



Maryland  
Hospital Association

**House Bill 697 - Health Insurance - Artificial Intelligence, Adverse Decisions, and  
Grievances - Reporting Requirements**

**Position: *Support***

February 13, 2025

House Health & Government Operations Committee

**MHA Position:**

On behalf of the Maryland Hospital Association's (MHA) member hospitals and health systems, we appreciate the opportunity to comment in support of House Bill 697. HB 697 enhances transparency and accountability in health insurance decision-making by requiring carriers to report their use of artificial intelligence (AI) or automated decision-making systems to the Maryland Insurance Administration quarterly.

Maryland hospitals are committed to delivering high-quality, patient-centered care. A critical part of that commitment involves ensuring that decisions affecting patients' access to care are made fairly and transparently. As health insurance carriers increasingly rely on AI-driven technologies to determine coverage eligibility, pre-authorization requirements, and claims approvals, it is essential that these processes remain accountable to the public and policymakers.

HB 697 strengthens oversight of AI-driven decision-making, ensuring that patients are not unfairly denied care due to opaque or flawed algorithms. By requiring insurers to disclose how AI is used and its impact on adverse decisions, this bill promotes accountability and enables a meaningful evaluation of these technologies' effects on health care access.

Transparency in insurance decision-making is especially critical for Maryland hospitals, which often bear the burden of uncompensated care when patients face improper denials or delays in coverage. By increasing visibility into insurers' use of AI and automation, HB 697 helps protect patients and ensures health care providers can continue delivering timely, necessary care without unnecessary administrative barriers.

Maryland hospitals and health systems support HB 697 and its efforts to increase transparency in insurance decision-making, particularly in the context of AI-driven technologies. This is crucial to ensure fair and accurate coverage decisions, which directly impact patient care and hospital operations. We look forward to our continued partnership with the state and the legislature to ensure access to affordable, comprehensive health insurance coverage for all Marylanders.

For these reasons, we request a favorable report on HB 697.

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