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Hon. Patty Kim
Chair, House Insurance Committee
38A East Wing
P.O. Box 202103
Harrisburg, PA 17120-2103

RE: AI Transparency in Health Insurance

Dear Chair Kim:

On behalf of AHIP and our members, I appreciate the opportunity to help inform policy discussions on the role of emerging technologies, such as artificial intelligence (AI), in health care. As AI becomes increasingly integrated into daily life, it is essential to develop balanced policies that allow AI's potential to be realized while fostering trust among patients and stakeholders.

Used responsibly, AI has the potential to improve health outcomes, increase access, and achieve meaningful operational efficiencies to lower costs. However, we recommend that any potential AI legislation focus on risk-based approaches built on national, industry-utilized standards to protect patients and consumers. Public-private partnerships are also critical for building trust and educating consumers about emerging technologies.

Health Plan Use of AI

Health plans are currently using AI tools in several ways:

- **Consumer-facing:** AI enhances customer service by using predictive analytics and chatbots, allowing faster and more accurate responses.
- **Clinical:** AI analyzes data to support disease management and preventative care. By identifying patient risks early, AI can improve outcomes and reduce costs.
- **Administrative:** AI enables smarter operations, such as automating claims processing, reducing fraud, and optimizing provider credentialing. These efficiencies can reduce insurance premium growth and improve health plan operations.

Defining AI in Health Care

Many health plans use basic coded technologies for administrative tasks like managing enrollment records and claims processing, which should not be classified as AI. Defining what

constitutes an AI-based solution is critical to avoid unnecessary regulation of low-risk systems. Policymakers should look to the National Institute of Standards and Technology (NIST) for guidance on AI definitions and avoid broad terms like “algorithms.”

Efficacy, Accuracy, and Transparency

Ensuring AI is effective, accurate, and transparent is essential to maintaining public trust. Health plans prioritize transparency by educating patients on how AI is used and ensuring privacy protections under frameworks like HIPAA.

Trust is the foundation of AHIP members’ engagement with patients and consumers. Health plans build and maintain this trust today in numerous ways, including by protecting the privacy of patient information and promoting tools and resources to support patients’ active engagement in their health and well-being.

Transparency is a key enabler of trust and is a critical component of successful deployment and use of AI. Patient, consumer, and caregiver education is critical to helping individuals better understand what AI is and how it might be used. The core principles of AI transparency and explainability go hand-in-hand and will provide consumers and other end-users with useful, actionable information. For example, developers of high-risk AI tools can utilize plain language examples of how the AI tool was designed and how it forms the basis of its decisions. As appropriate, AI developers and deployers can also provide information on the data used to train the AI tool to contribute to transparency efforts.

However, it is critical to balance the goal of fostering explainability with the need to protect certain types of information. In considering approaches to appropriate AI transparency, it is essential to protect proprietary information, such as intellectual property and trade secrets, as well as confidential information

Minimizing Bias and Preventing Discrimination

Defining when AI bias requires remediation is essential, and collaboration between stakeholders can guide the development of best practices. Additionally, accountability for AI outcomes should be clearly defined without stifling innovation.

As you consider whether additional safeguards are necessary to protect against the potential risks of AI, such as algorithmic bias/discrimination, we encourage you to consider how existing laws may already provide protection. Rather than develop potentially duplicative and conflicting laws and regulations, the federal government and states should work together to clearly define where existing policies apply to the use of AI. Furthermore, more work is needed to define algorithmic bias and develop standards on which to measure bias and minimize it.

Standards and Frameworks

AI oversight should use existing national standards to avoid duplication. For example, the NIST AI Risk Management Framework provides a foundation for managing AI-related risks. As AI impacts various industries, a risk-based approach that distinguishes high-risk AI from low-risk applications will be critical. Stakeholders in the private sector have been collaborating for several years to develop governance, ethical, and practice standards for organizations developing and deploying AI to lead the way in protecting consumers while fostering AI.

In conclusion, AI offers significant opportunities to improve health care, and a thoughtful approach is necessary to ensure these benefits are realized. AHIP looks forward to working with you and other stakeholders to promote a strong, resilient health care system that effectively and safely deploys AI.

Sincerely,



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AHIP is the national association whose members provide insurance coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.