit or nonprofit
24 hospital, medical or dental service corporation or plan, a health maintenance organization, a health
25 insurance company, a healthcare entity as defined in 27-18.9-2, or any other entity providing a plan
26 of health insurance, accident and sickness insurance, health benefits, or healthcare services. Insurer
27 includes any agent or contracted entity acting on behalf of the insurer in the administration, review,
28 or determination of healthcare claims or coverage.

29 (5) "Medically necessary care" means a medical, surgical, or other service required for the
30 prevention, diagnosis, cure, or treatment of a health-related condition including any such services
31 that are necessary to prevent or slow a decremental change in either medical or mental health status.

32 (6) "Provider" means a physician, hospital, professional provider, pharmacy, laboratory,
33 dental, medical, or behavioral health provider or other state-licensed or other state-recognized
34 provider of health care or behavioral health services or supplies.

1 **27-84-3. Requirements.**

2 (a) Transparency.

3 (1) Insurers subject to this chapter shall disclose to the office of the health insurance
4 commissioner ("OHIC") and the department of business regulation ("DBR") how they use artificial
5 intelligence to manage healthcare claims and coverage including, but not limited to, the types of
6 artificial intelligence models used, the role of artificial intelligence in the decision-making process,
7 training datasets, performance metrics, governance and risk management policies, and the decisions
8 on healthcare claims and coverage where artificial intelligence made, or was a substantial factor in
9 making, the decisions.

10 (2) Insurers shall submit to the office of the health insurance commissioner and the
11 department of business regulation, upon request, all information, including documents and
12 software, that permits enforcement of this chapter.

13 (3) Insurers shall maintain documentation of artificial intelligence decisions for at least five
14 (5) years including adverse benefit determinations where artificial intelligence made, or was a
15 substantial factor in making, the adverse benefit determination.

16 (b) DBR/OHIC reporting.

17 (1) DBR/OHIC shall provide an initial report to the governor, the senate president and the
18 speaker of the house on the use of artificial intelligence by health insurers within eighteen (18)
19 months of the effective date of this chapter and annually thereafter.

20 (2) The annual report shall state how health insurers use artificial intelligence to manage
21 claims and coverage. The report shall state, for each insurer:

22 (i) The types of artificial intelligence models used;

23 (ii) The role of artificial intelligence in the decision-making process to approve or deny
24 healthcare claims or coverage whenever artificial intelligence is used to make, or is a substantial
25 factor in making, a decision on healthcare claims or coverage;

26 (iii) Information regarding training, testing, and risk management including data
27 governance measures used to cover the training data sets and the measures used to examine the
28 suitability of data sources, possible biases and appropriate mitigation; and

29 (iv) Performance metrics including: number of claims; percentage of claims accepted and
30 denied; the average time claim reviewers and medical professional reviewers spend on each claim
31 and on denials of claims; percentage of claims appealed; and percentage of denials reversed.

32 **27-84-4. Non-administrative adverse benefit determination review.**

33 (a) Any non-administrative adverse benefit determination where an artificial intelligence
34 system made, or was a substantial factor in making, that determination regarding medically

1 necessary care shall be reviewed and approved by a provider with the same license status of the
2 ordering professional provider before being finalized, with documentation of their rationale
3 included in the enrollee's case record. Failure to follow the requirements set forth in this subsection
4 shall render the non-administrative adverse benefit determination invalid and require
5 reconsideration in compliance with this subsection.

6 (b) Appeals of non-administrative adverse benefit determinations made by an artificial
7 intelligence system regarding medically necessary care that has been reviewed and approved by a
8 provider with the same license status of the ordering professional provider shall comply with the
9 appeals process set forth in chapter 18.9 of title 27.

10 **27-84-5. Enforcement.**

11 (a) OHIC, in collaboration with DBR, shall promulgate rules and regulations that may be
12 necessary to effectuate the purposes and implementation of this chapter.

13 (b) The total cost of complying with the requirements of this chapter and the applicable
14 rules and regulations shall be borne by the insurer.

15 **27-84-6. Severability.**

16 If any provision of this chapter is found unconstitutional, preempted, or otherwise invalid,
17 that provision shall be severed, and such decision shall not affect the validity of the remaining
18 provisions of this chapter.

19 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO INSURANCE -- THE TRANSPARENCY AND ACCOUNTABILITY IN
ARTIFICIAL INTELLIGENCE USE BY HEALTH INSURERS TO MANAGE COVERAGE
AND CLAIMS ACT

- 1 This act would promote transparency and accountability in the use of artificial intelligence
- 2 by health insurers to manage coverage and claims.
- 3 This act would take effect upon passage.

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